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## **ENERGY AND ENVIRONMENT UPDATE**

### **March 11, 2012**

#### **Energy and Climate Debate**

The energy debate continued this week, with a number of high profile issues making headlines in the Senate, reviews and critiques of the president's budget request occupying significant committee hearing time, and the administration repeating its call for an all of the above energy strategy.

As debate over the Senate's \$109 billion highway and transit reauthorization bill (S. 1813) continues, Senate leadership agreed to a deal late March 7 to consider 30 amendments to the measure including amendments related to high-stakes energy issues such as the Keystone XL pipeline, the Environmental Protection Agency's Boiler MACT rule, offshore drilling, the NAT GAS Act, and renewable energy and energy efficiency tax extenders. The House will be in recess, returning the week of March 19.

An amendment from Senator Debbie Stabenow (D-MI) would extend 16 energy-related tax incentives for an additional year, including the wind production tax credit, which is scheduled to expire at the end of the year, the plug-in electric vehicle tax credit, and a credit for producers of cellulosic biofuels that expired at the end of 2011. Additionally, the amendment would provide an additional \$2.3 billion for the 48C advanced energy manufacturing tax credit, would extend the section 1603 Treasury Department grants in lieu of tax credits program. A very close vote is expected this week, though the amendment is ultimately unlikely to pass.

Senator Stabenow's amendment was one of five amendments Democrats were allowed to offer under the agreement on nongermane amendments. Others included one from Senators Robert Menendez (D-NJ) and Richard Burr (R-NC) providing tax incentives for natural gas vehicles and infrastructure, and measures to assist in Gulf Coast oil spill clean up and restoration efforts, to provide an alternative to a Republican Keystone XL pipeline amendment.

The Senate rejected, 56-42, a Republican plan March 8 to approve construction of the Keystone XL oil pipeline after President Obama made calls to Democrats urging them to oppose it. The amendment from Senator John Hoeven (R-NV) would approve the Keystone XL pipeline. Sen. Susan Collins' (R-ME) amendment delaying EPA's Boiler MACT rule failed on a 52-46 vote the same day. The House is expected to take up a version of the Senate legislation if the Senate passes its measure.

Budget hearings continued last week, as they will for the next few weeks and months. During a House Science, Space, and Technology Subcommittee on Energy and Environment hearing March 6,

Republican committee members criticized the Environmental Protection Agency's budget request for fracking studies. Chairman Andy Harris (R-MD) said that the agency was asked to study fracking impacts by the report to the fiscal year 2010 appropriations bill, which means the study is not mandated by Congress. The agency's 2013 \$807 million budget request for science and technology includes \$14 million to continue fracking assessments, including \$8 million that will be used to fund a joint effort by the agency, the Department of Energy, and the U.S. Geological Survey to study the air quality and environmental impacts of fracking.

During a House Appropriations Subcommittee on Energy and Water Development hearing March 7, Republican appropriators signaled dissatisfaction with the administration's proposed fiscal year 2013 budget request, which would significantly increase funding for clean energy programs while cutting spending on research and development for nuclear energy and fossil energy programs. Chairman Rodney Frelinghuysen (R-NJ) said that he intends to restore \$50-100 million to the Department of Energy's nuclear energy budget. The president's Energy Department budget request increases funding for energy efficiency and renewable energy programs by 29 percent, up \$527 million to \$2.3 billion. The agency's nuclear energy programs would be cut 10.3 percent to \$770 million, while fossil energy research and development would be cut 19.7 percent to \$429 million. Assistant Secretary for Nuclear Energy Peter Lyons told the subcommittee that the agency has allocated \$65 million for engineering activities to support the development of small modular reactors; once a working model is developed, companies would then apply to the Nuclear Regulatory Commission for design certification. The department plans to issue funding opportunities this month to enlist private-sector support to take two small modular reactor designs through certification.

In other news, members of Congress from agricultural states continue to push for a farm bill that can be finished in 2012. Leadership on both the House and Senate's relevant committees are furthering the process in any way they can to make sure the once-every-5-years omnibus legislation is enacted.

President Obama continues to promote an all of the above energy strategy from locations across the United States. Last week, the president proposed several changes and increases in the current tax credit for electric vehicles, such as expanding eligibility to new technologies. During visit at the Daimler Trucks manufacturing plant in North Carolina, the president addressed the high price of gas by calling for improved mobile source efficiency and proposing to expand eligibility for the electric vehicle tax credit to a broader range of technologies and increasing the credit from \$7,500 up to \$10,000. He also proposed to reform the credit to make it available at the point of sale by making it transferable to the dealer or financier and to remove the cap on the number of vehicles per manufacturer eligible for the credit. Additionally, the president proposed a new tax incentive for commercial trucks that provides a credit for 50 percent of the incremental cost of a dedicated alternative-fuel truck, including trucks powered by natural gas or electricity, for a five-year period. Finally, the president proposed a \$1 billion National Community Deployment Challenge, similar to the Promoting Electric Vehicles Act (S. 948) from Senators Jeff Merkley (D-OR) and Lamar Alexander (R-TN), designed to spur 15 model communities to invest in the necessary infrastructure, remove regulatory barriers, and create local incentives to support advanced vehicles, and launched EV Everywhere, a challenge to make electric-powered vehicles as affordable and convenient as gasoline-powered vehicles for the average American family within a decade.

## **Congress**

### Countervailing Duties Legislation

The Senate passed legislation (S. 2153) March 5 to protect American jobs and exports by ensuring the U.S. Commerce Department can continue to apply countervailing duties in cases involving non-market economy nations like China and Vietnam. The U.S. government began the practice of applying these duties in 2007, protecting an estimated 80,000 jobs across the country, but the U.S. Court of Appeals for the Federal Circuits ruled in December that Congress had never explicitly authorized the Department to do so. The House passed, 370-39, companion legislation (H.R. 4105) March 6. The bill now goes to the president for his signature, but the debate over the application of the duties is expected to continue in the courts.

### Biodiesel Support

Fifty members of Congress sent letters to the White House Office of Management and Budget last week asking the administration to finalize the Environmental Protection Agency's proposal to increase the amount of biodiesel required under the Renewable Fuel Standard. The proposal has run into resistance at OMB, and biodiesel supporters are worried that it will be withdrawn entirely.

### Biobased Products Legislation

Senator Debbie Stabenow (D-MI) introduced legislation (Grow It Here, Make It Here, S. 2155) March 5 that would expand a federal loan program for biofuels and other biobased products such as plastics and chemicals and strengthen the Agriculture Department's BioPreferred program. The bill would expand the Department of Agriculture's Section 9003 biorefinery loan guarantee program, but would not add additional funding for it. Manufacturers currently can make biofuels and other biobased products in the same facility; expanding the program would help manufacturers make both products in the same biorefinery. The measure also strengthens the BioPreferred program, which currently certifies about 9,000 biobased products, and directs the agency's Biomass Research and Development Initiative to bring biobased products to market to help grow the industry. The language is in line with a recent administration memorandum of understanding that directs federal agencies to increase their purchasing of biobased products.

### CFTC Urged to Enact Position Limits

Senator Bernie Sanders (I-VT) was joined by more than 60 of his colleagues March 5 in urging the Commodity Futures Trading Commission to immediately enact position limits to alleviate excessive speculation and fulfill Congress' mandate in the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act. The CFTC adopted final position limits for 28 commodities, including some energy-related, last October. However, a lack of data to establish precise limits, and the lack of a definition for swaps products has hampered its ability to implement the limits.

### Legislation Introduced

Representative Jeff Flake (R-AZ) introduced legislation (H.R. 4135) March 5 to permit domestic companies to participate in the exploration for and extraction of hydrocarbon resources from any portion of a foreign maritime exclusive economic zone that is contiguous to the exclusive economic zone of the United States.

The same day, Congressman Cory Gardner (R-CO) introduced legislation (H.R. 4136) to provide for the development of a plan to increase oil and gas production under oil and gas leases of the Federal lands under the jurisdiction of the Secretary of Agriculture, Defense, Energy, and Interior in conjunction with a drawdown of petroleum reserves from the Strategic Petroleum Reserve.

On March 6, Senator Jeff Merkley (D-OR) introduced legislation (S. 2161) to amend the Internal Revenue Code of 1986 to extend and modify the credit for plug-in vehicles.

### Upcoming Hearings

On March 12, the Senate Energy and Natural Resources Power and Water Subcommittee will hold a field hearing in Norfolk, VA on the Navy's energy usage, with testimony from former Sen. John Warner (R-VA) and Secretary of the Navy Ray Mabus.

On March 13, the Senate Energy and Natural Resources Committee will hold a hearing to examine a report, conducted by an independent consultant, reviewing the Department of Energy's loan and loan guarantee programs, with testimony from Energy Secretary Steven Chu.

On March 14, the Senate Appropriations Subcommittee on the Interior, Environment, and Related Agencies will hold a hearing on the Department of the Interior's onshore and offshore energy development programs.

On March 15, the Senate Environment and Public Works Subcommittee on Clean Air and Nuclear Safety will examine the Nuclear Regulatory Commission's nuclear safety regulations in the wake of Fukushima.

The same day, the Senate Armed Services Subcommittee on Strategic Forces will hold a hearing on strategic forces programs at the National Nuclear Security Administration and the Department of Energy's Office of Environmental Management as they both relate to DOE's FY2013 budget request.

On March 15, the Senate Energy and Resources Committee will hold a hearing on Adam Sieminski's nomination to be administrator of the Energy Information Administration, Marcilynn Burke to be an assistant secretary of the Department of the Interior, and Anthony Clark and John Robert Norris to be members of the Federal Energy Regulatory Commission.

## **Administration**

### Efficiency Guidance

The White House Council on Environmental Quality issued final guidance March 6 to clarify that federal agencies may use various steps to increase the efficiency of environmental reviews. The guidance is intended to also specify that CEQ regulations that refer to efficiencies in an environmental impact statement should allow for efficiencies in an environmental assessment, which are the analyses developed to satisfy requirements of the National Environmental Policy Act.

### President Unveils Manufacturing Proposal

On March 9, President Obama proposed a \$1 billion "National Network for Manufacturing Innovation," creating 15 state-of-the-art institutes nationwide designed to make U.S. manufacturers more competitive and initially funded from \$45 million of existing money with the National Science Foundation and the departments of Defense, Commerce, and Energy. The federal government, industry, universities, and other interested parties will try to identify and invest in emerging technologies that might result in high-quality domestic manufacturing jobs. Earlier in the week, Obama proposed a \$1 billion "National Community Deployment Challenge" designed to spur up to 15 model communities that will invest in infrastructure, revise regulations, and create local incentives, all in support advanced vehicles.

## **Department of Defense**

### Military Building Efficiency Overhaul

On March 7, the House Appropriations Subcommittee on Military Construction, Veterans Affairs, and Related Agencies held a hearing on the military's budget for military installations, environment, energy, and base realignment and closure programs. Deputy Defense Undersecretary Dorothy Robyn told the committee that emerging technologies will allow DoD to reduce energy demand by 50% in its existing 300,000 buildings, and reduce energy consumption from projected levels by 70% in all new buildings and installations. The DoD's budget request seeks \$32 million to use its facilities as a "distributed test bed" for demonstrating and validating technologies, and another \$150 million for its energy conservation investment program.

## **Department of Energy**

### L Prize Launched

The Department of Energy launched the next phase of the Bright Tomorrow Lighting Prize competition March 8. The L Prize competition challenges the lighting industry to develop high performance, energy saving replacements for conventional light bulbs. The most recent announcement will spur leading-edge companies to build innovative LED replacements for conventional parabolic aluminized reflector lamps, or spot or flood lamps, which are used in retail businesses and as outdoor security and track lights.

### National Clean Fleets Partnership

Energy Secretary Steven Chu announced March 5 that four new corporate partners, Best Buy, Johnson Controls, Pacific Gas and Electric, and Veoli, are joining the agency's National Clean Fleets Partnership, a public-private partnership that assists the country's largest fleet operators in reducing the amount of gasoline and diesel they use nationwide. The new partners join with 14 others in committing to improve

the fuel economy of the commercial fleets, integrate alternative technology vehicles like natural gas trucks and electric vehicles into their fleets, and reduce their overall fuel use.

#### Re-Tuning Buildings Course

As part of a five year pilot program, the Department of Energy announced March 5 the availability of an online training course to help building owners, operators, contractors, and students re-tune commercial buildings. Building operators can re-tune their facilities to improve energy efficiency by collecting and analyzing data from their buildings' automation systems to identify energy-wasting operational problems and then adjusting their automated systems to correct inefficiencies at little or no cost.

#### Building Competition Winners Announced

Energy Secretary Steven Chu announced March 5 the winners of the Better Buildings Case Competition, a challenge that encourages college students to develop and present real world solutions to increase building energy efficiency. Program winners, part of the agency's Better Buildings Challenge, include Carnegie Mellon University, Columbia University, The George Washington University, Massachusetts Institute of Technology, University of California at Berkeley, University of Colorado Denver, and University of Southern California.

#### Water Funding Cut

Speaking at an Environmental and Energy Study Institute March 2, Acting Assistant Secretary for Energy Efficiency and Renewable Energy Henry Kelly pointed to permit hurdles and unreliable cost estimates as factors driving a proposed 66 percent cut in the agency's water power program. The program, which funds conventional hydropower and experimental marine and hydrokinetic technologies, would receive \$20 million under the president's fiscal year 2013 budget request, \$38 million less than its current funding level. The program received \$58 million in fiscal year 2012, more than double the program's funding the previous year, and the only program within the Office of Energy Efficiency and Renewable Energy to receive an increase in the omnibus legislation at the end of the year. Speaking at the same event, the agency's \$98.2 million request for its energy codes and standards within the Building Technologies Program includes funding for six, still to be determined, new conservation standard rulemakings in fiscal year 2013.

#### Loan Guarantee Overhaul

On March 8, Secretary Chu told the House Energy and Commerce Subcommittee on Energy and Power that the Energy Department has added an independent adviser on financial matters and established a "risk committee", among other things, within the loan guarantee program in accordance with a White House-ordered review of the program.

#### ATVM Drop-out and Rejection

Under the Advanced Technology Vehicles Manufacturing Loan Program (ATVM), Carbon Motors Corp. recently announced that DOE rejected its \$310 million application for a direct loan, and Bright Automotive withdrew its application in February citing the slow pace of the program.

#### Federal Vehicle Energy Usage Rule

On March 12, the Department of Energy will publish a proposed rule in the Federal Register requiring federal agencies to reduce petroleum consumption in their vehicle fleets by 20% by October 2015, measured against 2005. The rule also requires a 10% increase in alternative fuel consumption per year from 2005 levels by 2015, and will serve as the implementing rule for Section 142 of the Energy Independence and Security Act of 2007 as well as Executive Order No. 13423 and Executive Order No. 13514. The proposed rule would cover the Defense Department, Interior Department, and the Postal Service, the government's three largest petroleum consumers.

### **Department of Interior**

#### Utah Governor Fracking Letter

Utah Governor Gary Herbert (R) sent a letter February 29 to Interior Secretary Ken Salazar, urging him to reject any new regulations for fracking in oil and gas drilling, contending that new rules would be

redundant, burdensome, and costly. The agency's Bureau of Land Management would require oil and gas companies to disclose details of chemical additives, test the integrity of wells, and provide more information on water use and waste management.

### **Environmental Protection Agency**

#### Aircraft Lead Regulation Urged

Friends of the Earth filed suit in the U.S. District Court for the District of Columbia March 7 to compel the Environmental Protection Agency to respond to a 2006 petition asking the agency to find that lead from general aviation aircraft endangers public health and the environment and should be regulated. The agency sought comment on limiting lead emission from such aircraft as part of an advance notice of public rulemaking process initiated in 2010, but never proposed any regulations.

#### Fuel Economy Report

The Environmental Protection Agency released its annual *Light-Duty Automotive Technology, Carbon Dioxide Emissions and Fuel Economy Trends: 1975 Through 2011* report March 8, finding that the average fuel efficiency for new cars and light duty trucks has increased while average CO2 emissions continue to decrease for the seventh consecutive year. Average CO2 emissions from new vehicles were 394 grams per mile in 2010, and the average fuel economy value was 22.6 mpg; the agency projects an improvement to 391 grams CO2/mile and 22.8 mpg for 2011.

#### Maintenance for Selective Catalytic Reduction Challenged

Navistar filed a petition for review March 2 in the U.S. Court of Appeals for the District of Columbia Circuit challenging the Environmental Protection Agency's approval of new emissions related maintenance and scheduled maintenance intervals related to selective catalytic reduction technology in vehicles. The company's competitors use selective catalytic reduction technology to reduce NOx, but Navistar controls emissions with exhaust gas recirculation technology.

#### Oil, Gas Emissions Limits Rule to OMB

The Environmental Protection Agency sent its final national emissions standards for hazardous air pollutants and new source performance standards rule for the oil and natural gas sector to the White House Office of Management and Budget on March 2. The rule would reduce volatile organic compound emissions by 25 percent, methane by 26 percent, and toxic air pollutants by 30 percent, and complying with the regulations would cost the industry \$754 million a year. The rule would also require industry to capture natural gas that otherwise would escape and could sell the gas for \$783 million, resulting in an annual gain of \$29 million for the industry. The review usually is the last step before a rule is published.

#### Feedstocks Rule Withdrawn

The Environmental Protection Agency withdrew a direct final rule March 5 that would have approved a number of new fuel feedstocks and processes under its renewable fuels program. Facing opposition from environmental groups, the agency will instead proceed with approving new feedstocks and processes using a proposed rule published at the same time as the direct final rule. The rule would have allowed fuel producers to generate Renewable Identification Numbers for fuels derived from camelina oil, energy cane, giant reed, and napiergrass, and would have approved new processes for producing cellulosic biofuel, biomass-based diesel, and advanced biofuels.

#### Fuel Economy Report

On March 8, the Environmental Protection Agency released *Light-Duty Automotive Technology, Carbon Dioxide Emissions, and Fuel Economy Trends: 1975 Through 2011*, which found that model year 2010 vehicles, on average, released 394 grams of carbon dioxide per mile and achieved a fuel economy of 22.6 mpg. Greenhouse gas emissions decreased by 3 grams per mile year-on-year, while average fuel efficiency improved by 0.2 mpg over the same period, both the lowest ever. Despite the efficiency gains, model year 2010 vehicles weighed, on average 85 pounds more than in 2009, or around 4,002 pounds.

#### Pavilion Study

The Environmental Protection Agency will conduct more tests in Pavillion, WY, after tentatively finding in

December 2011 that natural gas drilling in the area probably caused local groundwater pollution. EPA will partner with the state of Wyoming, the U.S. Geological Survey, and the Northern Arapaho and Eastern Shoshone tribes to collect additional samples. The draft report will be submitted to a peer-review panel after additional tests are undertaken.

#### NPS Joins Great Lakes Effluent Limits Campaign

The National Park Service has joined environmental groups in seeking effluent limits for ballast water discharges from the Environmental Protection Agency for large ships, or "lakers", built before January 2009 operating in the Great Lakes. The coalition argues that an exemption for old ships may lead to the spread of invasive species to foreign parts of the lakes.

#### **General Services Administration**

##### GSA Sustainability Forum Website

The General Services Administration will launch the Sustainable Supply Chain Community of Practice on [www.data.gov](http://www.data.gov) at the end of March or beginning of April. Companies will be able to make their corporate social responsibility and sustainability performance reports available for comparison to similar companies. Nonprofit organizations, industry associations, and academic institutions familiar with topics in sustainable supply chains will also have access to the site. This comes as the GSA is currently conducting a three-year pilot program examining the feasibility of requiring federal suppliers to supply greenhouse gas emissions inventories.

#### **Internal Revenue Service**

##### Treasury Cash Grant Guidance

On March 12, the Internal Revenue Service in Notice 2012-23 will be published in the Internal Revenue Bulletin 2012-11, with a set of FAQ's on tax issues involving cash payments, in lieu of tax credits, for business energy property. Some of the questions were submitted via email by taxpayers and representatives, and the FAQ's specify that Treasury will make cash payments equal to 10% or 30% of particular properties that were built before the grant expired.

#### **Nuclear Regulatory Commission**

##### First Post-Fukushima Rulemakings Begin

Almost a year after the Japanese nuclear crisis, the Nuclear Regulatory Commission directed commission staff last week to begin drafting the first three orders designed to improve the safety of U.S. nuclear plants. The commission still must vote to issue the orders, which will provide the required justification for the commission staff to issue rulemakings for the nuclear industry. The three pending orders would require nuclear plant owners to develop mitigation strategies for natural disasters, beyond current plant designs that could lead to a total loss of electricity; to install hardened venting systems in containment buildings to release pressures and hydrogen gas that could explode when a reactor core overheats; and to upgrade instrumentation to monitor spent fuel pools when severe accidents occur to avoid a release of radiation into the atmosphere. The Union of Concerned Scientists released a report last week, *U.S. Nuclear Power Safety One Year After Fukushima*, criticizing the commission's efforts, citing its decision to put off until later the top recommendation of the task force – to replace a patchwork of regulations addressing beyond design basis events.

#### **States**

##### OH Wind Farm OK'd

The Ohio Supreme Court ruled, 4-3, March 6 that construction of a 70-turbine wind farm in central Ohio can proceed. The court upheld a decision by the Ohio Power Siting Board approving Buckeye Wind LLC's application to construct a wind-driven power facility in Champaign County capable of generating 126 MW. Residents living near the 9,000 acre area where the proposed wind farm will be located oppose the plan.

##### Ohio Earthquakes Linked to Nearby Brine Injection

On March 9, the Ohio Department of Natural Resources released *Preliminary Report on the Northstar 1 Class II Injection Well and the Seismic Events in the Youngstown, Ohio Area* arguing that underground injection of brine from hydraulic fracturing probably caused a series of earthquakes in northeast Ohio. Northstar Disposal Services LLC's Northstar I well, which commenced injection operations in December 2010, was probably the cause of the first in a series of seismic events that began approximately three months later fairly close to the well. As a result the Ohio Department of Natural Resources has developed new brine transportation and disposal standards.

## **International**

### China-Russia Energy Venture

The State Power Grid Company of China, the Russian Energy Agency, and the Russian Fuel Company signed an agreement February 28 establishing Green Energy International. The venture will focus on construction of bioenergy power plants, facilities for producing fuel ethanol for cellulose and biomass, production of boilers that can burn biomass, and construction of wind farms. The agreement, within the framework of the Agreement on Cooperation in the field of renewable energy and energy efficiency between Russia and China, also directs the group to establish a research center on clean energy technologies.

### WTO Ontario FIT Ruling Forthcoming

A World Trade Organization dispute panel announced last week that it will issue a ruling by September on Japan's claims that provisions in Ontario's green energy program violate global trade rules. Japan secured the establishment of the panel on July 20 to rule on its claims that domestic content requirements under Ontario's Feed-In Tariff program violate WTO rules that prohibit linking subsidies to the use of domestic products and prohibit discriminatory treatment between domestic and imported goods. The European Union is also challenging the program, and the two proceedings are being converged.

### No Consensus on Shipping GHGs

Following a week-long environmental meeting, the International Maritime Organization said March 5 that the world's shipping industry was unable to make headway on developing market based measures to reduce greenhouse gas emissions. The United Nations agency did make progress in other areas, including the adoption of guidelines to support next year's mandatory measures to improve ships' energy efficiency, on the recycling of ships, and final approval on a number of ballast water management systems. International shipping accounts for 870 MMT CO<sub>2</sub>, about 2.7 percent of total global CO<sub>2</sub>. The next debate will occur during the 64th session, scheduled for October 1-5.

### Golden Rules for Shale Gas Drilling

The International Energy Agency announced March 7 that it will release May 29 a set of golden rules for extracting shale gas in an effort to stem environmental damage. The agency estimates shale gas accounts for 15 to 20 percent of total gas produced globally, and the level will rise to about 40 percent by 2035.

### Climate Credit Carrying Decision Forthcoming

On March 5, the U.N. Framework Convention on Climate Change released a "scenario note" detailing how the Ad Hoc Working Group on the Kyoto Protocol's (AWG-KP) May 15-24 in Bonn will deal with the question of whether greenhouse gas emissions credits awarded under Kyoto Protocol procedures before the end of 2012 will be carried over to the post-2012 compliance period, as the issue remained unresolved at the close of the 17th Conference of the Parties (COP-17) summit last December in Durban. The argument in favor of not carrying credits forward is that emissions reductions in the post-2012 period would increase, while the argument in favor of carrying forward reasons that companies would like credits to hold their value for a long time. Additionally, the Ad Hoc Working Group will address other proposed amendments to the Kyoto Protocol, including the length of the second commitment period.

### EU GHG Reduction Goals Fail

On March 9, medium- and long-term greenhouse gas emission reduction goals were delayed after Poland's representative at a meeting of the European Union's environmental ministers blocked the latest



European Commission proposal establishing nonbinding “milestones” aimed at 40% reductions from 1990 levels by 2030, followed by 60% by 2040. Poland, which relies heavily on coal in electrical generation, was the only country that refused to endorse the plan, which required unanimous backing, claiming that the EU should not set such goals unless the rest of the world does so as well. The EU will now focus on efficiency proposals, which if fully implemented would cut greenhouse gas emissions by 25% by 2020, anyway.

#### BAT Ruling

On March 8, the European Commission published new “best available techniques” (BATs) for industrial emissions controls, to be administered by the EU Industrial Emissions Directive, for the glass and steel industries in the *Official Journal of the European Union*. Member states have until spring 2016 to update their own permitting for glass manufacturers and iron and steel producers accordingly. Another 31 BAT rules, covering a range of industrial sectors, are currently under revision as well.

#### **Miscellaneous**

##### MIT Energy and Climate Outlook

The Massachusetts Institute of Technology released its 2012 Energy and Climate Outlook March 5, painting a grim picture for global efforts to manage projected temperature increases. The projection modeling system, developed by the university’s Joint Program on the Science and Policy of Global Change, predicts doubled global greenhouse gas emissions and a potential temperature warming of 6.7 degrees Celsius by 2100 despite incorporating the emissions targets that G20 nations made at the 2009 Conference of Parties to the U.N. Framework Convention on Climate Change, a higher projection than the Intergovernmental Panel on Climate Change’s 6.4 degrees.

##### CRS Fossil Fuels Subsidy Report

The Congressional Research Service released a report March 5 finding that after years of resistance, the atmosphere could be changing enough for Congress to repeal tax breaks for oil and gas industry. As with his last three budget requests, President Obama included in his fiscal year 2013 proposal language asking Congress to repeal the enhanced oil recovery credit, a credit for marginal well oil and gas production, the expensing of intangible drilling costs, and the deduction for tertiary injectants used in crude oil recovery.

##### Nuclear Safety Plan

The Nuclear Energy Institute announced March 6 that the nuclear industry will proceed with the acquisition of additional safety equipment at the country’s nuclear power plants as its top response to last year’s Japanese nuclear crisis. The FLEX program will place additional safety equipment at individual facilities and new regional centers than can be shared, and calls on each plant owner and operator to contract for additional emergency equipment by the end of the month. The plan will cost \$1-2 million for each of the 104 commercial plant reactors at 67 sites in 31 states.

##### Belief in Climate Change Rising

The Brookings Institution released a report February 28 finding that the number of Americans who believe global temperatures are rising is on the rebound. According to the December 2011 survey, *Belief in Global Warming on the Rebound: National Survey of American Public Opinion on Climate Change*, people are increasingly attributing their belief about global warming to their personal experiences with weather. 62 percent of those surveyed believe there is solid evidence that global temperatures are rising, the highest level since fall 2009 when 65 percent of Americans said they believed in climate change.

##### E-Waste Export Restrictions May Be Challenged

The Congressional Research Service released a report last week finding that U.S. legislation to restrict the export of waste electronics (S. 1270 and H.R. 2284) could be susceptible to challenge by the World Trade Organization. According to the report, *Issues in International Trade Law: Restricting Exports of Electronic Waste*, the WTO’s General Agreement on Tariffs and Trade forbids member institutions to establish restrictions on exports to and imports from any WTO member’s territory.

#### CRS Biomass Report

The Congressional Research Service published a report March 6 outlining four different definitions for biomass that have been used in the tax code since 2007. The report, *Biomass: Comparison of Definitions in Legislation Through the 111th Congress*, considered definitions of biomass that have appeared in public laws, the tax code, and legislation since 2004.

#### Sustainability Initiatives

On March 8, during a two-day summit in Chicago, two new multi-city cooperative initiatives were launched that aim to increase green-infrastructure projects. The Sustainable Infrastructure Finance Network and the Green Growth Initiative were announced by mayors Rahm Emmanuel and Michael Bloomberg, and will operate under the auspices of the C40 Cities Climate Research Group. Both groups will serve as an information-sharing platform for infrastructure financing plans and documents, unique financing strategies and case studies.