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## ENERGY AND ENVIRONMENT UPDATE

### August 5, 2013

#### ENERGY AND CLIMATE DEBATE

Just days before entering the five-week August recess, Capitol Hill was abuzz last week with nomination considerations and legislation, including the now-resolved student loan issue. On the energy front, the Senate approved two hydropower bills by unanimous consent, and they are now awaiting President Obama's signature: [H.R. 267](#), the Hydropower Regulatory Efficiency Act, and [H.R. 678](#), the Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act. The House approved [H.R. 1582](#), the Energy Consumers Relief Act. An amendment from Representative Tim Murphy (R-PA) to ensure that no rules based on the social cost of carbon was adopted. The House also approved [H.R. 367](#), the Regulations from the Executive in Need of Scrutiny (REINS) Act of 2013, but neither of these House-passed bills is expected to move through the Senate.

The appropriations debate will extend into September and likely beyond the start date for the new fiscal year. Congress failed last week to finalize the Transportation and Housing and Development Appropriations bill, and remaining bills are at various stages in the process. The House Appropriations Committee will wait until September to finish marking up its [version](#) of the Interior and Environment Appropriations bill. Before the committee recessed on July 31 in the middle of its markup, it approved 27-20 an amendment from Representative John Culberson (R-TX) to prevent the Environmental Protection Agency from issuing rules relying on the administration's recently released social cost of carbon calculation. With the October 1 deadline looming, most believe that a continuing resolution will be required as the House and Senate hammer out the appropriations bills.

In an effort to bring Shaheen-Portman to the Senate floor before the August recess, S. 761, the Energy Savings and Industrial Competitiveness Act of 2013, was substituted by [S. 1392](#) on Tuesday. The modified legislation struck Title II, the Commercial Building Efficiency Financing Initiative, from the language, added a career skills program for nonprofit partnerships, expanded the list of eligible motors for the Industrial Efficiency Title, and removed the electric vehicle and natural gas

section in the Federal Agency Title. Stakeholders agreed to the changes, and the bill was introduced under Rule 14, bringing it directly to the floor. A copy of the new version of the bill along with a summary of the changes is attached. The Senate is scheduled to proceed to the legislation on September 10.

On Thursday, the Senate confirmed Avi Garbow to serve as Environmental Protection Agency General Counsel; James Jones to be Assistant Environmental Protection Agency Administrator for Toxic Substances; Vice Admiral Dennis McGinn to serve as Assistant Secretary of the Navy for Energy, Installations, and the Environment; and Mark Schaefer to serve as Assistant Secretary of Commerce for Oceans and Atmosphere. When the Senate returns, it will consider Robert Binz to serve as Federal Energy Regulatory Commission Chairman, Steven Croley to be Department of Energy General Counsel, retired Air Force Lt. Gen. Frank Klotz to serve as National Nuclear Security Administration Administrator, and Kathryn Sullivan to serve as NOAA Administrator.

Off the Hill, a number of significant renewable energy milestones were reached. At the Department of Energy's annual Biomass Conference, ML Strategies' client INEOS Bio announced that its new Florida biorefinery is producing commercial quantities of cellulosic ethanol from waste. The project was funded in part by a number of Department of Energy research grants as well as a USDA loan guarantee. Secretary of Energy Ernest Moniz praised the announcement of commercial-scale production of cellulosic biofuels as an "important benchmark for American leadership in this growing global industry."

In another milestone, on July 31, the Interior Department held its first competitive offshore wind lease auction. Our client Deepwater Wind secured both lease areas, which total 257-square-miles off the coasts of Rhode Island and Massachusetts. The company will begin constructing a 1,000MW project in 2017.

As we entered into August, members of Congress shifted their focus from Washington, DC to outside the beltway. Democrats and Republicans crafted different messages with Democrats focusing on manufacturing, and the GOP addressing Obamacare. The Democratic playbook is attached while the Republican playbook can be found [here](#). The President will continue emphasizing the economy. Also during the August recess, Senate Majority Leader Harry Reid (D-NV) will host the National Clean Energy Summit on; Secretary of Energy Ernest Moniz and Secretary of the Interior Sally Jewell will attend. Additionally, Senator Dianne Feinstein (D-CA), Governor Jerry Brown (D-CA), and former Vice President Al Gore will attend the Lake Tahoe Summit.

When Congress returns, the primary focus for energy policy will surround the Shaheen-Portman energy efficiency package. Other issues that may be addressed include the overall budget, the debt limit, tax reform, sequestration, and Keystone XL amendments to major bills.

## CONGRESS

### **Markey to Chair Foreign Relations Subcommittee**

Senator Ed Markey (D-MA) announced July 29 that he will chair the Senate Foreign Relations Subcommittee on International Development and Foreign Assistance, Economic Affairs, International Environmental Protection, and Peace Corps.

### **House E&C Letter on Fracking Groundwater Contamination Sent**

In a July 30 [letter](#) to Environmental Protection Agency Administrator Gina McCarthy, House Energy and Commerce Committee Republican leaders led by Chairman Fred Upton (R-MI) asked the agency to report on its comprehensive study of the impact of fracking on groundwater contamination. The letter asked how the agency is using past investigations of water contamination in its current study.

### **Coal Ash Legislation to Senate Floor**

The Senate used Rule 14 on July 30 to move [H.R. 2218](#), the Coal Residuals Reuse and Management Act of 2013, directly to the floor, skipping over the Senate Environment and Public Works Committee. Chairman Barbara Boxer (D-CA) commented later that day that it is unlikely the bill will receive a vote; she dismissed the Rule 14 procedure as a common practice and said it does not mean the bill will receive floor time. The House passed the bill July 25.

### **E&C RFS Working Group Formed**

The House Energy and Commerce Committee announced July 30 that Representatives Cory Gardner (R-CO), Steve Scalise (R-LA), John Shimkus (R-IL), and Lee Terry (R-NE) will comprise an informal working group to address the Renewable Fuel Standard. The committee has held hearings and released a series of white papers on the issue. The group was not given a timetable to report back on revisions. Two days later, Chairman Fred Upton (R-MI) and Henry Waxman (D-CA) released a [statement](#), saying the committee will work over the August recess to come up with a solution.

### **Moniz Testifies on Nuclear Waste**

Testifying at a July 30 Senate Environment and Natural Resources Committee hearing, Energy Secretary Ernest Moniz praised [S. 1240](#), the Nuclear Waste Administration Act, calling it a "promising framework for addressing key issues" related to nuclear waste storage and disposal. He also emphasized that the White House has yet to take a position on the legislation, though he had no negative things to say about it. The following day, Secretary Moniz testified before the House Energy and Commerce Subcommittee on Environment and the Economy on the Department's [Strategy for the Management and Disposal of Used Nuclear Fuel and High-Level Radioactive Waste](#). He praised a dual path approach with both interim storage and a final repository.

### **Senate RFS Hearing after Recess**

The Senate Environment and Public Works Committee announced July 31 that it will hold a hearing on the Renewable Fuel Standard in the fall.

### **EPW Hearing on TSCA, CSIA**

The Senate Environment and Public Works Committee held a hearing July 31 on the Toxic Substances Control Act as well as [S. 1009](#), the Chemical Safety Improvement Act (CSIA), which was introduced by Ranking Member David Vitter (R-LA) and the late Senator Frank Lautenberg (D-NJ). Chairman Barbara Boxer (D-CA) expressed concern that CSIA would preempt states' regulatory actions against toxic chemicals. Panelists before the Committee were sharply divided on whether CSIA was an improvement over TSCA or not and raised a number of concerns. Ranking Member Vitter was confident that issues raised during the hearing could be fixed with clarifying language and indicated that he and Senator Tom Udall (D-NM) would work on a manager's amendment to insert such language.

### **Coons, Moran Advocate for MLP Parity**

Senators Chris Coons (D-DE) and Jerry Moran (R-KS) testified in favor of their co-written Master Limited Partnerships Parity Act, [S. 795](#), at a July 31 Senate Finance Committee hearing on energy tax incentive policy. Both Senators emphasized that the bill will provide renewable energy

companies with a stable source of lower-cost capital, and Senator Moran added that it would also allow more Americans the opportunity to invest in burgeoning, potentially lucrative technologies.

### **House Committee Passes Fracking, Hydropower Bills**

The House Natural Resources Committee approved July 31 [H.R. 2728](#), the Protecting States' Rights to Promote American Energy Security Act. The bill, introduced by Representative Bill Flores (R-TX), prevents the Department of the Interior from enforcing federal fracking rules in states that already have regulations. An amendment offered by Representative Markwayne Mullin (R-OK) to prevent the agency from enforcing regulations on tribal lands without consent was also approved. The committee also approved [H.R. 1963](#), the Bureau of Reclamation Conduit Hydropower Development Equity and Jobs Act, by unanimous consent. The bill would allow irrigation districts and water user associations to install hydropower projects at Bureau of Reclamation facilities.

### **House Committee Approves Fracking Study Bill, Subpoenas EPA**

During an August 1 markup, The House Science, Space, and Technology Committee approved [H.R. 2850](#), the EPA Hydraulic Fracturing Study Improvement Act. As amended during consideration, the bill would require the Environmental Protection Agency to complete a study on fracking and drinking water contamination by September 30, 2016. The committee also voted to [subpoena](#) the Environmental Protection Agency for data on fine particulate matter and ozone health effects studies.

### **Social Cost of Carbon GAO Report Requested**

Representatives Duncan Hunter (R-CA) and John Culberson (R-TX) and Senator David Vitter (R-LA) requested August 1 a Government Accountability Office report on the administration's recent social cost of carbon calculation. Members asked the GAO to look into the Interagency Working Group's the decision making process and compliance with federal statutes.

### **Vitter, Pryor, Inhofe RFS Waiver Letter**

In an August 1 [letter](#) to President Obama, Senators David Vitter (R-LA), Mark Pryor (D-AR), and Jim Inhofe (R-OK) requested that the 2014 Renewable Fuel Standard mandated levels be waived. The trio contended that new fuel economy standards led to lower demand for fuel, making it more difficult to achieve blending requirements.

### **Senate Appropriations Releases Interior, Environment Bill**

The Senate Appropriations Subcommittee on Interior, Environment, and Related Agencies released its FY14 Interior and Environment Appropriations [draft bill](#) on August 1. The \$30.8 billion bill provides the Environmental Protection Agency \$8.5 billion, roughly \$328 million more than the requested level. Chairman Jack Reed (D-RI) and Ranking Member Lisa Murkowski (R-AK) also released a [summary](#) and a [statement](#).

### **Hydropower Bills Sent to President**

The Senate approved [H.R. 267](#), the Hydropower Regulatory Efficiency Act, and [H.R. 678](#), the Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act August 1, sending the two bills to the President. The first bill, which passed the House in February, would lessen permitting requirements for small hydropower projects with minimal environmental impacts; the second piece of legislation, approved by the House in April, would ease environmental review requirements for Bureau of Reclamation facilities.

### **House Holds Hearing on Stream Buffer Bill**

The House Natural Resources Subcommittee on Energy and Mineral Resources held a hearing August 2 to discuss [H.R. 2824](#), the Preventing Government Waste and Protecting Coal Mining Jobs in America Act, which would stop the administration from rewriting the 2008 Stream Buffer Zone Rule. All three witnesses and all but one participating representative spoke in favor of the bill, saying that the rewritten rule would be less environmentally beneficial, kill thousands of coal jobs, lead to billions less in coal company revenues and tax receipts, and impede mine reclamation projects. Many also complained that the current rulemaking process has not been sufficiently transparent, has not given adequate time for stakeholders to review and comment on draft documents, and has wasted millions of taxpayer dollars.

### **LNG Export Terminal Permit Letter**

In an August 2 [letter](#), Senate Energy and Natural Resources Chairman Ron Wyden (D-OR) and Ranking Member Lisa Murkowski (R-AK) asked Secretary of Energy Ernest Moniz about liquefied natural gas export terminals. They asked him to describe situations in which the agency would revoke export terminal permits.

### **Bills Introduced**

- On July 30, Senators Carl Levin (D-MI), Dick Durbin (D-IL), Debbie Stabenow (D-MI), and Sherrod Brown (D-OH) introduced [S. 1388](#), the Petroleum Coke Transparency and Public Health Safety Act. The bill would direct the Department of Health and Human Services to study the impact of petcoke on the environment and public health.
- The same day, Senator Jeanne Shaheen (D-NH) and Rob Portman (R-OH) introduced [S. 1392](#), the Energy Savings and Industrial Competitiveness Act of 2013. The bipartisan energy efficiency bill is an updated version of S. 761.
- The same day, Senators Rob Portman (R-OH) and Claire McCaskill (D-MO) introduced [S. 1397](#), the Federal Permitting Improvement Act of 2013. The bill would establish a council to examine the best ways to streamline the federal permitting process for energy, manufacturing, and transportation projects larger than \$25 million.
- The same day, Representatives Lamar Smith (R-TX), Chris Stewart (R-UT), and Cynthia Lummis (R-WY) introduced [H.R. 2850](#), a bill to require certain conduct procedures by the Environmental Protection Agency as it investigates the potential impacts of fracking on drinking water.
- The same day, Representative Nita Lowey (D-NY) introduced [H.R. 2861](#), a bill to require the Nuclear Regulatory Commission to retain and redistribute certain amounts collected as fines.
- The same day, Representative Donald Payne (D-NJ) introduced [H.R. 2863](#), a bill to provide assistance to small businesses providing low-income individuals with green jobs.
- On July 31, Senator John Hoeven (R-ND) introduced [S. 1401](#), the Domestic Energy and Jobs Act. The measure brings together 12 energy bills. Initiatives contained in the legislation include an American Energy Development Plan, weather site testing for offshore wind projects, streamlining of energy project permits, and opening up the National Petroleum Reserve Alaska.
- The same day, Senators Mary Landrieu (D-LA) and John Hoeven (R-ND) introduced [S.Con.Res. 21](#), a concurrent resolution expressing the sense of Congress that the approval and construction of the Keystone XL pipeline are in the public's interest.
- The same day, Representative Elizabeth Esty (D-CT) introduced [H.R. 2873](#), the E3 Initiative Evaluation Act. The bill would require a GAO study on the Economy, Energy, and Environment Initiative to Support Sustainable Manufacturing.



- The same day, Representatives Bill Flores (R-TX) and Gene Green (D-TX) introduced [H.R. 2877](#), a bill to prevent taxes on natural gas pipeline property.
- The same day, Representative Louise Slaughter (D-NY) introduced [H.R. 2896](#), a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) to modify grant provisions.
- On August 1, Senators Ron Wyden (D-OR) and Lisa Murkowski (R-AK) introduced [S. 1419](#), the Marine and Hydrokinetic Renewable Energy Act of 2013. The bill would designate the Federal Energy Regulatory Commission as the lead federal agency to coordinate environmental reviews of hydropower projects; it would also reauthorize several Department of Energy marine and hydrokinetic research and development programs.
- On August 2, Representative Jan Schakowsky (D-IL) introduced [H.R. 2983](#), the Safe Hydration is an American Right in Energy Development Act. The bill would require water source testing near fracking sites; the results would be publicly disclosed.
- The same day, Representative Mike Fitzpatrick (R-PA) introduced [H.R. 2987](#), a bill to phasedown the wind production tax credit.
- The same day, Representatives Paul Cook (R-CA) and Matt Salmon (R-AZ) introduced [H.R. 3017](#), a bill to change the deadline for the solar investment tax credit from “placed in service” to “commence construction.”
- The same day, Representative Cory Gardner (R-CO), Jim Matheson (D-CO), and Chris Stewart (R-UT) introduced [H.R. 3023](#), a bill to facilitate water leasing and water transfers to promote conservation and efficiency.
- The same day, Representatives Paul Tonko (D-NY) and Chris Gibson (R-NY) introduced [H.R. 3057](#), a bill to modify the qualified fuel cell motor vehicles tax credit and to extend the credit to off-highway vehicles.

## ADMINISTRATION

### Obama on Clean Energy Jobs

President Obama addressed an Amazon facility in Tennessee on July 30, stressing job growth and tax code simplification. In an associated [fact sheet](#) released by the White House, the administration stressed the President’s National Network for Manufacturing Innovation proposal, investment in clean energy technology, and natural gas development.

### WH Opposes REINS Act

The White House, in a July 31 [statement of administration policy](#), issued a veto threat against [H.R. 367](#), the Regulations from the Executive in Need of Scrutiny (REINS) Act of 2013. Introduced by Representative Todd Young (R-IN), the bill would require Congress to pass a joint resolution approving a regulation before any major executive branch rule could take effect. The White House said the bill would create uncertainty around existing regulations and would delay the implementation of necessary rules.

## DEPARTMENT OF COMMERCE

### ETTAC August Public Meeting Scheduled

The International Trade Administration [announced](#) August 2 that its Environmental Technologies Trade Advisory Committee would host a public meeting August 27 to discuss the U.S. Environmental Solutions Toolkit, efforts to improve environmental exports, and the subcommittee structure. The committee advises the Secretary of Commerce on environmental trade policies.

## DEPARTMENT OF ENERGY

### **Biomass 2013**

The Department of Energy Bioenergy Technologies Office held its annual Biomass 2013 conference July 31 and August 1. Energy Secretary Ernest Moniz awarded \$22 million to five drop-in biofuel projects. Secretary of Agriculture Tom Vilsack advocated against the repeal of the Renewable Fuel Standard. Representative John Garamendi (D-CA) promoted biomass funding, especially for Defense Department alternative fuel programs. Senator Chuck Grassley (R-IA) commented that oil tax incentives should be repealed if alternative energy tax breaks are allowed to expire.

### **Moniz on LNG Export Permits, Fracking, Coal**

At an August 1 Christian Science Monitor event, Energy Secretary Ernest Moniz explained that the agency will stand by its approach to evaluate liquefied natural gas export terminal applications in the order received. Secretary Moniz said he has not seen any example of fracking causing groundwater contamination, and charged that the four challenges of fracking—full well completion, errors, methane emissions, and air quality—are manageable. He also commented that the administration is not waging a war on coal, pointing to examples supporting coal energy research and development, such as \$6 billion for carbon capture technology.

### **2011 Oil, Natural Gas Reserve Growth**

The Energy Information Administration, in its August 1 [\*U.S. Crude Oil and Natural Gas Proved Reserves 2011\*](#) report, announced that oil reserves grew 15 percent and natural gas reserves grew 10 percent in 2011. Administrator Adam Sieminski likened the growth to horizontal drilling and fracking technology.

## DEPARTMENT OF INTERIOR

### **Federal Land Oil Development Challenge**

Seven environmental groups led by Rocky Mountain Wild filed a suit July 25 against the Bureau of Land Management in the U.S. District Court for the District of Colorado. The groups alleged the agency's decision to open 810,000 acres of federal land in Colorado, Utah, and Wyoming for oil development without consulting the U.S. Fish and Wildlife Service violated the Endangered Species Act.

### **Connor Nominated for Deputy Secretary**

President Obama nominated July 30 Bureau of Reclamation Commissioner Michael Connor to serve as Deputy Secretary of the Interior. Connor previously served as counsel on the Senate Energy and Natural Resources Committee. Following the announcement, Chairman Ron Wyden (D-OR) praised the nomination and Connor's past work.

### **First Offshore Wind Auction Held**

The Department of Interior held its first offshore wind auction July 31 for 164,750 acres off the coast of Massachusetts and Rhode Island. The next step for the winner, Deepwater Wind New England LLC, is to submit a site assessment plan within six months; if the plan is approved, a construction and operations plan must be submitted within 4.5 years. A second auction will be held September 4 for 112,800 acres off the coast of Virginia.

## ENVIRONMENTAL PROTECTION AGENCY

### **Dimock Internal Report Released**

The Los Angeles Times released July 27 an internal Environmental Protection Agency [report](#) on the impacts of fracking on drinking water in Dimock, Pennsylvania. The report found that fracking did cause methane leaks, contradicting a report by the drillers who said the leaks were naturally occurring.

### **Coal Ash Management NODA Released**

In a July 29 [notice of data availability](#), the Environmental Protection Agency announced it will seek public comment on coal ash management analysis, definitions, and feasibility to comply. The proposed rule was issued in June 2010, and the agency said it will release the final rule once comments are evaluated.

### **Non-Road Engine Regulation Challenged**

The American Road and Transportation Builders Association filed suit July 29 in the Supreme Court against the Environmental Protection Agency over its non-road engine emissions regulations. The group had petitioned the agency over changes to the non-road engine regulation in California's state implementation plan; the agency denied the petition. The U.S. Court of Appeals for the District of Columbia Circuit dismissed the case in January, partially due to filing deadlines.

### **McCarthy at Harvard on Climate, Energy**

Addressing Harvard Law School July 30, Environmental Protection Agency Administrator Gina McCarthy linked climate change mitigation strategies to job creation. Energy innovation and research will lead to domestic jobs. Explaining that climate change is an economic issue, she said the impacts of natural disasters have been monetarily devastating. She commented that the agency plays a small role as a commenter in the Keystone XL pipeline decision. Administrator McCarthy stressed relationships with other members of the administration, saying that she is working with Energy Secretary Ernest Moniz on regulations to reduce methane emissions and that she and Secretary of State John Kerry view working to address Chinese air pollution as a priority. She also hinted that former Acting Administrator and current Deputy Administrator Bob Perciasepe may remain in his role for the duration of President Obama's term.

### **Cooling Water Final Rule Sent to OMB**

The Environmental Protection Agency sent the Criteria and Standards for Cooling Water Intake Structures final [rule](#) to the Office of Management and Budget July 30. The rule applies to power plant and industry facility cooling water towers. The deadline for the rule had been June 27, but an agreement between the agency and environmental groups pushed the date back to November 4.

### **Texas Power Plants Appeal EPA Notice**

Electricity companies Big Brown Power Co. and Luminant Generation Co. petitioned the U.S. Court of Appeals for the Fifth Circuit on July 31, challenging an Environmental Protection Agency notice that said that two North Texas coal plants owned by the firms violated Texas prevention of significant deterioration regulations. The notice, dated July 11, charges that Luminant and Big Brown failed to obtain required PSD permits before completing recent physical and operating changes, which led to significant net increases in nitrogen oxide and sulfur dioxide emissions.

### **Former EPA Administrators Push Climate Action**

Four former Republican Environmental Protection Agency Administrators wrote in an August 1 New York Times [op-ed](#) that the U.S. should take substantive action on climate change now. William Ruckelshaus, Lee Thomas, William Reilly, and Christine Todd Whitman said the best approach would be a market-based approach, but that path is impractical due to congressional gridlock.



### **Biomass Support Letter Sent**

In an August 1 letter signed by more than 100 businesses and industry groups, stakeholders urged the Environmental Protection Agency to act quickly to address a court decision to vacate a 2011 rule that exempted biomass sources from greenhouse gas permitting requirements. The U.S. Court of Appeals for the District of Columbia Circuit ruled in mid-July that the agency did not have enough scientific evidence to exempt biomass sources. The groups, which included the American Forest and Paper Association and the American Farm Bureau Federation, said inaction by the agency could lead to significant uncertainty for the industry.

## **EXPORT-IMPORT BANK**

### **Hochberg on Czech Nuclear Plant Expansion**

Speaking at a July 30 Center for American Progress event, Export-Import Bank Chairman and President Fred Hochberg [said](#) the bank is considering providing financing to a \$10 billion nuclear power plant expansion project in the Czech Republic. Czech utility company CEZ hopes to expand the Temelin plant, and Westinghouse is seeking to supply the facility. Hochberg said the Ex-Im Bank could provide a \$4 billion to \$5 billion 25-year loan.

## **INTERNATIONAL**

### **EIB Energy Financing Guidelines Adopted**

The European Investment Bank adopted updated energy project financing [guidelines](#) July 25, placing strict conditions on fossil energy loans and prioritizing renewable energy and energy efficiency proposals. Fossil fuel projects must comply with several EU directives, including the Emissions Trading System Directive, before being approved for a loan. The new Energy Performance Standard was designed to assist the EU in meeting its climate action goals.

### **Europe to Test Largest Battery**

S&C Electric announced July 30 that it will begin testing Europe's largest battery, a \$28.7 million lithium manganese battery capable of storing up to 10 MWh of energy. It is designed to regulate renewable energy. Testing will occur in the United Kingdom, and results will be available in 2016.

### **Manitoba Petcoke, Coal Proposals**

The government of Manitoba announced July 30 a proposal to manage petroleum coke and coal in the province. The plan would ban petroleum coke and coal as a heating fuel, place a greenhouse gas emissions tax on petroleum coke, and encourage coal projects to convert to biomass. The government will soon release regulatory proposals on the ban of petcoke and coal as heating fuels.

### **Deadline Set for Ontario Green Energy Local Content Requirements**

Canada reached an agreement July 31 with the European Union and Japan to bring a green energy program in Ontario that requires minimums of local content in renewable power projects into WTO compliance by March 24, 2014. The compromise is a result of a WTO case, which found that the program violated WTO rules by affording less favorable treatment to imported components and equipment. The case may have further implications, as similar less favorable treatment cases against India, U.S., and certain EU member states are evaluated.

### **TransCanada Advances Energy East Pipeline**

TransCanada Corporation, owner of the Keystone XL pipeline, announced August 1 that it is moving forward with its Energy East Pipeline that would move 1.1 barrels of crude oil per day from

Western Canada to a New Brunswick refinery. The \$11.6 billion project must be approved by the Canadian government before it goes into service in late 2017.

### **EC Approves China Antidumping Settlement**

The European Commission approved August 2 a settlement for the European Union antidumping duty case against Chinese solar panel companies. The settlement means Chinese companies will not have to pay the 47.6 percent duty beginning August 6 if they are participating in the agreement; in exchange, 70 percent of the EU solar panel market will be awarded to Chinese exporters at a set price. While most member states support the deal, France, Italy, and Spain expressed concerns that the agreement will set a bad precedent.

## **STATES**

### **AL, MS Sign Oil Sands MOU**

Alabama Governor Robert Bentley (R) and Mississippi Governor Phil Bryant (R) signed July 28 a memorandum of understanding on oil sands research. The two states will conduct an assessment of potential reserves.

### **CARB, Australia Sign MOU**

The California Air Resources Board and the Australian Clean Energy Regulator signed a [memorandum of understanding](#) July 30, agreeing to share information on emissions trading programs, market-based program operations, reporting requirements, and technical standards. While the memorandum did not have language about linking the two carbon price schemes, the agencies have had discussions on this topic in the past. It will expire in 2016.

## **SUSTAINABILITY**

### **SASB Releases Healthcare Industry Reporting Standards**

The Sustainable Accounting Standards Board released a set of industry-specific sustainability reporting standards for healthcare companies July 31. The healthcare standards are voluntary guidelines to help companies disclose non-financial information related to environmental and social issues on SEC filings and cover six healthcare sectors, including biotechnology, healthcare delivery, healthcare distributors, managed care, medical supplies, and pharmaceuticals. These are the first in what will be a series of ten sets of industry specific standards; the SASB plans to release standards for the financial sector next, followed by those for technology and communications companies.

## **MISCELLANEOUS**

### **Exelon to Absorb 3 U.S. Nuclear Plants**

EDF announced July 30 that it will transfer operating licenses of three nuclear power plants to Exelon. EDF currently oversees the plants with Constellation, which became a subsidiary of Exelon last May. The plants, which will be absorbed over the next six to nine months, are Calvert Cliffs in Maryland and New York's Ginna and Nine Mile Point facilities.

### **Duke Energy Ends Levy Nuclear Plant Proposal**

Duke Energy announced August 1 that it will no longer proceed with the proposed Levy nuclear project, citing rising costs and difficulty to obtain a Nuclear Regulatory Commission permit. The Floridian plant was acquired by the company when it merged with Progress Energy.