



ML Strategies Update

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Energy & Environment Update

ENERGY AND CLIMATE DEBATE

Congress returns this week following the President's Day holiday, and the death of Supreme Court Justice Antonin Scalia on February 13 has set the stage for a contentious nomination battle in the Senate with Majority Leader Mitch McConnell (R-KY) saying that naming a successor should be put off until the next Administration.

The Supreme Court vacancy has tremendous stakes for the Environmental Protection Agency's Clean Power Plan, which was stayed by the Supreme Court earlier this month. While the stay had led many to believe that the plan was in danger, a 4-4 ideological split on the court until a successor is confirmed means that the U.S. Court of Appeals for the District of Columbia Circuit may be the final arbiter for the plan.

The impact of the debate on the SCOTUS nomination for the legislative agenda is unclear, but Senate Energy and Natural Resources Chair Lisa Murkowski (R-AK) and Ranking Member Maria Cantwell (D-WA) and their staff have continued to work over the past week to overcome an impasse on the bipartisan energy bill. While there is no break in the impasse on the energy bill yet, there are several hearings this week at the various committees.

CONGRESS

Upcoming Hearings

The Senate Energy and Natural Resources Committee will hold a hearing on February 23 to examine the Department of the Interior's budget request for Fiscal Year 2017.

The Senate Environment and Public Works Committee (EPW) will hold a hearing February 24 on "Oversight of the Renewable Fuel Standard."

The House Energy and Commerce Committee will hold a hearing February 24 on "DOE for the 21st Century: Science, Environment, and National Security Missions."

The House Natural Resources Subcommittee on Oversight and Investigations will hold a hearing February 24 on "The President's Imposition of New Environmental Mitigation Regulations."

The Senate Appropriations Committee will hold a subcommittee hearing February 24 on the Nuclear Regulatory Commission.

The House Energy and Commerce Committee will markup several bills February 24 and February 25, including a bill to delay the Environmental Protection Agency's brick MACT, a number of hydropower bills, a bill to promote the

use of energy efficient information technology by the government, a bill regarding appeals to utility rate changes, a bill allowing the use of aerial surveys for natural gas permitting activities, and a bill regarding the Environmental Protection Agency's Cross-State Air Pollution Rule (CSPR).

The House Transportation and Infrastructure Committee will hold a hearing February 25 on reauthorization of DOT's Pipeline Safety Program.

New Climate Solutions Caucus

Reps. Carlos Curbelo (R-FL) and Ted Deutch (D-FL) on February 9 [announced](#) the creation of the bipartisan Climate Solutions Caucus which will hold events aimed at educating members on the threats that climate change related to the economy, national security, the environment, and infrastructure.

CRS Report on Proposed Oil Tax Hike

On February 9 Senate Energy and Natural Resources Committee Chair Lisa Murkowski (R-AK) released a [report](#) prepared by the Congressional Research Service (CRS) raising questions about President Obama's proposal to levy a new \$10-per-barrel tax on oil.

Senate EPW Hearing on WRDA

February 10 the Senate Environment and Public Works (EPW) Committee held a [hearing](#) on "The Importance of Enacting a New Water Resources Development Act."

Congressional Letter to FERC on PURPA

Senate Energy and Natural Resources Committee Ranking Member Maria Cantwell (D-WA), House Energy and Commerce Committee Ranking Member Frank Pallone (D-NJ), and House Subcommittee on Energy and Power Ranking Member Bobby Rush (D-IL) [wrote](#) February 11 to the Federal Energy Regulatory Commission (FERC) urging a balanced discussion of the requirements and implementation of the Public Utility Regulatory Policies Act of 1978 (PURPA) at an upcoming technical conference.

House Subcommittee Advances Energy Legislation

The House Subcommittee on Energy and Power on February 11 advanced [twelve energy bills](#) to the full committee, including the Blocking Regulatory Interference from Closing Kilns (BRICK) Act, the Fair RATES Act, the AIR Survey Act, a bill to amend section 203 of the Federal Power Act, the EPS Improvement Act, the Satisfying Energy Needs and Saving the Environment (SENSE) Act, and a number of bills regarding the commencement of construction for hydroelectric projects.

Energy Sovereignty Act Introduced in House

Rep. Scott Perry (R-PA) [introduced](#) on February 12 the Energy Sovereignty Act (H.R. 4544) which would eliminate Section 115 of the Clean Air Act and focuses on international air pollution and Environmental Protection Agency regulation of greenhouse gases.

House Bill Introduced to Strike Energy Efficiency Standards

Rep. Michael Burges (R-TX) on February 11 [introduced](#) the Energy Efficiency Free Market Act of 2016 (H.R. 4504) which would strike all government-mandated energy efficiency standards currently required on a variety of consumer products.

Alaska Field Hearing on Energy Technology Innovation and Deployment

Senate Energy and Natural Resources Committee chair Lisa Murkowski (R-AK) held a field [hearing](#) in Bethel, Alaska February 15 to examine "Energy Technology Innovation and Deployment – Opportunities for Alaska's Energy Future." Energy Secretary Ernest Moniz served as a panelist and his testimony can be found [here](#).

ADMINISTRATION

President Obama to make historic visit to Cuba

The White House [announced](#) February 18 that President Obama and the First Lady will travel to Cuba March 21. This will be the first visit by a U.S. president in 88 years. Aimed at advancing cooperation between the U.S. and Cuba, discussions will focus on trade and investment, as well as climate change and renewable energy.

DEPARTMENT OF ENERGY

New Assistance to Indian Tribes and Alaska Native Communities

Energy Secretary Moniz announced February 12 the availability of up to \$7 million to establish a technical assistance regional energy providers' network to Indian tribes and Alaska Native communities. The network will initially aim to capitalize on the relationship Alaska Native Regional Corporations and Inter-tribal Organizations have

with their member Indian tribes and Alaska Native communities by providing support for the development of trained energy experts.

Solar Prospecting in Remote Alaska

The DOE Office of Indian Energy released a report February 12 titled “Solar Energy Prospecting in Remote Alaska: An Economic Analysis of Solar Photovoltaics in the Last Frontier State.”

DOE NPRM for Light Bulb Standards

The DOE Office of Energy Efficiency and Renewable Energy on February 12 issued a [Notice of Proposed Rulemaking](#) regarding the Energy Conservation Program and Energy Conservation Standards for General Service Lamps. A public meeting is scheduled for April 1 in Washington and will also be broadcast as a webinar.

DOE Announces New Projects on High-Performance Computing

On February 17 the DOE [announced](#) \$3 million for ten new projects aimed at enabling private sector companies to use high-performance computing resources at the department’s national laboratories to tackle major manufacturing challenges. The High-Performance Computing for Manufacturing (HPC4Mfg) Program is forging these new partnerships to increase the efficiency of manufacturing processes, accelerate innovation, and improve the quality of clean energy products.

DOE Touts Loan Program Successes

Also February 17 the DOE issued a release touting “[5 Big Wins in Clean Energy from the Loan Programs Office](#)” highlighting American Recovery and Reinvestment Act Section 1705 successes in utility scale solar, wind energy, concentrating solar power, geothermal power, and storage & transmission.

NREL Report on Impact of Renewable Energy Tax Credit Extensions

The National Renewable Energy Laboratory (NREL) released a report February 22 titled “[Impacts of Federal Tax Credit Extensions on Renewable Deployment and Power Sector Emissions](#).” The report finds that the extension of these tax credits will bolster advances in renewable energy technology through the early 2020s.

Appliance Standards and Rulemaking Federal Advisory Committee

The DOE Appliance Standards and Rulemaking Federal Advisory Committee will hold a public meeting and [webinar](#) February 26 and April 28.

ENVIRONMENTAL PROTECTION AGENCY

Administrator McCarthy Testifies Before House Ag Committee

On February 11, Administrator Gina McCarthy [testified](#) before the House Agriculture Committee about the impacts of environmental regulations on rural America. Her testimony touched on several agency goals including nutrient recycling, the EPA’s partnership with the USDA “Local Foods, Local Places” project, the Clean Water Rule, the Renewable Fuel Standard, and agricultural worker protection standards.

EPA Challenged on Who Should Blend Biofuels

In a petition filed with the Environmental Protection Agency February 12, Valero Energy Corporation has asked the agency to reconsider which party under the renewable fuel standard should be required to blend biofuels into transportation fuel. The company was also joined by the National Farmers Union and the National Biodiesel Board in filing challenges in the U.S. Court of Appeals for the District of Columbia February 12 regarding this matter.

EPA Awards Grants to 38 University Teams

The EPA on February 16 [announced](#) 38 People, Prosperity and the Plant (P3) grants to university student teams for proposed projects to develop new, sustainable products and strategies. Each team will receive up to \$15,000 for their proposals. Funding for the P3 competition is divided into two phases. Teams selected for Phase I awards receive grants of up to \$15,000 to fund the development of their projects, which are then showcased at the National Sustainable Design Expo in the spring. Following the Expo, P3 teams compete for Phase II awards of up to \$75,000 to further develop their designs and potentially bring them to the marketplace.

CRS Report Faults EPA on Flint Water Crisis

A Congressional Research Service [report](#) released February 16 finds that the Environmental Protection Agency failed to enforce drinking water violations in Flint, MI. Specifically, CRS finds that EPA failed to use its emergency powers under Section 1431 of the Safe Drinking Water Act.

National Enforcement Initiatives

EPA announced February 18 its seven [National Enforcement Initiatives](#) for fiscal years 201—2019, focusing on national pollution challenges where EPA’s enforcement efforts will protect public health. The seven initiatives are: 1)

Keeping Industrial Pollutants Out of the Nation's Waters, 2) Reducing Risks of Accidental Releases at Industrial and Chemical Facilities, 3) Cutting Hazardous Air Pollutants, 4) Reducing Air Pollution from the Largest Sources, 5) Ensuring Energy Extraction Activities Comply with Environmental Laws, 5) Keeping Raw Sewage and Contaminated Stormwater Out of the Nation's Waters, and 7) Preventing Animal Waste from Contaminating Surface and Ground Water.

NRDC Sues Over Regulation of Drinking Water

The Natural Resources Defense Council on February 18 filed a suit in the U.S. District Court for the Southern District of New York against the Environmental Protection Agency, alleging that the agency has failed to regulate perchlorate in drinking water.

EPA Seeking Nominations to National Environmental Justice Advisory Council

The Environmental Protection Agency on February 18 issued in the [Federal Register](#) a notice requesting nominations to its National Environmental Justice Advisory Council. The notice solicits nominations to fill approximately six new vacancies for terms through September 2019. Nominations should be submitted no later than April 15.

New Drinking Water Mapping Application Released

The Environmental Protection Agency on February 19 [released](#) the Drinking Water Mapping Application to Protect Source Waters (DWMAPS), an online mapping to providing the public, water system operators, state programs, and federal agencies with information to help them safeguard the sources of drinking water.

U.S. and Canada Adopt Phosphorous Reduction Targets for Lake Erie

The Environmental Protection Agency on February 22 [announced](#) that the U.S. and Canada have adopted targets to reduce phosphorus entering affected areas of Lake Erie by 40 percent.

GHG Emissions Increase

The Environmental Protection Agency released February 22 a [Draft Inventory of U.S. Greenhouse Gas Emissions and Sinks](#) showing that greenhouse gas emissions increased by 0.9 percent between 2013 and 2014.

FISH AND WILDLIFE SERVICE

Change in Permitting System for Incidental Eagle Takes

The Department of the Interior's Fish and Wildlife Service February 17 issued a [final rule](#) to comply with a court order that had the effect of vacating provisions of regulations governing eagle non-purposeful take permits that extended the maximum term of programmatic permits to 30 years. The rule removes regulatory provisions that extended maximum programmatic permit durations to 30 years and reinstates the previous five year limit.

INTERNAL REVENUE SERVICE

Nonprofit Advocacy Group Comments on Definition of Section 48 Property

In response to Internal Revenue Service Notice 2015-70 seeking comment on the definition of Section 48 property, the nonprofit Clean Energy Group submitted comments urging that batteries and other equipment that store solar energy be included in the definition of qualifying technologies.

NUCLEAR REGULATORY COMMISSION

Commissioner Ostendorff to Leave NRC

With his term ending June 30, NRC Commissioner William Ostendorff has said he will not seek another term, but instead has accepted an appointment at the U.S. Naval Academy.

INTERNATIONAL

E.U. Regulations for Appliance Energy Consumption

In a February 4 [Notification Detail](#) to the World Trade Organization the European Commission indicates that it intends to amend 24 European Union regulations along with one draft regulation regarding verification tolerances in testing of appliance energy consumption.

North American MOU on Energy and Environment

Energy Secretary Ernest Moniz joined his counterparts from Canada and Mexico February 12 in signing a [memorandum of understanding](#) between the three North American nations regarding collaboration on clean technology, the environment, and energy data.

U.N. Climate Chief Stepping Down

On February 12, Costa Rican diplomat Christiana Figueres, Executive Secretary of the United Nations Framework Convention on Climate Change, [wrote](#) to non-party stakeholders informing them that she would not seek an extension of her appointment when it expires July 6.

European Union Extends Solar Duties to Taiwan and Malaysia

The European Union announced February 12 that it would extend duties on Chinese solar panels to similar products from Taiwan and Malaysia after determining that the two nations were dumping the products in the E.U. The decision took effect February 13.

European Commission Energy Security Measures Unveiled

The European Commission February 16 unveiled a [package](#) of energy security measures aimed at equipping the European Union for global energy transition to address potential interruptions in energy supply.

European Union Heating and Cooling Strategy

The European Commission February 16 released a [Fact Sheet](#) on the European Union Heating and Cooling strategy, which it states is the first EU initiative addressing the energy used for heating and cooling in buildings and industry.

European Commission Fact Sheet on Liquefied Natural Gas and Gas Storage

The European Commission February 16 released a [Fact Sheet](#) on how liquefied natural gas and gas storage will boost the European Union's energy security.

STATES

Oregon House Increases Green Target

The Oregon House on February 15 passed a bill to double the state renewable mandate to 50 percent by 2040. The bill was approved February 22 by an Oregon Senate committee, and now faces a deadline of early March when the Senate adjourns.

Governor's Accord for a New Energy Future

On February 16, a bipartisan group of 17 governors signed the [Governor's Accord for a New Energy Future](#) which is focused on diversifying energy generation and expanding clean energy sources, modernizing energy infrastructure, encouraging clean transportation options, planning for an energy transition, and working together to make these transformational changes.

SUSTAINABILITY

SWAP

Morgan Stanley's Institute for Sustainable Investing [announced](#) a new toolkit February 12 that includes "climate aware" investing strategies, advising that investors can consider climate change as a part of their investment portfolio: 1) negative screening of fossil fuels, 2) positive screening for environmental leaders, 3) thematic investments in climate solutions, and 4) shareholder engagement.

Hilton Worldwide and Whole Foods Market Launch Better Buildings Challenge SWAP

The Department of Energy on February 17 unveiled the [Better Buildings Challenge SWAP](#) with Hilton Worldwide and Whole Foods Market swapping energy management teams at their San Francisco facilities. As a result of the SWAP, Hilton Worldwide is implementing several recommendations, including LED lighting upgrades, door gasket replacements, and the phase-out of less efficient appliances within refrigerated containers at Hilton Union Square, and the Whole Foods team is exploring the implementation of employee engagement strategies.

SolarCity will Use Tesla Batteries at Hawaii Project

SolarCity has announced that the Kauai Island Utility Cooperative will use Tesla batteries for 13 MW of electric storage for solar panels at the project. Elon Musk, head of Tesla Motors, Inc., is the largest shareholder in SolarCity.

MISCELLANEOUS

AWEA Touts Growth in Wind Generating Capacity

The American Wind Energy Association (AWEA) [announced](#) February 16 that wind energy installed more electric grid capacity in the U.S. for 2015 than any other source of energy. According to AWEA, wind power capacity installed for 2015 was 8.6 GW, while solar capacity installed was 7.3 GW and natural gas capacity installed was 6

GW.

New Report on Record Breaking Year for Solar Installations

The Solar Energy Industries Association and GTM Research [announced](#) February 22 the release of a report showing that the U.S. installed 1,361 MW of solar in the third quarter of 2015. This was the eight consecutive quarter in which the U.S. saw the addition of more than 1 GW of solar photovoltaics.

Report on Record Rise in Sea Levels

The National Academy of Sciences published a [report](#) February 22 finding that sea levels are rising at the fastest rate in 2,800 years. The report finds that sea levels saw a steep increase during the 19th century and that without global warming half of the sea level rise of the 20th century would not have happened.

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