Energy Technology Connections - July 2015

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Congress was very busy leading up to the July 4 recess. Subcommittees in both houses held several hearings related to energy and the environment. Testifying before a House Science, Space, and Technology Subcommittee on Energy hearing on June 17, Joint Center for Energy Storage Research Director George Crabtree said that the center, one of the Department of Energy's four innovation hubs, is making progress on advanced energy battery storage in cars and the electric grid and is working with companies to hasten battery prototypes to market. The hub is also looking at new battery technology, not just lithium ion technologies. Also, witnesses told the Senate Environment and Public Works Committee on June 17 that the Senate should pursue legislation to address remaining concerns with the Environmental Protection Agency's final coal ash rule, particularly implementation and enforcement issues as well as the possibility that the agency could eventually regulate coal ash as a hazardous waste. Finally, Environmental Protection Agency Acting Assistant Administrator for Air and Radiation Janet McCabe told the Senate Homeland Security and Governmental Affairs Subcommittee on Regulatory Affairs and Federal Management on June 18 that the agency will explore the option in 2017 of permanently reducing future blending requirements under the renewable fuel standard. The agency proposed reducing the 2015 and 2016 blending requirements by 20%, triggering an option for it to reduce future blending mandates, and the agency will consider resetting the blending requirements through 2022.

The House and Senate are currently engaged in busy July work periods. The House resumed negotiations on the fiscal year 2016 Interior, Environment, and Related Agencies Appropriations Act. The bill already includes several policy riders blocking the Environmental Protection Agency's carbon rules for power plants, ozone, fracking, the Waters of the US Rule, and others. They are also focusing on the second half of the measure, which includes the White House Council on Environmental Quality, the Environmental Protection Agency's climate rules, the Department of Interior's fracking rule, and social cost of carbon calculations, among other things likely to attract amendments and riders. In addition, Representative Ed Whitfield (R-KY) said on June 25 that the House Energy and Commerce Committee would soon release broad energy legislation. The committee will mark up the measure later in July, with the hope to have it on the floor before the August recess.

Senate Energy and Natural Resources Committee Chair Lisa Murkowski (R-AK) and Ranking Member Maria Cantwell (D-WA) are currently focused on the chamber's own energy legislation.

They are negotiating which of the 114 committee-considered measures, as well as any other potential language, will be included in their broad bipartisan energy package. Senator Murkowski intends to have the four-title bill fully drafted before the August recess, and Senator Cantwell is releasing, with her Democratic Committee colleagues, soon a broad energy bill to emphasize the caucus's priorities.

The White House has also kept busy on several energy related projects over the past month. On June 28, BBC America released a documentary episode, titled "President Obama Meets David Attenborough," in which the President said the world needs to take aggressive, intentional action to address climate change and hasten its pace to prevent the worst climate change–related consequences. In addition, on June 30, President Obama met with Brazilian President Dilma Rousseff to discuss renewable energy. Following the meeting, the two leaders announced a new bilateral agreement in which each country pledged to generate 20% of its power from renewable sources (not including hydropower) by 2030. The commitment will require the US to triple and Brazil to more than double their current renewable power generation levels. Both nations promised to pursue an ambitious global climate agreement in Paris at the end of the year, and Brazil also committed to restoring 12 million hectares of forest by 2030.

The Supreme Court made news on the environmental front. Among a flurry of rulings, the Court overturned on June 29 the Mercury and Air Toxics Standard, ruling that the Environmental Protection Agency did not properly consider the costs of the regulation. The justices ruled, 5-4, that the agency should have taken into account the costs to utilities and others in the power sector before deciding whether it was "appropriate and necessary" to set limits on mercury pollution from power plants in 2011. The agency ultimately calculated the costs at almost \$10 billion a year, but determined that the public health benefits, at \$37 billion-\$90 billion in 2016 alone, far outweighed them. The "Mercury Rule" will remain in effect while the District of Columbia Circuit determines how to apply the court's ruling, including whether to suspend the rule while the agency assesses a cost determination. The court has a history of leaving rules in effect while agencies develop replacements. Power plants were required to be in compliance with the standards in April, though a few plants received an additional year to complete installing controls or to retire. The Environmental Protection Agency said later in the day that the ruling would not impact its upcoming Clean Power Plan, which is regulated under Section 111 of the Clean Air Act, rather than Section 112.

At the State Department, US Special Envoy for Climate Change Todd Stern said on June 23 that China may be considering whether it can strengthen its 2009 pledge to reduce the carbon intensity of its economy when it unveils its formal pledge to reduce greenhouse gases under a global climate accord. China committed in 2009 to reduce its carbon intensity 40-45% by 2020 from 2005 levels. Secretary of State John Kerry, Todd Stern, and others met with their counterparts from China on June 22 to 24 for the 7th US-China Strategic and Economic Dialogue at the State Department.

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