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# ML Strategies Weekly Energy and Environment Update – Week of August 5, 2013

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*By David Leiter, Sarah Litke, Jean Cornell, Bryan Stockton, Jordan Collins and Neal Martin*

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 the EPA cannot use the social cost of carbon in the cost-benefit analysis of any energy-related rule that would cost more than $1 billion 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; 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.

For more on the latest energy and clean technology regulatory and legislative developments please see **ML Strategies**' most recent ***Energy and Environmental Update***.

## Authors

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