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ML Strategies Energy and Environment Update: Week of 9/8/2014

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ENERGY AND CLIMATE DEBATE

Congress returns to Washington this week for a two-week session before leaving again to campaign in advance of the November elections. The House will vote on a fairly clean continuing resolution on Thursday, with the Senate to debate the funding measure shortly thereafter. The continuing resolution will likely fund the government through December 11. The measure could serve as a vehicle for two other September priorities: reauthorization of the Export-Import Bank, the charter of which is set to expire September 30, and passage of the **Permanent Internet Tax Freedom Act**. Following the November 4 election, Congress will return for an intense lame duck session that could include debate on a lengthy and wide range of issues, including a host of expired tax provisions such as the production tax credit.

In addition to the continuing resolution, the House is scheduled to bring up an energy package comprised of 13 already-passed measures, including legislation approving the Keystone XL pipeline (**H.R. 3**), limiting environmental regulations (**H.R. 1582**), and opening federal lands to energy extraction (**H.R. 4899**). The House may also consider three other messaging issues: a jobs measure that draws from a list of 40 previously passed House bills, a healthcare bill (**H.R. 3522**), and Representative Frank Wolf's (R-VA) legislation to authorize the use of military force against the Islamic State of Iraq and Levant. The Senate will debate its own line up of messaging bills: legislation to raise the minimum wage (**S. 2223**), address pay equity issues (**S. 2199**), and student loan rates (**S. 2432**), and guarantee access to contraception (**S. 2578**), as well as a constitutional amendment to limit campaign contributions and spending (**S.J. Res. 19**). For more information, please see our outlook for the remainder of the year, also out today.

During Senate Majority Leader Harry Reid (D-NV)'s seventh annual National Clean Energy Summit September 4, keynote speaker Hillary Clinton called for urgent action to address climate change and increase renewable energy production and energy efficiency efforts and offered conditional support for increasing domestic crude and liquefied natural gas exports. Senate Majority Leader Reid told that summit that allowing clean energy tax incentives to remain expired is not an option. He plans a vote before the end of the year on the $84 billion tax extenders package (**EXPIRE Act of 2014, H.R. 3474**) that would retroactively extend more than 50 expired tax credits, including nearly $20 billion in energy incentives such as the production tax credit, biodiesel credit, and others.

CONGRESS

Upcoming Hearings
The Senate Environment and Public Works Committee will hold a hearing September 9 on the nominations of Jeffery Baran and Stephen Burns to serve on the Nuclear Regulatory Commission.

The House Energy and Commerce Subcommittee on Energy and Power will hold a hearing September 9 to gather state perspectives on the Environmental Protection Agency's Clean Power Plan.

DEPARTMENT OF DEFENSE

RI Offshore Wind Approved
The Army Corps of Engineers granted Deepwater Wind LLC final federal approval September 5 to begin construction of a 30 MW offshore wind farm about three miles off the coast of Rhode Island. The Block Island Wind Farm is expected to begin construction next summer, and placed in service in 2016, at which point it will generate over 125,000 MWh annually. Federal approval is still pending for a proposed 21-mile subsea cable to bring the electricity to the mainland, with the Interior Department's Bureau of Ocean Energy Management expected to grant transmission approval in the coming weeks.

MISCELLANEOUS

Water Shortages Could Limit Fracking
The World Resources Institute released a **report** September 2 finding that nearly 40 percent of the world's oil shale is located in areas considered to have extreme water stress, meaning that water limitations could hinder the rapid development of natural gas reserves.

Climate CBA Expansion Necessary
The Georgetown Climate Center released a report September 4 finding that the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and the White House Council on Environmental Quality should expand their cost-benefit analyses to include the costs of not acting to combat climate change and continued ecosystem damage due to inaction.

The weekly *Energy & Environment Update* from ML Strategies provides an overview of what's happening on and off Capitol Hill and around the world that may impact energy and environmental policies and industry players. **Read the update here**.

Authors

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