



ML Strategies Update

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Energy & Environment Update

ENERGY AND CLIMATE DEBATE

Congressional activities are abbreviated this week, with the observance of Yom Kippur and Pope Francis' visit to the United States. Pope Francis will address a joint session of Congress Thursday morning, and is likely to deliver a strong climate message; arriving on Tuesday, the pontiff will also meet with President Obama this week. The following day, the White House will host a state dinner on behalf of Chinese President Xi Jinping, and Presidents Obama and Jinping and their respective officials have been meeting ahead of the official visit to discuss items of interest and concern between the two countries, including cybersecurity and climate change.

September 21-25 has been named a [Week of Moral Action on Climate](#) to honor Pope Francis' visit. The [Franciscan Action Network](#) and the [Chesapeake Climate Action Network](#) delivered 166 copies of *Laudato Si* and a letter supporting Representative Chris Van Hollen's (D-MD) Healthy Climate and Family Security Act (H.R. 1027).

The Obama Administration will continue its climate theme through the end of the year as it prepares for the international climate negotiations in Paris this November and December and seeks an ambitious global climate agreement. There will be a series of events held in Washington the rest of the month and next to call for the United States to demonstrate climate leadership, including a White House offshore wind event September 28, an HFC event October 15, and a corporate voluntary climate commitment event October 19, as well as a State Department sustainability event in late October.

United Nations Secretary General Ban Ki-moon will bring together 40 heads of state September 27 to discuss climate change on the sidelines of the United Nations General Assembly in New York. The meeting offers a rare opportunity for world leaders to get together to take stock of progress and encourage more haste toward a global climate agreement in Paris at the end of the year. Pope Francis will also address the UN General Assembly in New York September 25, including making the moral argument for combatting climate change. A broader group of representatives from about 190 countries will meet September 25-27 at UN headquarters in New York to agree upon a new [sustainable development agenda](#) that covers social, economic, and environmental issues. How businesses can support those global goals will be the subject of a high level meeting in New York on September 24 as part of Climate Week. Other opportunities include the next Group of 20 leaders' summit in Turkey November 15-16, though the focus there will more likely be on economic and global security issues than on the Paris climate negotiations. International finance ministers will meet October 9-11 in Peru for World Bank and International Monetary Fund meetings, and could discuss climate finance, one of the agreement's biggest sticking points, then. In the meantime, climate negotiators from 195 countries undertook five days of talks in Bonn at the beginning of this month, hoping to whittle down the 76 pages of global climate agreement text to a more manageable 20-page draft deal, which leaders are hoping to have complete sometime in October; the talks focused heavily on financing issues. United Nations Framework Convention on Climate Change Executive Secretary Christiana Figueres

reported to members of the European Parliament's environment committee in Brussels September 15 that the text has seen faster than expected progress in recent days and will be issued during the first week of October. There is also a growing consensus regarding the need for an ambitious long-term goal, which may translate into a 2050 goal, but may also include an end of the century target. Climate negotiators from the 16 top-emitting nations as well as the European Union will also meet September 29-30 in New York for the Major Economies Forum on Energy and Climate. Additionally, the G20 energy ministers meeting will take place in Istanbul October 1-2. The final Paris preparatory talks run October 19-23 in Bonn, and the negotiations themselves will take place November 30-December 11 in Paris.

Congress has yet to bring up a continuing resolution, legislation intended to keep the government funded after the current fiscal year ends September 30. With the end of the month looming and Congress only being in session a few days prior to then, a government shutdown is looking increasingly possible. Appropriations leadership still needs to finalize the stopgap measure, and House Appropriations Committee Chairman Hal Rogers (R-KY) and Speaker of the House John Boehner (R-OH) have indicated that no final decisions have been made on its provisions, though some in the caucus continue to call strongly for inclusion of language to defund Planned Parenthood in the measure. Representative Rogers has said that a clean CR is ready, and that the committee awaits direction from Speaker Boehner on details such as the duration of the measure and whether to attach riders. Senate Majority Leader Mitch McConnell (R-KY) has said that Congressional Republicans do not have the votes to defund Planned Parenthood, and even if they did, President Obama would veto the measure. He may, however, hold a vote this week on legislation that includes the language, despite the vote's projected outcome. House Appropriations Subcommittee on Energy and Water Chair Mike Simpson (R-ID) said recently that the resolution is at least likely to be free of energy and environment policy riders, whatever else it contains. Once a CR is finalized, whether or not that comes after a Federal government shut down, it is likely to be a clean one, and to go through December 18.

Energy issues most likely to obtain Congressional attention this year include TSCA reform and a tax extenders package, with the production tax credit and a tweak of the investment tax credit receiving top billing in the energy category. It remains to be seen what, if any, larger tax effort can be accomplished, as House Ways and Means Committee Chair Paul Ryan (R-WI) hopes to make some of the tax extenders permanent and let others remain expired indefinitely. Should Congress take that route, Senate Democrats would look for trade offs in the form of making some renewable energy tax credits permanent or at least providing them with long phaseouts or otherwise tweaking them. The Senate Finance Committee approved in late July a two-year package (S. 1946) of all the tax provisions, extending one year retroactively as needed. Senate Finance Committee Chair Orrin Hatch (R-UT) said recently that it is up to Senate Majority Leader McConnell to fit tax extenders into the packed fall legislative schedule, and it is not likely to be on the calendar until closer to the end of the year, despite broad business [community](#) outreach encouraging renewal as soon as possible. The House Ways and Means Committee approved September 17 a package of bills that would permanently renew several of the tax extenders, including bonus depreciation, teacher deduction, restaurant depreciation rules, Subpart F exemption, and look-through treatment of Controlled Foreign Corporations.

There may be another possibility for this kind of trade off, should Congress decide to move forward with lifting the crude oil export ban. The night before the scheduled September 17 mark-up of broad House energy legislation, House Energy and Commerce Committee Chair Fred Upton (R-MI) pulled the measure (H.R. 8) from the committee's agenda, saying that the committee needed more time to discuss the legislation before marking it up. Representative Upton is seeking ways to make the measure more broadly appealing on a bipartisan level. The Senate will return to its own broad bipartisan energy legislation in 2016. The Senate Energy and Natural Resources Committee approved the measure this summer, sending the bill to the floor for wider consideration that may include handfuls of amendments. If broad bipartisan energy legislation does not advance in the near future, the upper chamber may also turn to the energy efficiency package from Senators Rob Portman (R-OH) and Jeanne Shaheen (D-NH). The Senate Budget Committee issued its monthly Budget Bulletin last week, discussing the anticipated need to increase the country's debt ceiling, most likely between November 15 and December 15. Raising the debt ceiling, addressing the Export-Import Bank, and several other issues may offer the necessary deadlines to cobble together an end of the year package that could include some sort of tax extender compromise.

Marking the occasion of Pope Francis' visit, Senate Democrats led by Energy and Natural Resources Committee Ranking Member Maria Cantwell (D-WA), Minority Leader Harry Reid (D-NV), and Senators Charles Schumer (D-NY), Ron Wyden (D-OR), Jeanne Shaheen (D-NH), Al Franken (D-MN), Ed Markey (D-MA), and others [unveiled](#) September 22 a broad Democratic vision for a cleaner energy future. The [American Energy Innovation Act of 2015](#) includes [six titles](#) to address the need for new jobs, updated infrastructure, and technological innovation. The measure gives consumers better access to their electricity data; creates a federal Energy Efficiency Resource Standard; supports smart building research and development; invests in energy storage; integrates clean energy onto the grid; improves grid security and helps manage electricity demand; implements recommendations from the

Department of Energy's Quadrennial Energy Review to improve resilience of the domestic electric grid, natural gas distribution, and the Strategic Petroleum Reserve; reduces greenhouse gas emissions equivalent to all passenger vehicles and a third of domestic homes and secures CO2 reduction targets from other nations; triples funding for basic energy science and technology research to maintain global leadership and invest in next generation clean technologies for international export; doubles cybersecurity research investments and develops and designates the Department of Energy as the sector-specific lead for energy; prepares a new generation of skilled workers for the 21st century workforce through job training and a model energy workforce curriculum; permanently reauthorizes and fully funds the Land and Water Conservation Fund; offers technical assistance to small and medium manufacturers to implement smart manufacturing technologies and expand the Advanced Technology Vehicle Manufacturing Program to include trucks; and invests in clean energy technologies and repeals fossil fuel subsidies.

CONGRESS

Senate on Crude Oil Exports

Senator Richard Shelby (R-AL) said September 10 that the Senate Banking Committee will mark up legislation (S. 1372) later this month or next month to lift the 40-year-old ban on crude oil exports. The measure, from Senators Heidi Heitkamp (D-ND) and Lisa Murkowski (R-AK) is separate from another bill (S. 1312) that would lift the prohibition that the Senate Energy and Natural Resources Committee approved in July. The Banking Committee has jurisdiction over export controls and foreign trade promotion. Senator Ed Markey (D-MA) indicated during a National Journal crude oil export event September 15 that he does not anticipate reaching a deal pairing the lifting of the ban with extending tax clean energy tax incentives. He said that such a deal would have to include a permanent or at least long-term extension of the production tax credit and investment tax credit, a national renewable electricity standard, and continued increases in fuel efficiency mandates for cars and trucks, none of which are very likely in a Republican Congress.

PTC Opposition

A coalition of conservative groups, including Heritage Action for America, the Club for Growth, and Americans for Prosperity, sent a [letter](#) to House Ways and Means Committee Chair Paul Ryan (R-WI) September 16 calling for the House to leave an extension of the production tax credit out of tax extenders legislation.

House Climate Resolution

Representative Chris Gibson (R-NY) led ten of his House Republican colleagues September 17 in introducing a [resolution](#) urging action to address the impacts of climate change. The resolution acknowledges the threats posed by climate change and vows to address them.

House on Crude Oil Exports

The House Energy and Commerce Subcommittee on Energy and Power voted September 10 to lift the 40-year-old crude oil export ban (H.R. 702), and momentum is building in both the lower and upper chamber for lifting the ban, with some Senate Democrats, including Minority Leader Harry Reid (D-NV), expressing a willingness to discuss it, particularly given an appealing trade off, including potentially making permanent some tax extenders such as the production tax credit, or tweaking or expanding others. The House Energy and Commerce Committee approved the legislation September 17. The vote clears the way for consideration by the full House as soon as the end of the month.

RAPID Act

The House agreed September 17 to take up the RAPID Act (H.R. 348) to streamline environmental permitting requirements. The White House issued a [statement of administration policy](#) the previous day threatening to veto the measure should it come to President Obama's desk, finding that the measure would encourage litigation by requiring agencies to rush their environmental impact reviews. House action on the measure is expected to continue this week. The lower chamber has passed similar measures several times in previous congressional sessions, and House approval this time is almost certain. The Senate's streamlined permitting language is now included in the multi-year highway bill.

Chamber's Climate Opposition

Twelve mostly Democratic Senators led by Senators Sheldon Whitehouse (D-RI) and Elizabeth Warren (D-MA) sent [letters](#) September 18 to the CEOs of all 108 companies on the board of the U.S. Chamber of Commerce asking them to take a stand on the Chamber's efforts to oppose federal climate regulation, and particularly the Clean Power Plan.

Legislation Introduced

Representative Eliot Engel (D-NY) introduced legislation (H.R. 3506) September 15 to enable state and local promotion of natural gas, flexible fuel, and high efficiency motor vehicle fleets.

Representative Zoe Lofgren (D-CA) introduced legislation (H.R. 3509) September 15 to authorize any office of the Federal government that owns or operates a parking area for the use of its employees to install, construct, operate, and maintain a battery recharging station in the area.

Representative Fred Upton (R-MI) introduced legislation (H.R. 8) September 16 to modernize energy infrastructure, build a 21st century energy and manufacturing workforce, bolster America's energy security and diplomacy, and promote energy efficiency and government accountability.

Representative Eliot Engel (D-NY) introduced legislation (H.R. 3525) September 16 to direct the Secretary of Energy to establish a pilot program to award grants and loan guarantees to hospitals to carry out projects for the purpose of reducing energy costs and increasing resilience to improve security.

Senator Lisa Murkowski (R-AK) introduced legislation (S. 2046) September 17 to authorize the Federal Energy Regulatory Commission to issue an order continuing a stay of a hydroelectric license for the Mahoney Lake hydroelectric project in Alaska.

Senator David Vitter (R-LA) introduced legislation (S. 2053) September 17 to require the Secretary of Energy to award grants to expand programs in maritime and energy workforce technical training.

Upcoming Hearings

The Senate Homeland Security and Governmental Affairs Subcommittee on Regulatory Affairs and Federal Management will hold a hearing September 23 to consider the use of agency regulatory guidance.

ADMINISTRATION

Green Marketing Claims

The Federal Trade Commission sent letters September 14 to five [environmental certification seal providers](#) and 32 of the [businesses](#) that use those seals warning that the claims could be considered deceptive. The warning letters give recipients an opportunity to comply with the commission's environmental marketing guidelines on websites and in marketing materials, and states that failure to do so may result in enforcement action.

US-China Climate Talks

The U.S.-China Climate-Smart/Low Carbon Cities Summit held its first session September 15-16 in Los Angeles, a week before President Xi Jinping's visit to Washington, D.C. American states and cities [pledged](#) during the meeting extensive reductions in greenhouse gas emissions, and Chinese cities pledged to reach peak emissions by certain dates, including Beijing and Guangzhou's 2020 goal.

Climate Approach Defended

Speaking to the Business Roundtable September 16, President Obama acknowledged room for disagreement with his approach to combatting climate change, but said that the Clean Power Plan would generate more benefits than costs. He encouraged businesses to treat climate change as an opportunity rather than a problem, and urge them to support a strong international climate agreement later this year in Paris.

\$102 Million for Solar

Speaking at the Solar Power International Conference in California September 16, Vice President Joe Biden announced a [series of efforts](#) worth more than \$102 million aimed at scaling up the growth of solar energy technologies in 24 states. The majority of the funding is part of the Department of Energy's SunShot Initiative, which is intended to reduce the cost of solar energy by another 75 percent by 2020; reduce red tape and get next-generation technologies to market more quickly; provide technical assistance to cities and households; and create thousands of additional jobs in the solar industry.

RFS Concerns

Advanced biofuel producers, including Novozymes A/S, Abengoa SA, and Enerkem Inc., sent President Obama a letter September 16 saying that a Renewable Fuels Standard proposal to reduce the amount of the biofuel refiners must use in gasoline is hurting investment in cellulosic ethanol and shifting assets overseas.

Warmest Year on Record

The National Centers for Environmental Information released a monthly climate report September 17 finding that an El Nino in the Pacific Ocean and rising temperatures have put the world on a nearly irreversible path to its warmest year on record, dating back to 1880. Global January-August temperatures were 0.8 degrees Celsius above the 20th century average and the warmest first eight months of any year on record.

Indonesian Climate Talks

The White House announced September 21 that President Obama will host Indonesian President Joko Widodo at the White House in late October to discuss a range of bilateral issues, including climate change, energy, defense, trade and investment, and maritime cooperation.

Ozone Rule

The White House Office of Management and Budget is meeting with advocacy groups in high numbers this month to discuss the Environmental Protection Agency's final rule on the national ambient air quality standards for ozone. The office is [reviewing](#) the final rule on whether to retain the current standards of 75 parts per billion or revise them to between 65 ppb and 70 ppb. The agency is under an October 1 court-ordered deadline to make a final decision.

DEPARTMENT OF AGRICULTURE

RFS Report Criticized

Agriculture Secretary Tom Vilsack criticized September 15 a recent American Petroleum Institute analysis that warned of \$92 per gallon gasoline of the Renewable Fuel Standard were implemented as written.

DEPARTMENT OF COMMERCE

Hottest Recorded Summer

The National Oceanic and Atmospheric Administration published [data](#) September 17 finding that the average global land and ocean temperature from June to August 2015 was the highest on records, 1.53 degrees Fahrenheit above the 20th century average, beating the previous record, from 2014, by 0.20 degrees Fahrenheit.

DEPARTMENT OF ENERGY

\$1.8 Million for Wind

As part of the Clean Energy Manufacturing Initiative, the Department of Energy announced September 15 the selection of two organizations to receive \$1.8 million to develop larger wind turbine blades that can better take advantage of wind resources and reduce costs. Wetzel Engineering, in partnership with the National Renewable Energy Laboratory, Northern Power Systems, TPI Composites, and NextEra, will develop a SparBlade, and General Electric, in partnership with NREL and TPI Composites, will design a jointed blade for onsite assembly.

Small Business Vouchers

The Department of Energy announced September 15 that it would [launch](#) September 23 a small business voucher pilot program to provide funding for small businesses to partner with national labs to develop clean energy technologies. The pilot program will provide \$20 million to Oak Ridge National Laboratory, the National Renewable Energy Laboratory, the Lawrence Berkeley National Laboratory, the Sandia National Laboratories, and the Pacific Northwest National Laboratory, which will distribute vouchers of between \$50,000 and \$300,000 to more than 100 small businesses to allow them to work with labs to test, validate, and introduce clean energy technologies. The agency will also launch the Small Business Central Assistance Platform to enable labs and small businesses to share information via an online tool.

EE Roadmap

The Department of Energy released a [roadmap](#) September 16 outlining strategies on how businesses, state and local governments, utilities, and consumers can reach President Obama's goal of doubling domestic energy efficiency by 2030. The recommended strategies have the opportunity to increase the gross domestic product by 3.6 percent and reduce total energy use by 24 percent from current projections by then. Strategies include states setting and updating vehicle and product codes and standards and providing energy performance information to consumers; utilities and regulators designing rates and related policies that align energy efficiency with utility business models; and businesses reinvesting avoided energy costs. The agency also awarded \$22 million to support five projects focused on advancing large-scale motors to increase energy efficiency in high energy consuming industries.

US-India Energy Summit

The sixth U.S.-Indian Energy Partnership Summit, featuring Energy Secretary Ernest Moniz and Indian Ministry of New and Renewable Energy Joint Secretary Tarun Kapoor, will take place this week.

ENVIRONMENTAL PROTECTION AGENCY

CPP to Federal Register

The Environmental Protection Agency submitted September 4 its final Clean Power Plan for formal publication in the Federal Register, but still expects the rule will not be published until next month.

RFS Update

Environmental Protection Agency Administrator Gina McCarthy told the Growth Energy conference September 15 that the Renewable Fuel Standard should protect long-term investment in advanced biofuels as well as increase biofuels production annually. The rule is scheduled to be released by November 30.

HFC Rule Challenged

Mexichem Fluor Inc. and Arkema Inc. filed petitions for review in the U.S. Court of Appeals for the District of Columbia Circuit September 17 challenging an Environmental Protection Agency rule that phases out the use of some hydrofluorocarbons in favor of alternatives with less climate impact.

INTERNATIONAL

Commitments Surpass Three Degrees

United Nations Framework Convention on Climate Change Executive Secretary Christiana Figueres said September 15 that current proposed national climate commitments would limit global temperature increases to three degrees Celsius by 2100, rather than the two degrees climate scientists have urged as necessary to prevent the effects of dangerous climate change impacts. She said that current commitments, from 62 nations, including one from the 28 members of the European Union, provide only about a third, at 5 Gt, of what is needed to keep global temperatures from rising more than two degrees Celsius. Pledges are still outstanding from India, Brazil, South Africa, Indonesia, and other developing countries responsible for significant emissions.

EU Biodiesel Tariffs

The European Union renewed tariffs September 15 on biodiesel from the United States for another five years. The bloc imposed the duties in 2009 to counter alleged subsidies and price undercutting by American biodiesel exporters.

MISCELLANEOUS

Slowing Climate Action

InfluenceMap released a [study](#) September 16 finding that 45 percent of the world's largest companies are working to obstruct climate legislation, and 95 percent of them belong to a trade association that is working to stop or slow climate action.

Deathly Pollution

Nature published an [article](#) September 16 finding that outdoor air pollution contributed to 3.3 million deaths across the world in 2010, with wood burning stoves in China and India and agriculture operations in the eastern United States, Europe, Russia, and Japan among the biggest contributors. The report projects that without ameliorating the problem, the annual death toll may double to 6.6 million premature deaths by 2050.

Climate Pause

Climatic Change published a [study](#) September 17 finding that the pause in global warming is not happening. The *Bulletin of the American Meteorological Society* published similar [research](#) two days prior.

Carbon Price Disclosures

The Climate Disclosure Project released a [report](#) September 20 finding that the number of companies that report that they price their greenhouse gas emissions over the last year has tripled. As industries increasingly put a price on their climate risk, 437 companies disclosed that they are pricing their emissions, and an additional 583 companies plan to use an internal carbon price within the next two years.

ND Going Green

The University of Notre Dame announced September 21 that it will stop burning coal in five years in an effort to reduce its carbon footprint. The university will spend \$113 million on renewable energy sources, including a hydroelectric project, solar power, and geothermal fields, to collectively reduce CO2 emissions by 47,500 MT.

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