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ENERGY AND ENVIRONMENT UPDATE April 29, 2013

ENERGY AND CLIMATE DEBATE

This past week was very busy for energy and environment issues both on and off Capitol Hill. As we reported last week, Sen. Coons introduced the Master Limited Partnership Parity Act (S. 795) on Wednesday. The following day, members of the Senate Finance Committee had their weekly, bipartisan meeting on tax reform; this past week's meeting focused on energy policy. While no details of the discussion have been released, the Committee put out an options paper outlining measures it could potentially consider. The same day, several senators circulated a discussion draft of a bill on nuclear waste management. Off the Hill, the IRS released, as anticipated, updated guidance on Thursday on the definition of under construction for the production and investment tax credits. Additional information on all of these issues has been attached.

In addition, Congress has moved forward on a few issues while stalling on others. House Natural Resources Committee favorably reported H.R. 3, the Northern Route Approval Act, out of committee. Republican leaders hope to vote on the bill on the House floor before the Memorial Day break. Meanwhile, in the Senate, the nominations of Dr. Ernest Moniz to be Energy Secretary and of Gina McCarthy to be Environmental Protection Agency (EPA) Administrator have been stalled. Moniz's nomination, which was expected by some to be voted on the Senate floor this past week, was delayed due to a hold placed on the nomination by Sen. Lindsey Graham (R-SC). The Senate Environment and Public Works Committee will likely vote on McCarthy's nomination when Congress returns from its week long recess.

CONGRESS

Wyden Praises Hydropower

On April 22, Senate Energy and Natural Resources Chairman Ron Wyden (D-OR) addressed the National Hydropower Association, praising the role of hydropower. He called on existing dams to generate an additional 60 gigawatts of power by 2025. Currently, only 3 percent of the total 80,000 dams in the U.S. use hydropower. He identified hydropower as a significant way to address climate issues, and he pledged to make hydropower legislation a priority.

Senate Hearing on Hydropower

On April 23, the Senate Energy and Natural Resources held a hearing to consider several bills designed to streamline the permitting process for small hydropower projects, including S. 306 and H.R. 679, Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act; S. 545, the Hydropower Improvement Act of 2013; and H.R. 267, Hydropower Regulatory Efficiency Act of 2013. Federal Energy Regulatory Commission (FERC) Office of Energy Projects Director Jeff Wright praised the legislative proposals but warned that outside factors and other regulations, like the Clean Water Act, require collaboration with other agencies. This collaboration slows the permitting process. At the hearing, Ranking Member Lisa Murkowski (R-AK) said she anticipates the President will sign legislation on either hydropower or energy efficiency, if not both, this year.

Baucus to Retire, Committee Leadership Shakeup

On April 23, Sen. Max Baucus (D-MT) announced he would not seek a seventh term in November 2014. His announcement was significant since he chairs the Senate Finance Committee, the committee that oversees all tax policy including energy taxes. Next in line on the Democratic side following retiring Sen. Jay Rockefeller (D-WV) is Sen. Ron Wyden (D-OR), current Chairman of the Senate Energy and Natural Resources Committee. While it is still too early to start thinking about chairmanships in the next Congress, Sen. Baucus's retirement announcement could cause a leadership shakeup. Should Sen. Wyden decide to chair the Finance Committee, the next Democrat in line to chair the Senate Energy Committee is Sen. Mary Landrieu (D-LA) although she is up for reelection in 2014. Behind Sen. Landrieu on the Energy and Natural Resources Committee is Sen. Maria Cantwell (D-WA). It will be interesting to see the difference between a Landrieu or a Cantwell chairmanship and the Wyden chairmanship in terms of style and policy priorities if the shakeup occurs. In addition, there is the possibility of a Republican takeover of the Senate. Senate Energy and Natural Resources Ranking Member Lisa Murkowski (R-AK), who will be term limited in that role at the end of this session as per party rules, would be first in line to chair the committee.

Hoeven, Boxer on EPA's Keystone Comments

On April 23, Sen. John Hoeven (R-ND) and Sen. Barbara Boxer (D-CA) discussed comments made by the Environmental Protection Agency (EPA) during the public comment period of the State Department's draft environmental review of the Keystone XL pipeline. The EPA said in comments filed April 22 that the State Department should further examine alternative routes, community impacts, greenhouse gas emissions, and spill risks. Sen. Hoeven criticized the comments, asking the administration set a firm deadline for the decision. Sen. Boxer praised the comments and said the EPA told the truth about the risks associated with the pipeline.

Hold on Moniz Nomination

On April 23, Sen. Lindsey Graham (R-SC) announced he placed a hold on the nomination of Dr. Ernest Moniz to be Secretary of Energy. He cited concerns surrounding the administration's plan in the fiscal year 2014 (FY14) budget to slow construction of the Mixed Oxide (MOX) Fuel Fabrication Facility in South Carolina. The budget also cuts the program by \$115 million from 2012 levels. Sen. Graham said he would lift the hold if the Department pledges to continue the program.

Senate Confirms Burwell as OMB Head

On April 24, the Senate voted to confirm Sylvia Burwell to be the Office of Management and Budget (OMB) Director by a vote of 96-0. The Senate Budget Committee and Senate Homeland Security and Government Affairs Committee both considered and voted on Burwell's nomination two weeks ago. Burwell previously served as Deputy Director of OMB in the Clinton Administration, as President of Global Development at the Bill and Melinda Gates Foundation, and President of the Walmart Foundation.

MLP Legislation Introduced

On April 24, Sen. Chris Coons (D-DE) introduced [S. 795, the Master Limited Partnerships Parity Act](#), which would extend MLPs to clean and renewable energy companies. Oil and gas projects are already able to leverage capital through this financing option. The bill has had bipartisan support both in and out of Congress: the American Petroleum Institute and 236 renewable energy groups have expressed support while Sen. Jerry Moran (R-KS), Sen. Lisa Murkowski (R-AK), and Sen. Debbie Stabenow (D-MI) have cosponsored the bill. Rep. Ted Poe (R-TX) introduced the companion bill, H.R. 1696, in the House. Attached is a summary of the legislation.

Senate Reviews EPA FY14 Budget

On April 24, Senate Appropriations Subcommittee on Interior, Environment, and Related Agencies held a hearing on the requested fiscal year 2014 (FY14) budget for the Environmental Protection Agency (EPA). Acting Administrator Bob Perciasepe testified before the committee, defending budgetary choices. Several Senators expressed concerns about specific issues, including state revolving funds and aerial monitoring. Subcommittee Ranking Member Lisa Murkowski (R-AK) asked about a recent U.S. Court of Appeals decision upholding the agency's authority to retroactively veto U.S. Army Corps of Engineers permits issued under the Clean Water Act; Perciasepe said it is an authority that is hardly used, noting the EPA has vetoed only 20 permits under this authority since the 1970s.

Committee Approves Keystone XL Legislation

On April 24, the House Natural Resources Committee became the second committee to approve H.R. 3, the Northern Route Approval Act, which would waive both the presidential permit and the State Department supplemental environmental review for the Keystone XL pipeline. The committee voted 24-17 in favor of the bill. The bill will be sent to the House Transportation and Infrastructure Committee for consideration. Republican leaders have said they hope the House will vote on the bill before Memorial Day.

Energy Tax Reform Options Paper Released

On April 25, the Senate Finance Committee published [an options paper](#) as part of its weekly meeting on tax reform. The paper outlined potential opportunities for energy tax reform to ensure long-term solutions. Options for energy reform include pushing for accelerated depreciation for alternative energy assets, eliminating temporary tax breaks, replacing existing tax breaks with new, generalized incentives and removing all existing tax breaks for energy projects and companies. Attached is the options paper released by the Senate Finance Committee.

Senate Hearing on Water and Energy Nexus

On April 25, the Senate Energy and Natural Resources Committee held a hearing on federal and state efforts to reduce water usage in energy production. Witnesses advocated for legislation to address concerns about how the recent drought will impact energy generation as well as for legislation specifically outlining the role of agencies in this area. The witnesses also recommended agencies collaborate more; Ranking Member Lisa Murkowski (R-AK) echoed the panelists, saying the Departments of the Interior and Energy could collaborate to avoid conflicts.

Energy Efficiency and Hydropower Bills Markup Scheduled

On April 25, the Senate Energy and Natural Resources Committee announced it will host a business meeting on May 8 to markup five bills related to energy efficiency and hydropower. The bills considered will be S. 306 and H.R. 679, Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act; S. 545, the Hydropower Improvement Act of 2013; H.R. 267,

Hydropower Regulatory Efficiency Act of 2013; and S. 761, Energy Savings and Industrial Competitiveness Act of 2013 (“Shaheen-Portman”).

Reid Announces Floor Plans For Shaheen-Portman

On April 25, Senate Majority Leader Harry Reid (D-NV) said he plans on considering S. 761, the Energy Savings and Industrial Competitiveness Act (“Shaheen-Portman”), on the Senate floor but does not know when it will be brought to the floor. The Senate Energy and Natural Resources Committee is scheduled to markup the bill on May 8. A version of the bill was approved by the Senate Energy and Natural Resources Committee in the 112th Congress but was never considered by the full chamber. Shaheen-Portman, named after sponsors Sen. Jeanne Shaheen (D-NH) and Sen. Rob Portman (R-OH), would promote energy efficiency upgrades in commercial and federal buildings and in building codes.

Nuclear Waste Management Draft Circulated

On April 25, Senate Appropriations Subcommittee on Energy and Water Development Chairman Dianne Feinstein (D-CA) and Ranking Member Lamar Alexander (R-TN) along with Senate Energy and Natural Resources Chairman Ron Wyden (D-OR) and Ranking Member Lisa Murkowski (R-AK) released [a discussion draft](#) on a comprehensive nuclear waste management bill. The legislation would implement the recommendations put forward by the Blue Ribbon Commission on America’s Nuclear Future, including establishing a new agency to manage waste. The bill also includes language establishing the Working Capital Fund in the Department of the Treasury which would collect and deposit utilities’ fees. In addition, the legislation balances short-term storage and a long-term repository with language on interim facilities. Attached is the discussion draft.

Request for GAO Nuclear Disposal Plan

On April 25, the Chairman of the Energy and Commerce Committee Reps. Fred Upton (R-MI) and the Chairman of the Energy and Commerce Subcommittee on Environment and the Economy John Shimkus (R-IL) wrote the Government Accountability Office (GAO) to request an analysis of the costs and liability effects of the Obama Administration’s nuclear waste storage plan.

Science Hearing on Federal Fracking Research

On April 26, the House Science, Space, and Technology Subcommittees on Energy and Environment jointly held a hearing on research on hydraulic fracturing funded by the federal government. An executive order was released last year on collaboration between the Department of Energy, the Department of the Interior, and the Environmental Protection Agency (EPA) on hydraulic fracturing. In FY13, the Department of Energy will spend \$10 million on fracking research, the Interior Department’s U.S. Geological Survey (USGS) will spend \$8.6 million, and the EPA will spend \$6.1 million. However some members, including Rep. Cynthia Lummis (R-WY), said the agencies have continued to spend money on research despite never releasing a draft research plan and final plan due in October 2012 and January 2013 respectively.

SEEC Task Force Leadership Announced

On April 26, the House Sustainable Energy and Environment Coalition (SEEC) announced the leadership for its three task forces. The task forces are designed to create policies on their specific topics to promote clean energy technology and address climate change. The Climate Task Force will be chaired by Rep. Scott Peters (D-CA), the Energy Task Force will be led by Rep. Jim Langevin (D-RI), and the Environment Task Force will be chaired by Rep. Judy Chu (D-CA).

Bills Introduced

- On April 22, Sen. Kirsten Gillibrand (D-NY) and Sen. Mike Johanns (R-NE) introduced S. 775, the Mechanical Insulation Installation Incentive Act. The bill would incentivize new construction and retrofit projects by creating a 30 percent tax credit for commercial, industrial, and manufacturing facilities, including power plants and schools.
- On April 23, Senate Energy and Natural Resources Chairman Ron Wyden (D-OR) and Ranking Member Lisa Murkowski (R-AK) introduced S. 738, the Helium Stewardship Act of 2013. The bill would provide continued access to the Federal Helium Reserve by creating three phases: one where it operates under the current system through the end of September 2014, one establishing an annual auction of 10 percent of the reserves beginning in FY15, and one keeping the reserve open only for federal customers.
- On April 24, Sen. Chris Coons (D-DE) introduced S. 795, the Master Limited Partnerships Parity Act. The legislation was sponsored by Sen. Jerry Moran (R-KS), Sen. Lisa Murkowski (R-AK), and Sen. Debbie Stabenow (D-MI). The House version of the bill, H.R. 1696, was introduced by Rep. Poe (R-TX) along with Rep. Peter Welch (D-VT), Rep. Mike Thompson (D-CA), Rep. Chris Gibson (R-NY), Rep. Cory Gardner (R-CO), and Rep. Earl Blumenauer (D-OR).
- The same day, Rep. Eliot Engel (D-NY) introduced H.R. 1700, the Nuclear Disaster Preparedness Act, along with Rep. Nita Lowey (D-NY) and Rep. Donald Payne Jr. (D-NJ). The legislation requires the President to designate one agency as the coordinator of federal response to nuclear disasters. It would also require the development of an evacuation plan of up to 50 miles as well as improvements to current plans for places within 10 miles of a nuclear power plant.
- The same day, Rep. Ben Ray Lujan (D-NM) introduced H.R. 1711, a bill to authorize federal funding for Cooperative Research and Development Agreements (CRADA) between businesses and the Department of Energy National Laboratories to support technology transfers. The legislation includes language to create a fund and would authorize \$20 million per year for five years.

Upcoming Hearings

The House and Senate are both out of session for a one week recess.

ADMINISTRATION

Donilon Highlights Role of Energy, Climate

On April 24, National Security Adviser Tom Donilon addressed the launch of the Center on Global Energy Policy at Columbia University, stressing the importance of energy and environment in the national security debate. He said these two issues are critical and can impact the formation of U.S. foreign policy.

DEPARTMENT OF ENERGY

Secretary Chu Leaves Energy Department

On April 22, Energy Secretary Steven Chu stepped down. He became the longest serving Secretary of Energy in February of this year. He will return to Stanford University. Deputy Secretary Dan Poneman will serve as Acting Secretary until nominee Dr. Ernest Moniz is confirmed by the full Senate.

Shale Gas Research MOU Signed

On April 23, the Department of Energy National Energy Technology Laboratory (NETL) and the National Institute for Occupational Safety and Health (NIOSH) signed a memorandum of understanding on natural gas research. The two will collaborate to develop modeling tools to analyze hydraulic fracturing risks and associated greenhouse gas emissions.

Poneman Pushes Carbon Capture Development

On April 24, Acting Secretary of Energy Daniel Poneman advocated for continued research and development of carbon capture and sequestration technologies for coal-fired power plants. Speaking at the launch event for the Center on Global Energy Policy at Columbia University, Poneman pushed for continued funding for these technologies despite decreased consumption of coal; \$6 billion has already been invested by the federal government. He warned that coal continues to provide electricity for much of the world, including the U.S. In 2011, the Energy Information Administration (EIA) found coal supplied the U.S. with 42 percent of its electricity. Poneman said carbon capture technology must be developed and made more affordable.

ENVIRONMENTAL PROTECTION AGENCY

Potential Regulation of Coal Ash as Solid Waste

On April 19, the Environmental Protection Agency (EPA) proposed a rule on effluent limits for coal ash for power plants, aligning regulatory and implementation requirements. The rule would limit toxic pollutant discharges from coal, natural gas, nuclear, and oil-fired power plants that produce more than 50 megawatts of power. The proposal means the agency may shift away from considering coal ash as a hazardous waste to considering it as a solid waste. Public comment period will be open for 60 days, and already several industry groups, including Utility Solid Waste Activities Group and Headwaters Inc., have expressed support for the rule. A final rule is not expected until after 2013 unless litigation requires the EPA to release the rule sooner.

States Write Brief for Cross-State Rule Case

On April 19, nine states and six cities filed a brief to the U.S. Supreme Court on an appeals court's 2012 decision to vacate the Environmental Protection Agency's (EPA's) Cross-State Air Pollution Rule. The EPA and several environmental groups appealed the decision to the Supreme Court. The brief said states have the capability to create modeling on air quality; the states also said the decision removed an essential tool for downwind states to comply with the Clean Air Act. The rule required 28 states to reduce emissions to assist other downwind states in meeting air quality standards. The nine states that filed the brief are CT, DE, IL, MD, MA, NY, NC, RI, and VT; Baltimore, Bridgeport, Chicago, the District of Columbia, New York, and Philadelphia were the six cities that signed the brief.

States, Stakeholders Challenge Greenhouse Gas Rules

On April 19, states and industry stakeholders filed two separate suits with the U.S. Supreme Court questioning whether the Environmental Protection Agency (EPA) has the authority to regulate greenhouse gas emissions. The first case, filed by 12 states and the Louisiana Department of Environmental Quality, appealed a 2012 U.S. Court of Appeals for the District of Columbia decision upholding regulations. The suit asked the court to clarify if the decision in *Massachusetts v. EPA* applied to all emissions sources or just motor vehicles which was the original subject of the case. The states involved in the case are AL, FL, GA, IN, LA, MI, NE, ND, OK, SC, SD, and TX. The same day, the Energy-Intensive Manufacturers Working Group on Greenhouse Gas Regulation and the Glass Packaging Institute filed a suit saying the EPA should have considered alternative

programs to regulate carbon emissions from stationary sources; the agency currently uses prevention of significant deterioration and Title V permitting to regulate greenhouse gases.

Response to Keystone XL Environmental Review

On April 22, the Environment Protection Agency (EPA) submitted comments to the State Department on the draft supplemental environmental impact statement (SEIS). The comments focused on alternative pipeline routes, environmental justice impacts, greenhouse gas emissions, and pipeline safety. The agency expressed concern about the draft SEIS, advocating for further study on emissions, alternative routes, community impacts, and the risk of spills. The EPA recommended TransCanada put its pledge to conduct cleanup in writing. It warned that the tar sands transported in the pipeline could result in up to 935 million metric tons of additional carbon-equivalent emissions; it also warned that the revised route still cuts through the Ogallala Aquifer despite avoiding the Nebraska Sand Hills region. The comment period on the draft review began on March 1 and lasted for 45 days.

Science Advisors Comment on Lead Air Quality Standards

On April 22, the Environmental Protection Agency (EPA) Clean Air Scientific Advisory Committee released a draft report on air quality standards for lead, urging that existing standards be kept. The report echoed the January 2013 EPA preliminary policy assessment which said available scientific data did not support revisions. In 2008, the agency revised the lead standards from the 1979 level of 15 microgram per cubic meters to .15 microgram per cubic meter. The EPA is required by the Clean Air Act to consider revisions every five years; the agency plans to propose a rule based on these reviews in January 2014 and a final rule that October.

WI Coal-Fired Power Plant Agreement Reached

On April 22, the Environmental Protection Agency (EPA) announced it reached a deal with Wisconsin Power and Light Co., Wisconsin Public Service Corp., Madison Gas and Electric Co., and Wisconsin Electric Power Co. on three coal-fired power plants in Wisconsin. The plants were alleged to be in violation of the Clean Air Act. The four companies must spend \$8.5 million on environmental mitigation projects and \$2.45 million in penalties; Wisconsin Power and Light Co. must invest \$1 billion in pollution controls at the three plants. The environmental mitigation projects include funding for land acquisition, for long-term renewable energy purchase agreements, and for the U.S. Forest Service and National Parks Service to conduct damage analysis. The U.S. District Court for the Western District of Wisconsin will review the settlement, will oversee the 30 day public comment period, and will release a final ruling on the settlement.

Coal Ash NODA Sent to OMB

On April 23, the Environmental Protection Agency (EPA) submitted a notice of data availability on a proposed coal ash rule to the Office of Management and Budget (OMB). The rule, which would regulate coal combustion waste, has been in the works for years. The notice included information on coal-fired power plants from a 2010 collection. Recently, EPA officials have said the agency is open to a different approach in regulating coal ash, including legislation.

Sequestration Final Rule Sent to OMB

On April 24, the Environmental Protection Agency (EPA) submitted a final rule on carbon sequestration to the Office of Management and Budget (OMB) for review. The regulation clarifies that carbon dioxide streams created to facilitate underground storage of captured emissions should not be regulated by hazardous waste requirements.

Tier 3 Hearing Held

On April 24, the Environmental Protection Agency (EPA) hosted a public hearing in Philadelphia on a gasoline sulfur content, or Tier 3, proposal. The rule would reduce the level of sulfur in gasoline from the current standard of 30 parts per million to 10 parts per million; it is anticipated to cost refiners \$10 billion in up-front capital costs in addition to \$2.4 billion annually in operating costs. The rule is anticipated to reduce vehicle emissions as a result of the lower sulfur content. Massachusetts Department of Environmental Protection Assistant Commissioner Nancy Seidman, testifying on behalf of the National Association of Clean Air Agencies, praised the rule.

Appeals Court Drops Boiler MACT Case

On April 24, the U.S. Court of Appeals for the District of Columbia Circuit dismissed a case involving Environmental Protection Agency (EPA) boiler MACT rules. The EPA recently revised the rule on hazardous air pollution standards for commercial, industrial, and institutional boilers. On April 19, the petitioner, the Wisconsin Electric Power Co., requested the case be dismissed finding that the revised rule addressed the concerns outlined in the case. More than 25 companies filed suits against the EPA over the original rule in early April.

Long-Term Fuel Standards Meetings Held

On April 24, representatives from the Environmental Protection Agency (EPA) met with the Coalition for Automotive Lightweighting Materials in anticipation of the review of long-term fuel standards scheduled for 2017. The two sides wanted to discuss objectives and collaboration opportunities to meet this timetable. Manufacturers have identified reducing vehicle weight as an important option, but they have said they may split on strategies as the review approaches.

DEPARTMENT OF INTERIOR

Gateway West Transmission Project FEIS

On April 26, The Bureau of Land Management published its final environmental impact statement (FEIS) for the Gateway West transmission project. The FEIS reflects the Department of Interior's phased-in approach for the construction of the 1,100 mile, high-voltage transmission line across Wyoming and Idaho. The FEIS will be subject to a 60 day public comment period ending June 28.

DEPARTMENT OF AGRICULTURE

Dairy Farmer Waste-to-Energy Agreement Renewed

On April 24, the U.S. Department of Agriculture (USDA) renewed a 2009 memorandum of understanding with dairy farmers on emissions reduction and waste-to-energy projects. The goal of the MOU is to reduce dairy farm greenhouse gas emissions by 25 percent by 2020. Since the agreement was first signed in 2009, the USDA has issued 180 awards for anaerobic digestion projects to capture methane and to generate electricity as well as 140 Rural Energy for American Program loans for energy efficiency and renewable energy projects at farms.

STATE DEPARTMENT

Obama Re-Nominates Pascual

On April 23, President Obama nominated Carlos Pascual to be Assistant Secretary for Energy Resources at the Department of State. The President previously nominated Pascual last March. Pascual was voted out of the Senate Foreign Affairs Committee, but his nomination was never considered on the Senate floor. He currently serves as Special Envoy and Coordinator for International Energy affairs at the State Department.

DEPARTMENT OF THE TREASURY

Energy Funding Growth in Budget

On April 24, Treasury Secretary Jack Lew discussed increased funding for clean energy programs while testifying before the House Appropriations Committee on the fiscal year 2014 (FY14) budget proposal. Secretary Lew said the FY14 budget set aside an additional \$100 million over the FY13 continuing resolution level for the World Bank Environmental Trust Funds. He continued that the U.S. is able to leverage additional financial support from foreign countries and the private sector through these funds. The World Bank funds consist of the Clean Technology Fund, the Global Environment Facility, and the Strategic Climate Funds.

PTC/ITC Language Defined

On April 25, the Internal Revenue Service (IRS) released [new guidance](#) explaining what constitutes a binding written contract for production tax credit (PTC) and investment tax credit (ITC) begin construction purposes. The [revised guidance](#) explains, "A contractual provision that limits damages to an amount equal to at least five percent of the total contract price will not be treated as limiting damages to a specified amount." Attached is the guidance issued by the IRS.

INTERNATIONAL

China to Implement Regional Cap and Trade Pilots

On April 15, Susanne Hefeli-Hestvik, managing director of a Swedish carbon asset managing firm, lauded China for its progress in establishing regional pilot programs for trading carbon emissions. Shenzhen and Shanghai both recently announced that their municipal programs will begin in June, while programs in the cities of Tianjin, Beijing, and Chongqinh and the provinces of Guangdong and Hubei will launch by the end of 2013. While the programs are described as voluntary, all have guidelines that will eventually compel companies with certain pollution levels to participate. Several national Chinese governing bodies, including its Ministry of Finance, Ministry of Environmental Protection, and National Development and Reform Commission are also said to be considering carbon tax proposals, though none have been made public.

Canadian Oil Sands Portal Launched

On April 22, the Canadian federal government in conjunction with governments in Alberta launched a portal on environmental data in the oil sands region. The portal contains information on the process of monitoring air, biodiversity, land, and water as well as maps of the monitoring sites. Data on greenhouse gas emissions is not included. The portal is part of the 2012 Joint Canada-Alberta Implementation Plan for Oil Sands Monitoring, the government's effort to have a transparent review of oil sands efforts.

EU Council Finalizes Intercontinental Flight Delay

On April 22, the EU Council approved a proposal to delay the inclusion of foreign flights in the Emissions Trading System (ETS), finalizing it. The European Parliament already approved the proposal on April 16. A 2008 EU law required intercontinental flights to report 2012 greenhouse gas emissions and hand in carbon permits by April 30, 2013. The temporary derogation delays this plan by one year: foreign flights must report on 2013 emissions and hand in permits by April 30, 2014. Flights within the continent must still comply by the 2013 deadline.

Funds Support Chinese Phaseout of HCFCs

On April 22, the Multilateral Fund in the Montreal Protocol announced it would fund China in its efforts to reduce production of hydrochlorofluorocarbons (HCFCs). The Fund will provide up to

\$385 million to help curb 4.3 million metric tons of emissions by 2030. In the agreement, China pledged to retire surplus stocks of HCFCs that are not currently in use. HCFCs have been found to deplete the ozone and are used in refrigerants and fire-suppression systems.

Canadian Aboriginal Group Pushes Black Carbon Regulation

On April 23, members of the Athabaskan tribe advocated for more regulation of black carbon in Canada. The group said reductions in black carbon, particulate matter from incomplete combustion of certain fuels and materials, would mitigate the effects of global warming in the Arctic. The group petitioned the Inter-American Commission on Human Rights, asking the body to declare that inaction by the Canadian government violates the 1984 American Declaration on the Rights and Duties of Man.

Brazil Ethanol Tax Cut

On April 23, Brazil announced a stimulus package that includes a tax cut to stimulate the production of that country's ethanol. Starting May 1, the PIS/Cofins social contributions tax of six cents per liter of ethanol, currently paid by ethanol distributors, will be eliminated.

Canadian Minister's Keystone XL Meetings

On April 24 and 25, Joseph Oliver, the Canadian Natural Resources Minister, attended several meetings in Washington D.C. on the Keystone XL pipeline, advocating for its approval. Officials Oliver met with include Senate Energy and Natural Resources Chairman Ron Wyden (D-OR), Senate Energy and Natural Resources Ranking Member Lisa Murkowski (R-AK), House Energy and Commerce Chairman Fred Upton (R-MI), Secretary of the Interior Sally Jewell, and Undersecretary of State for Economic Growth, Energy, and the Environment Robert Hormats. This trip was Oliver's fourth visit to D.C. to discuss the pipeline.

EU Vehicle Emissions Proposal

On April 24, the European Parliament Environment Committee approved a proposal to tighten carbon dioxide emissions for new cars by a vote of 47-17. The plan, which was proposed by the European Commission in July 2012, would require new cars to not emit more than 95 grams of carbon dioxide per kilometer by 2020. The committee also amended the proposal, requesting the Commission to study the feasibility of setting the target to 68 to 78 grams per kilometer by 2025.

Bioethanol Antidumping Procedures Criticized

On April 25, the World Trade Organization (WTO) antidumping committee heard concerns from U.S. officials on the European Union imposing antidumping duties on American bioethanol imports. The EU imposed duties of \$81 per metric ton on biofuels imports on February 18; competing European producers had previously produced evidence of material injury from U.S. dumping of biofuels into the EU market.

SUSTAINABILITY

Harvard Study on Sustainability Practices Released

On April 24, Harvard Business School Professor of Management Practice Robert Eccles released a study on the effects of sustainability practices on financial performance. Eccles found that improved performance on environmental, social, and governance (ESG) factors further financial performance only if new products and services are introduced. He advocated for development of new business models, processes, and products to advance financial and nonfinancial performance.

U.S. First in Tax Code Sustainability Incentives

On April 25, KPMG International released an index ranking 21 countries on their efforts to encourage sustainable corporate activity through the tax code. The U.S. is ranked number one, and KPMG cited energy efficiency incentives at the federal level, green building tax incentives, and the renewable energy production tax credit. The index reviews incentives and penalties on a variety of topics ranging from energy efficiency to carbon emissions. Following the U.S. are Japan, the U.K., France, South Korea, and China in the top six positions.

MISCELLANEOUS

EPA Unlikely to Address Fracking Methane

On April 23, National Association of Clean Air Agencies Senior Staff Associate Amy Royden-Bloom said the Environmental Protection Agency (EPA) is unlikely to address hydraulic fracturing methane emissions until it finalizes new power plant carbon dioxide performance standards. Speaking at a World Resource Institute webinar, Royden-Bloom said the agency is currently occupied with new power plant rules which are overdue, meaning methane regulations will be pushed back.

Bloomberg Discusses Energy, Climate Change

On April 24, New York City Mayor Michael Bloomberg (D) spoke at Columbia University on energy and climate change. He expressed concern about coal and praised hydraulic fracturing. However, he said fracking needs to be well regulated to ensure safety. Bloomberg also advocated for short-term solutions for climate change, noting that near term fixes are feasible while most of the climate change debate focuses on the long-term.

Kiernan to Become AWEA CEO

On April 25, the American Wind Energy Association (AWEA) announced it will replace CEO Denise Bode, who stepped down in January, with National Parks Conservation Association (NPCA) President Tom Kiernan. Kiernan was unanimously approved by the board of directors, and he will officially begin on May 28.

Enviros Contest TVA Decision

On April 25, The Tennessee Environmental Council, the Tennessee Scenic River Association, the Sierra Club, and the Center for Biological Diversity filed a law suit in the U.S. District Court for the Middle District of Tennessee that claims the Tennessee Valley Authority violated the National Environmental Policy Act by failing to adequately consider alternatives to retrofitting its coal-fired Gallatin Power Plant.