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ENERGY & ENVIRONMENT UPDATE
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ENERGY AND CLIMATE DEBATE

In times of such partisan politics, several energy bills continue to work their way through the legislative process. On May 8, the Senate Energy and Natural Resources Committee approved five bills—four related to hydropower and the fifth involving energy efficiency—that will now be considered by the full Senate. The House Transportation and Infrastructure Committee was to have marked up H.R. 3, the Northern Route Approval Act, last Thursday. However, the committee rescheduled the mark up to be this Thursday. The bill has already been approved by the House Energy and Commerce and Natural Resources Committees.

As for Cabinet nominations, the nomination of Dr. Ernest Moniz to be Energy Secretary is expected to be approved this week, while the nomination of Gina McCarthy to be Environmental Protection Agency (EPA) Administrator continues to be delayed. Senate Majority Leader Harry Reid (D-NV) will likely schedule a vote on Moniz's nomination on Thursday. The Environmental and Public Works Committee vote on McCarthy's nomination was scheduled for last Thursday, but Republican committee members refused to attend the vote, claiming McCarthy's responses to their 1,000 written questions on agency transparency were insufficient. Chairman Barbara Boxer (D-CA) said she will reschedule the vote for this Thursday.

CONGRESS

JCT Tax Reform Working Group Submissions Report Released

On May 6, the Joint Committee on Taxation (JCT) released its report, *Report to the House Committee on Ways and Means on the Present Law and Suggestions for Reform Submitted to the Tax Working Groups*. The report compiled comments to the eleven House Ways and Means Committee tax working groups; it also contained additional material from ongoing tax reform efforts. The report summarized current law and listed broad-based recommendations for reform. Suggestions included extending or repealing the production tax credit (PTC) as well as extending, repealing, or modifying the eligibility requirements for the investment tax credit (ITC). The Ways and Means

Committee will meet privately on May 8 and 17 to examine the working group issues. Attached is the JCT's report to the House Ways and Means Committee.

Interior Budget Reviewed
On May 7, Secretary of the Interior Sally Jewell testified on the Department's proposed Fiscal Year 2014 budget before the Senate Appropriations Subcommittee on Interior, Environment, and Related Agencies. In a response to Senator John Hoeven (R-ND), Secretary Jewell said the Department will release regulations on hydraulic fracturing on public land in the upcoming weeks. The Department originally released proposed rules in 2012 but recalled them in January following the submission of 177,000 public comments; these proposed rules have changed rather significantly from the first set of proposed rules. Secretary Jewell said that while she understands the benefits of fracking, rules on the process are essential. At the same hearing, Sen. Lamar Alexander (R-TN) expressed opposition to wind power projects, saying there are concerns that the turbine blades kill bats and birds.

E&C Committee Holds Hearing on LNG Exports
On May 7, the House Energy and Commerce Subcommittee on Energy and Power held a hearing on U.S. energy exports, particularly liquefied natural gas (LNG) exports. Republicans pressured the President to approve export terminal permits, and Democrats urged more study on the impact of natural gas production on climate change. However, there was no complete opposition to exports. The Department of Energy is currently considering 19 applications to construct LNG export terminals and to sell LNG to non-free-trade agreement countries. It is unclear when the status of the applications will be announced. President Obama recently commented while on a trip to Mexico and Costa Rica that he will announce whether the U.S. will or will not export LNG in the near future.

Waxman, Whitehouse Send Letter to EPA on Coal Mine Emissions
On May 7, Rep. Henry Waxman (D-CA) and Sen. Sheldon Whitehouse (D-RI) sent a letter to the Environmental Protection Agency (EPA) criticizing the agency's recent decision to not conduct an endangerment finding that could result in coal mine performance standards. In 2010, environmental groups including the Center for Biological Diversity and the Sierra Club petitioned the EPA to conduct an environmental finding and to establish performance standards for methane, a greenhouse gas. On May 8, the EPA announced it lacked the time or resources to conduct a study. Rep. Waxman and Sen. Whitehouse said the decision would increase the public health risk.

Hydropower, Shaheen-Portman Bills Sent to Senate Floor
On May 8, the Senate Energy and Natural Resources Committee approved four hydropower bills and the Energy Savings and Industrial Competitiveness Act ("Shaheen-Portman"). At the meeting, Chairman Ron Wyden (D-OR) requested that members wait until the Shaheen bill is on the floor to introduce amendments; the committee members honored this request although some described amendments they plan to introduce. Senator John Hoeven (R-ND) said during the meeting that he plans on introducing two amendments when the full Senate considers the bill: one to allow federal buildings to use fossil fuels after 2030 and one, to be introduced with Sen. Amy Klobuchar (D-MN), to provide grants for non-profit and religious organizations that seek to improve energy efficiency in their buildings. Senator Al Franken (D-MN) said he will offer an amendment to include vehicles within the Shaheen-Portman framework. Senator Debbie Stabenow (D-MI) said she plans to expand the vehicle charging program to include cars with hydrogen fuel cells. Chairman Wyden said he hoped that all five bills will be considered by the full Senate by the end of the month. He and Ranking Member Lisa Murkowski (R-AK) said they anticipate the President to sign these five bills on hydropower and on energy efficiency by the end of the year. The two praised the bipartisan

effort of the committee to advance legislation, including the Energy Savings and Industrial Competitiveness Act.

Hearing on Interior Fracking Rule Held

On May 8, the House Natural Resources Committee held a hearing reviewing anticipated Department of the Interior regulations on hydraulic fracturing. Witnesses, including state officials and industry stakeholders, said the Bureau of Land Management rules will duplicate current state regulations. The panelists also said the regulations significantly underestimated the cost of compliance for the industry. Recently, Interior Secretary Sally Jewell said the upcoming rules—modified from past proposal— are expected to be released within weeks.

Franken to Introduce CHP Legislation

On May 8, Senator Al Franken (D-MN) announced he will introduce legislation to incentivize the deployment of combined heat and power (CHP) technology. Speaking at an Environmental and Energy Study Institute (EESI) briefing, Sen. Franken said the bill will include financing incentives and language to encourage technical assistance program for local communities. He did not say when he plans on introducing the bill.

McCarthy Vote Delayed

On May 9, the Republican members of the Senate Environment and Public Works Committee sent a letter to Chairwoman Barbara Boxer (D-CA) saying they were refusing to participate in that day's vote on the nomination of Gina McCarthy to be Environmental Protection Agency (EPA) Administrator. The members criticized McCarthy's responses to their written questions from the nomination hearing; they requested the vote be rescheduled when she fully responds to questions about agency transparency. Chairman Boxer said she will reschedule the vote for May 16. The hold on McCarthy's nomination by Sen. Roy Blunt (R-MO) remains in effect. Sen. John Boozman (R-AR) and Sen. Jeff Sessions (R-AL) have said they are considering placing a hold on the nomination as well, citing McCarthy's responses to their written questions.

WRDA Progress Slow

On May 9, Senate Majority Leader Harry Reid (D-NV) said he hopes to finish considering S. 601, the Water Resources and Development Act of 2013, early this week. Introduced by the Senate Environment and Public Works Chairman Barbara Boxer (D-CA) and Ranking Member David Vitter (R-LA), the bill would authorize U.S. Army Corps of Engineers projects related to water infrastructure.

Draft Farm Bills Released in Senate and House

On May 9, the Senate draft version of the 2013 Farm Bill was released. The bill includes $100 million in mandatory funding for 9003 loan guarantees for 2014 and $58 million for years 2015 and 2016, respectively. Renewable chemicals and biobased products are eligible now for the 9003 program as well. The 9005 advanced biofuel payment program is extended in the bill but with only $20 million authorized and not as mandatory funding. The Biomass Crop Assistance Program (BCAP) is extended with $38.6 million in funding per year through 2018.

On May 10, the House Committee mark was released. Weighing in at 576 pages, the House version is about half as long as the Senate version. It also would reduce spending over the next decade by $39.7 billion. It includes an additional $4 billion in food stamp cuts from last year's version (for a total of $20 million in food support cuts). Unlike the Senate version, the House mark would provide no mandatory funding for the farm bill's energy programs and would reduce their discretionary levels by more than $500 million, the same level as last year's House Agriculture Committee-passed farm bill.

In addition, the House mark would:

- Include forest products as biobased products
- Not create a definition of renewable chemical
- Prohibit USDA from funding the installation of ethanol blender pumps at gas stations. USDA has been using the Rural Energy for America Program to install the pumps partly to stimulate the growth of E15.
- Eliminate payments for the collection, harvest, storage and transportation of advanced biofuel crops under the Biomass Crop Assistance Program.
- Remove grant authority for demonstration facilities under the Biorefinery Assistance Program and doesn't expand the program to renewable chemicals.

Attached are copies of the House and Senate draft Farm Bills. A House Agriculture Committee markup of the bill is scheduled for this Wednesday. The Senate is marking its bill up in committee on Tuesday.

Natural Gas Forum Attendees Announced
On May 9, the Senate Energy and Natural Resources Committee announced the attendee list for three panels on natural gas to be held later in May. The first forum will be on Tuesday, the second will be held on May 21, and the third will be on May 23. Organizations represented include the Environmental Defense Fund (EDF), the Federal Energy Regulatory Commission (FERC), the National Association of Convenience Stores, and Pacific Gas & Electric Co. A full list of attendees can be found here.

House E&C Committee Releases Third White Paper on Renewable Fuels Standard
On May 9, the House Energy and Commerce Committee released the third in a series of white papers seeking comments on the renewable fuels standard (RFS). This white paper contains a number of questions seeking to evaluate whether the RFS has impacted greenhouse gas emissions and whether the standard has any unintended environmental consequences on land use. The paper asks whether the RFS has successfully encouraged development of fuels with lower greenhouse gas emissions than traditional petroleum fuels. Responses are due by May 24.

Bills Introduced

- On May 6, Senator Al Franken (D-MN) introduced S. 860, the Rural Energy Investment Act. The bill is the energy legislation included in the 2013 Farm Bill. The legislation would promote agricultural energy technologies such as biofuels, biogas, and biomass. Cosponsors include Senators Tom Harkin (D-IA), Sherrod Brown (D-OH), Dick Durbin (D-IL), Maria Cantwell (D-WA), Tim Johnson (D-SD), Mo Cowan (D-MA), Mazie Hirono (D-HI), Tammy Baldwin (D-WI), and Brian Schatz (D-HI).
- On May 8, Sen. Kirsten Gillibrand (D-NY) and Sen. Roger Wicker (R-MS) introduced S. 904, a bill that would improve resiliency to extreme weather events. The bill would minimize the economic and social costs resulting from losses of life, property, well-being, business activity, and economic growth.
- The same day, Sen. Mike Crapo (R-ID) along with Sen. Ron Wyden (D-OR), Sen. Maria Cantwell (D-WA), and Sen. Jim Risch (R-ID) introduced S. 906, a bill that would expand the technologies through which vehicles qualify for the credit for new qualified plug-in electric drive motor vehicles.

- The same day, Rep. Rob Bishop (R-UT) introduced H.R. 1881, a bill to increase domestic drilling and reduce regulations.
- On May 9, Sen. Jeanne Shaheen (D-NH) introduced S. 913, the Oilheat Efficiency, Renewable Fuel Research and Jobs Training Act. The bill would reauthorize the National Oilheat Research Alliance (NORA) program. Cosponsors of the bill include Sen. Susan Collins (R-ME), Sen. Richard Blumenthal (D-CT), Sen. Jack Reed (D-RI), Sen. Sheldon Whitehouse (D-RI), Sen. Mo Cowan (D-MA), Sen. Chris Coons (D-DE), Sen. Christopher Murphy (D-CT), Sen. Kirsten Gillibrand (D-NY), and Sen. Bernie Sanders (I-VT).
- The same day, Rep. Tim Bishop (D-NY) introduced H.R. 1877, the Water Quality Protection and Job Creation Act of 2013. The bill would authorize $16.55 billion for clean water state revolving funds (SRFs) as well as for sewage overflow management and for pilot water source projects. The bipartisan bill has 25 Democratic cosponsors and 2 Republican cosponsors.
- The same day, Rep. Mike Pompeo (R-KS) introduced H.R. 1900, the Natural Gas Pipeline Permitting Reform Act. The bill would require the Federal Energy Regulatory Commission (FERC) to issue constructions certificates within 12 months of receiving an application for an interstate natural gas pipeline. Cosponsors include Rep. Jim Matheson (D-UT), Rep. Pete Olson (R-TX), Rep. Cory Gardner (R-CO), and Rep. Bill Johnson (R-OH).
- The same day, Rep. Diana DeGette and Rep. Chris Gibson (R-NY) reintroduced the Fracturing Responsibility of Chemicals (FRAC) Act. The bill would amend the Safe Drinking Water Act to allow the Environmental Protection Agency (EPA) to regulate most forms of fracking, would require companies to disclose chemicals in hydraulic fracturing fluid, and would establish trade secret protections.
- The same day, Rep. Scott Peters (D-CA) and Rep. Jared Huffman (D-CO) introduced H.R. 1943, a bill to establish a task force to review policies and measures to promote, and develop best practices for, reduction of short-lived climate pollutants.

Upcoming Hearings

- On May 14, the Senate Agriculture Committee will hold a business meeting to mark up the Senate Farm Bill. The legislation extends a number of Energy Title programs, such as loan guarantees for biorefineries, and also allows renewable chemicals to compete for these programs.
- The same day, the Senate Energy and Natural Resources Committee will hold a forum on natural gas demands. The forum will focus on pipeline infrastructure and demands of the transportation industry.
- The same day, the House Energy and Commerce Committee will hold a business meeting to mark up three bills, including H.R. 271, Resolving Environmental and Grid Reliability Conflicts Act of 2013.
- On May 15, the Senate Appropriations Subcommittee on Energy and Water will hold a panel on the fiscal year 2014 (FY14) requested budget for the Department of Energy.
- The same day, the Senate Commerce Committee will hold a hearing on the future of advanced vehicle technology.
- The same day, the House Agriculture Committee will mark up its version of the Farm Bill. Chairman Frank Lucas (R-OK) confirmed this version does not contain mandatory funding. House Majority Leader Eric Cantor (R-VA) has said the bill will get floor time this year. The bill will be brought to the floor under a modified open rule; a plethora of amendments are expected as a result.

- The same day, the House Natural Resources Committee will hold a business meeting to mark up 18 bills, including legislation on the U.S.-Mexico Transboundary Hydrocarbon Agreement as well as on rare earths.
- On May 16, the Senate Energy and Natural Resources Committee will hold a business meeting to mark up 30 bills. Bills focus on hydropower and geothermal energy as well as helium.
- The same day, the House Energy and Commerce Subcommittees on Energy and Power and Environment and the Economy will hold a meeting to review the fiscal year 2014 (FY14) requested budget for the Environmental Protection Agency (EPA).

ADMINISTRATION

Obama Meets with Utility Stakeholders
On May 8, President Obama met with stakeholders from the utilities industry to discuss ways to improve the federal response to natural disasters. The 36 executives and representatives advocated for better mobilization of utility workers as well as for the National Guard to play a role in clearing roads and removing trees. The President praised those in attendance for their work in the aftermath of Hurricane Sandy. Also in attendance were Senior Advisor to the President Valerie Jarrett and Deputy Assistant to the President for Energy and Climate Change Heather Zichal.

Manufacturing Institute Competition Launched
On May 9, the Obama Administration announced the launch of a competition to create three institutes centered on manufacturing. The proposed institutes are designed to improve the bridge between research and deployment, to strengthen student and workforce training, to share assets with manufacturing companies of all sizes, and to encourage collaboration between companies and universities. Federal funding for the institutes will be matched by state and local government as well as private industry. The Departments of Commerce, Defense, and Energy along with NASA and the National Science Foundation (NSF) will commit a combined $200 million. The fiscal year 2014 (FY14) budget requested $1 billion for the Commerce Department to create the National Network for Manufacturing Innovations (NNMI) to oversee the institutes. The Department of Defense will oversee two institutes: one centered on Digital Manufacturing and Design Innovation and another focused on Lightweight and Modern Metals Manufacturing. The Energy Department will lead the third institute which focuses on Next Generation Power Electronics Manufacturing, specifically wide bandgap (WBG) semiconductors. The competition is open now, and winners will be announced by the end of 2013.

Obama Climate Change Effort Praised by Biden
On May 9, Vice President Biden praised efforts by President Obama on climate change action, citing the President using the inaugural address and the State of the Union to highlight the issue. He said the Administration has effectively used the bully pulpit to generate support. Vice President Biden then encouraged Congress to be more effective and approve climate change action legislation.

DEPARTMENT OF ENERGY

Government Facility Energy Management Data Released
On May 9, the Department of Energy's Federal Energy Management Program (FEMP) released data on efforts by federal agencies to comply with the Energy Independence and Security Act of 2007 (EISA). Under EISA, agencies must identify covered facilities and must evaluate energy and water use, implement efficiency programs, and ensure benchmarks are met at these facilities. FEMP's

data shows that 1,275 efficiency projects have been implemented at 6,927 covered facilities resulting in annual savings of 6.9 trillion Btu of energy and 4.4 billion gallons of water.

Grants Awarded to Energy Technology Small Businesses
On May 9, Acting Secretary Daniel Poneman announced the awarding of 88 grants to small businesses that focus on clean energy technologies. Winning projects, which are located in 28 states, focus on a range of issues including organic LED lighting panels and a laser ultrasound visualization tool to evaluate nuclear reactor components. The grants total $16 billion, and funding is made possible through the Department's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.

ENVIRONMENTAL PROTECTION AGENCY

Health Orgs Advocate for New Tier 3 Rule
On May 7, 149 health and medical associations from 49 states and the District of Columbia sent a letter to the President advocating for the finalization of the Tier 3 rule. The rule, proposed by the Environmental Protection Agency (EPA), would lower the concentration of sulfur in gasoline. The groups said the current level of vehicle emissions has dangerous effects on public health. They said the stricter standards will protect children, the elderly, low-income individuals, and those with chronic diseases like heart and lung diseases.

Longer Tier 3 Comment Period Requested
On May 7, the American Petroleum Institute (API) submitted comments to the Environmental Protection Agency (EPA) on the proposed Tier 3 regulations. API said the agency set up the current comment period around the announcement of recent public hearings rather than the proposal of the regulation which has yet to be published in the Federal Register. The Institute requested the EPA establish a 90 day comment period following the publishing of the rule; it also asked the agency to release the data, analysis methodology, and policy considerations used to formulate the rule.

SAB Public Meeting on Fracking and Drinking Water Held
On May 7 and 8, the Environmental Protection Agency (EPA) Science Advisory Board hosted a public meeting on its study of the effects of hydraulic fracturing on drinking water. Held in Arlington, Virginia, the meeting was designed to gather public input and to allow members of the public to ask questions. The board previously released a progress report in December 2012 and held three technical workshops as well as five roundtables. Around 20 interim peer reviews are expected to be published between now and the release of the final report in late 2014.

Challenges on Nonhazardous Secondary Materials Rule Filed
On May 7 and 8, eight cases were filed in the U.S. Court of Appeals for the District of Columbia Circuit to review the Environmental Protection Agency (EPA) nonhazardous secondary materials rule. Three other cases were previously filed, and ten of these 11 cases will be compiled into the petition by the National Association of Clean Water Agencies. The rule, which took effect April 8, clarifies what materials may be considered fuels rather than solid waste when burned in boilers or solid waste incinerators.

Diesel Engine Emissions Reductions Grants Announced
On May 9, the Environmental Protection Agency (EPA) announced that it will award up to $9 million for diesel engine emissions reductions projects in fiscal year 2013 (FY13). In addition, $5.6

million will be given to states to set up their own grant programs. The grants will be awarded under the Diesel Emissions Reduction Act (DERA). Previously, these grants totaled $64 million in FY10 and $32 million in FY11.

EPA, NHTSA Truck Reporting Requirement Duplication Removed
On May 10, the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) released a final rule removing duplication in greenhouse gas emissions reporting requirements for trucks. NHTSA will combine its fuel economy requirements with the EPA's greenhouse gas standards to allow medium- and heavy-duty vehicle manufactures to report data only once. In addition, the final rule amends the measurement requirements so manufacturers can conduct a single test for multiple issues.

DEPARTMENT OF THE INTERIOR

Interior-Industry Cooperation on Offshore Energy Promoted
On May 8, Interior Secretary Sally Jewell said the Department plans to work with industry officials as it develops offshore oil and gas development regulations. Speaking at the Offshore Technology Conference, Secretary Jewell said environmental impact statements are being created for the Gulf of Mexico and mid- and South Atlantic regions that are closed for offshore drilling. The Gulf of Mexico EIS will assess resources to ensure the industry correctly prices leases. The mid-Atlantic and South Atlantic programmatic EIS will assess geological impacts in order to later create mitigation measures. At the conference, Secretary Jewell, Bureau of Safety and Environmental Enforcement (BSEE) Director James Watson, and Bureau of Ocean Energy Management (BOEM) Director Tommy Beaudreau met with industry representatives. Industry stakeholders praised the responsiveness of BOEM and BSEE; they also urged the Department to use the best available science when creating regulations.

FEDERAL ENERGY REGULATORY COMMISSION

Court Upholds FERC Transmission Rate Incentives
On May 10, the U.S. Court of Appeals for the District of Columbia Circuit issued a ruling upholding the Federal Energy Regulatory Commission's methodology for determining rate incentives for the construction of major electricity transmission infrastructure. Southern California Edison had challenged the methodology.

FERC Challenges Idaho's Rejection of Wind Contracts
In its first enforcement action under PURPA, the Federal Energy Regulatory Commission asked a federal court to reverse the Idaho utility commission's rejection of wind energy projects. The law requires utilities to purchase power from qualifying renewable and cogeneration projects at "avoided cost"—what it would have cost the utility to generate that power itself or buy it from another generator. FERC previously issued orders finding the state commission's actions violated PURPA, but the Idaho PUC has ignored the orders to date. States generally have leeway determining avoided cost, and utilities faced with large amounts of new wind generation are trying to lower the amount they have to pay.

DEPARTMENT OF COMMERCE

Carbon Dioxide Concentration Surpasses 400 ppm
On May 10, the National Oceanic and Atmospheric Administration (NOAA) announced that the daily mean carbon dioxide concentration surpassed the 400 parts per million (ppm) threshold. Scientists, who have anticipated the milestone, have been monitoring the level of carbon since 1958; the measurement has not surpassed 400 ppm since measurements began. The level has been rising at a rate of 2.21 ppm per year in the last decade.

DEPARTMENT OF JUSTICE

AAG Moreno to Step Down
On May 8, Assistant Attorney General Ignacia Moreno announced she will step down on June 7. She became the head of the Environment and Natural Resources Division in November 2009. During her time at the Department of Justice, she defended challenges against the Environmental Protection Agency's (EPA's) greenhouse gas regulations as well as federal permits for electric transmission, solar, and wind projects on public land.

DEPARTMENT OF THE TREASURY

1603 Program Still Has $12 Billion for Applicants
On May 10, Treasury Department grants program manager Ellen Neubauer said she believes the Treasury Grant in Lieu of Tax Credits Program—otherwise known as Section 1603—will pay out an additional $12 billion to projects still in the pipeline. So far, the Recovery Act program has provided $18.5 billion in cash payments in lieu of an investment tax credit for solar, wind, and other renewable energy projects. Of the more than 100,000 remaining applications, almost all are solar projects. To receive the grant, they must be placed in service by Dec. 31, 2016. Previous estimates of the remaining 1603 pipeline calculated an outstanding balance of $6 billion.

INTERNATIONAL

Berlin Climate Talks Held
From May 5 to 7, the Petersberg Climate Dialogue IV was held in Berlin, building upon conversations from the recent Ad Hoc Working Group on the Durban Platform for Enhanced Action. 35 countries and other multilateral organizations participated in the talks which were co-hosted by representatives from Germany and Poland. The discussion focused on the universal climate change agreement the United Nations wants finalized by 2015. At the talks, U.S. lead negotiator Todd Stern said America's proposal to have countries make and hold public comment periods on greenhouse gas emissions reduction commitments would be beneficial. He said the public comment period would ensure the commitments are something the country is willing to defend. Stern also commented that it is not certain if the announcement that carbon dioxide concentrations in the atmosphere are approaching 400 parts per million (ppm) will impact climate change talks. Environmentalists and scientists commented that the 400 ppm has political, not scientific, significance since the last time concentrations were at 400 ppm was 10 million years ago. Two more international climate talks are expected to be held this year: one in Bonn in early June and the 19th Session of the Conference of the Parties to the U.N. Framework Convention on Climate Change (COP 19) in Poland in November.

WTO Domestic Requirement Ruling Upheld

On May 6, the World Trade Organization (WTO) Appellate Body upheld an earlier decision that the Feed-in-Tariff (FIT) program in Ontario violates WTO national treatment rules because it requires renewable energy projects to have a minimum of local content. The Appellate Body agreed with the earlier decision to reject claims that FIT requirements can be qualified as government procurement; it disagreed with the earlier decision rationale that there was not enough data to determine if the program could be considered an illegal subsidy. The original complaint was filed by the European Union (EU) and Japan; the EU praised the ruling.

China, Japan, South Korea Announce Talks on Air Pollution

On May 6, China, Japan, and South Korea announced the Tripartite Policy Dialogue on Air Pollution, an upcoming meeting between the three Asian nations focusing on transboundary air pollution and transboundary movement of electronic waste. The dialogue will promote policy harmonization, research collaboration, and technology transfers. The three countries committed to conducting joint research on particulate matter smaller than 2.5 microns in diameter; the scientific research will result in early warning and pollution control mechanisms.

2020 Van Emissions Limits Advanced

On May 7, the European Parliament Environment Committee approved a proposal to limit carbon dioxide emissions from vans and light commercial vehicles to 147 grams per kilometer (g/km) beginning in 2020. In 2012, the average new van emissions of vehicles sold in the European Union (EU) was 188.7 g/km. Vans are already required to meet a standard of 175 g/km by 2017. The proposal will next be considered by the European Parliament and the EU Council; if an agreement between the two is reached, it will be considered by the full European Parliament for approval in July.

European Parliament to Revisit ETS Delay Proposal

On May 7, European Parliament Environment Committee Chairman Matthias Groote said the committee will reconsider a proposal offered by the European Commission to backload an Emissions Trading Systems (ETS) allowance auction. The proposal to delay the auction of 900 million emissions allowances from 2013-2015 to 2019-2020 was rejected by the full European Parliament and sent back to the committee in April. The committee will reexamine the plan with the intent to strike a compromise on June 19; if an agreement is reached, the plan will be reconsidered by the European Parliament during its July 1-4 session. The same day as Groote’s announcement, nine European countries released a joint statement supporting the plan; the countries that signed the statement were Denmark, Finland, France, Germany, the Netherlands, Portugal, Slovenia, Sweden, and the UK. Poland has previously expressed opposition to the proposal, saying an international agreement on greenhouse gas emissions is first needed.

EU Chinese Solar Panel Import Duties Approved

On May 8, the European Commission approved provisional antidumping duties on Chinese solar panels. The duties range from 38 to 60 percent, and the average is 47 percent. The duties will officially be announced on June 6. They will last for six months; there is a possibility that they could be extended for five years depending if EU member states approve that plan. A recent study found that dumping of Chinese panels into the European market resulted in the bankruptcy of several companies.

TransCanada Comments on EPA Suggestions

On May 9, Keystone XL pipeline sponsor TransCanada submitted a filing to the State Department, criticizing earlier comments on the department’s draft environmental review of the pipeline submitted by the Environmental Protection Agency (EPA). In its April 22 comments, the EPA suggested the State Department identify more ways to reduce greenhouse gas emissions from Canadian oil sands; TransCanada said this proposal infringes upon Canada's sovereignty.

Joint COP Talks End
On May 10, the two-week joint Conference of the Parties (COP) talks on the Basel, Rotterdam, and Stockholm conventions on chemicals and hazardous waste concluded in Geneva. During the talks, efforts to come to an agreement halted when African and Latin American representatives said they would not support proposals introduced by Canada, the European Union, and Japan. The proposals set exceptions to the guidelines that define waste. Industry groups advocated for the exceptions and urged a consensus agreement be reached.

STATES

Biofuels Opposition to Potential FL RFS Repeal
In April, the Florida House voted 77-39 and Senate voted 33-1 in favor of HB 4001, a bill to repeal the Florida Renewable Fuel Standard Act by July 1. The bill is currently sitting on the governor's desk. Biofuel trade associations and Florida biofuels companies are urging Governor Scott to veto the bill, saying the bill would cause biofuels investment to move out of the state. Governor Scott has not said if he will sign the bill into law. Florida's renewable fuels standard was put into effect in late December 2010 and requires that fuel for on-road vehicles contain 9 to 10 percent ethanol.

California Town to Require Solar Panels on New Construction
On May 6, the city council of Sebastopol, CA voted to approve a measure requiring all new residential and commercial buildings to be fitted with solar panels. The new buildings will have to have 75 percent of their annual electric load offset by the solar panels, or meet a threshold of 2 watts of power per square foot of insulated building area. Sebastopol is the second California city to enact a solar power requirement, following a move by Lancaster, CA earlier this year.

LA Solar Energy Credits Phase out Legislation Passed
On May 7, the Louisiana House approved HB 705, a bill to phase out the solar energy tax credit for purchase and installation of systems for residential buildings by 2020, by a vote of 95-1. The tax credit would be transformed into a solar electric system credit. The new credit would allow residents to claim a credit equal to 35 percent of the first $25,000 of purchasing and installation costs. The underutilized tax credit for wind systems would also be eliminated. The bill will now be considered by the Louisiana Senate.

OH Town Rejects Anti-Fracking Amendment
On May 7, voters in Youngstown, Ohio voted down an amendment to the town's charter that would have prohibited hydraulic fracturing within city limits. The amendment first garnered 4,000 petition signatures before being placed on the ballot; it was advocated for by Frackfree Mahoning Valley. The amendment did not achieve the 57 percent support needed. Proponents of the amendment cited public health and safety concerns while opponents said the amendment was unenforceable because the Ohio Department of Natural Resources (ODNR) possesses the authority to permit to regulate the oil and gas industry.

Iowa Announces Major Wind Power Investment
On May 8, Iowa governor Terry Branstad announced that his state will see a $1.9 million investment in wind energy projects by MidAmerican Energy Co. The project will bring, by the end of

2015, the installation of as many as 656 wind turbines providing up to 1,050 megawatts of power generation. There are already nearly 1,300 wind turbines in Iowa, and Governor Branstad, in his announcement of this new project, said "As wind energy goes, so does Iowa's economy."

State-by-State Energy Legislation Tracker Launched
On May 9, the Advanced Energy Legislation (AEL) Tracker was launched by the Advanced Energy Economy and the Colorado State University Center for the New Energy Economy. The database is designed to monitor energy bills in all 50 states. Bills are categorized by economic development, electricity generation, energy efficiency, financing, greenhouse gas emissions, infrastructure, natural gas, transportation, and other topics. According to the website, more than 2,100 bills are currently pending; 21 percent focus on clean energy development. The database plans to add legislation in Washington, DC this summer.

CA to Host Meeting on Existing Power Plant Emissions Regulations
On May 8, the California Air Resources Board (CARB) announced it is planning a meeting with other state officials to create recommendations for existing power plant emissions regulations for the Environmental Protection Agency (EPA). While the details of the meeting have yet to be decided, the recommendations will be presented to the EPA. Under the Clean Air Act, the EPA must create guidelines for states on existing power plant emissions following the finalization of new source performance standards. The EPA proposed new source performance standards in April 2012 but missed the April 2013 finalization deadline.

MD Plug-In Vehicle Tax Credit Requirements Explained
The recently enacted Maryland law surrounding plug-in vehicle eligibility for excise tax credits will go into effect June 1. According to the legislation, the credit can only apply to vehicles that have not been modified beyond original specifications and have been acquired for use or lease, but not resale. In addition, the vehicles must be titled on or after October 1, 2010 but before July 1, 2013. The tax credit equals 100 percent of the tax on the car; there is a $2,000 maximum. 72 plug-in vehicles were registered in the state in fiscal year 2011 (FY11); 657 vehicles were registered in FY12.

SUSTAINABILITY

Report on Natural Resources Planning Released
On May 7, Ernst & Young and Greenbiz Group released their report *2013 Six Growing Trends in Corporate Sustainability*. The report found that 51 percent of companies interviewed expect natural resources shortages in the next three to five years. Seventy-six percent of companies said water was the chief concern; oils, metals, minerals, and plant-based resources followed as the next most cited concerns. The report also found that 30 percent of respondents consider resource scarcity in business planning while 36 percent said they do not plan to consider sustainability risks. The study recommended businesses compare global warming projects with supply chains to better manage risks.

$20 Million & Change VC Fund Launched
On May 7, Patagonia started an in-house venture capital fund called $20 Million & Change to support environmentally friendly startups. Companies must work in five areas: clothing, food, energy, waste, and water. Eligible startups must have at least $1 million in sales or capitalization, must be aligned with Patagonia's business values, and must study the environmental impact of their supply chain. Individual investments will range from $500,000 to $5 million.

UNEP Report on Sustainable Practices Released
On May 8, the U.N. Environment Program released its report *Green Economy and Trade: Trends, Challenges and Opportunities*. The report recommended a movement towards sustainable and environmentally conscious trade practices in order to ease growing natural resources demands. It identified that practices are already occurring but suggested further development of such activities as sustainable farming, environmentally friendly product designs, and efficient production and life cycle management.

MISCELLANEOUS

AWEA Annual Conference Held
On May 6, the American Wind Energy Association (AWEA) held its annual conference in Chicago. At the conference, newly hired CEO Tom Kiernan said extension of the production tax credit (PTC) is the top priority of the trade group. The PTC provides 2.3 cents per kilowatt hour for renewable energy projects that begin construction by the end of the year; the tax credit was extended at the last minute on January 1 of this year. The uncertainty about extension from last year has led some analysts to predict the wind industry may fall by 78 percent this year. AWEA also said it will focus on maintaining state renewable portfolio standards (RPS). Sixteen states currently have these standards requiring utilities to acquire a percentage of power from renewable sources, but the oil and gas industries are pushing for the repeal of the RPS.

C40 Risk Assessment Framework Announced
On May 6, the C40 Cities Climate Leadership Group (C40) and the Clinton Global Initiative (CGI) announced the two groups will work to create the C40 Risk Assessment Framework, a standard method for cities to use to prioritize climate change preparations. According to C40 Chairman Michael Bloomberg, the framework will allow cities to compare climate actions, banks to structure lending and financing options for climate change adaptation projects, and insurance companies to use a standard risk assessment. Representatives from C40 cities, banks, and insurance companies are set to begin discussions on the groundwork for the method on June 5-6 in the Netherlands.

Clinton Pushes Natural Gas, Short-Living Emissions Policies
On May 7, President Bill Clinton advocated for more U.S. policies to address climate change. Speaking at the Peter G. Peterson Foundation Fiscal Summit, Clinton pushed for policies that promote domestic natural gas, calling the fuel an important bridge between oil and renewable energy. He also encouraged policies that reduce emissions of short-living greenhouse gases like black carbon and methane; creating policies for these short-term emissions would create more time to address long-term, clean energy solutions. Clinton said the policy should not abandon solar and wind energy in areas where prices are falling.

Coast Guard and Biofuel Classifications Subcommittee Launched
On May 7, the Chemical Transportation Advisory Committee (CTAC) Biofuels Subcommittee met to examine biofuel and biofuel blend classifications in order to determine if the U.S. Coast Guard should harmonize federal regulations with international classifications. The subcommittee discussed whether to classify biofuels as oil products or as liquid chemicals. The CTAC Biofuels Subcommittee will host conference calls in June and will meet Coast Guard-designed long-term goals by the end of April 2014.

NGA Report on Executive Orders Released
On May 8, the National Governors Association (NGA) published its report *Using Executive Orders to Advance Energy Efficiency and Renewable Energy*. The issue brief found that executive orders issued by governors are pushing energy efficiency measures in state governments. Between 2008 and 2012, 36 executive orders on energy efficiency or renewable energy issues were released: 24 orders required measures in state agencies, 8 orders created studies on technology, and 4 orders related to general energy efficiency and renewable energy issues. The report found that some executive orders might spur the creation of legislation on the issue. It also found that executive orders that promoted renewable energy resulted in some instances of the creation of a state's renewable portfolio standard (RPS).

Coal-Export Terminal Proposal Abandoned
On May 8, Kinder Morgan announced it will no longer continue its proposal to develop a coal-export terminal in the Port of St. Helens. The company said it still is interested in building a facility, but it faced difficulty with the available land in the port. Six coal-export terminals, including the Port of St. Helens facility, had been proposed; three have now been abandoned.

Report on Wind Power and the Mid-Atlantic Grid Released
On May 9, the Americans for a Clean Energy Grid released its report *The Net Benefits of Increased Wind Power in PJM*. The report found that doubling wind energy production in the North American grid could result in $6.9 billion in annual savings by 2026 as well as a reduction of carbon dioxide emissions from the baseline by 14 percent. The report, which was prepared by Synapse Energy Economics, analyzed work by PJM Interconnection. It found that every dollar of investment in the grid in the Mid-Atlantic region resulted in $2 of savings.

Comments on Advanced Biofuel Feedstocks Recommendations Released
On May 9, the Advanced Ethanol Council submitted comments to the Office of Management and Budget (OMB), criticizing delays in approving new feedstocks for advanced biofuels. The letter urged the Environmental Protection Agency (EPA) to approve new fuel pathways as part of the renewable fuel standard (RFS), particularly for giant reed, sorghum, and woody biomass.

New Amtrak Electric Cars Revealed
On May 13, Amtrak revealed the next generation of new electric cars which were created with a $466 million contract with Siemens. The advanced technology and regenerative braking systems are expected to result in $300 million in energy savings over 20 years. The cars will begin to be used in the Northeast Corridor in November; Acela will not be using these new cars although plans to improve this service are being developed.