

ML Strategies Weekly Energy and Environment Update – Week of October 7, 2013

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

As the clock struck midnight October 1, the United States entered a new fiscal year, and, without a budget, the federal government shut down. Congress worked through the weekend to pass a continuing resolution, but the stalemate seems no closer to being resolved. With the October 17 “x-day” of the debt ceiling approaching, debates over the two financial issues are beginning to merge, and pressure to come to an agreement has been mounting.

Energy and environment issues have taken a backseat to the continuing resolution and the impending debt ceiling limit, and some have expressed concerns about how the shutdown will impact the scheduled operations of the government, such as the release of the 2014 renewable fuel standard targets. Some agencies, like the Department of Defense, have been better able to weather the shutdown, but the energy and environment agencies—the Department of Energy, the Department of the Interior, and the Environmental Protection Agency—have been hit significantly.

Although much of the federal energy and environment agenda has slowed while Congress wrestles with funding questions, the Supreme Court began its new term today by releasing [a list](#) of the cases it will consider. The court denied hearing a case between the Environmental Protection Agency and Luminant Generation Company over the cross-state air pollution rule. It accepted two other CSAPR cases—both involving EME Homer City Generation—and will hear arguments on December 10. It neither accepted nor denied cases involving Environmental Protection Agency greenhouse gas regulations. In this heated partisan climate, the court will continue to play a significant role in the regulatory process as the Environmental Protection Agency is sued by environmental and business groups over its proposed regulations.

Nominated in June to serve as the Federal Energy Regulatory Commission Chairman, Ron Binz withdrew his name from consideration on Tuesday. Binz had been viewed as too “anti-coal,” causing most of the Republican and some of the Democratic members of the Senate Energy and Natural Resources Committee to oppose his nomination. Replacement names that have been floated include Arkansas Public Service Commission Chairman Colette Honorable and current Federal Energy Regulatory Commission members Cheryl LaFleur and John Norris.

Just prior to the release of our weekly note, the White House confirmed that Heather Zichal plans to depart in the next few weeks from her role as President Obama’s chief energy and climate advisor. She will move to a non-government job, but her replacement has yet to be named.

For more on the latest energy and clean technology regulatory and legislative developments please see [ML Strategies’](#) most recent [Energy and Environmental Update](#).

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