

Stein, Mark

From: Webster, David
Sent: Thursday, March 20, 2014 10:44 AM
To: Stein, Mark; Houlihan, Damien; DeMeo, Sharon M.; King, John Paul
Subject: FW: Mar 19 -- BNA, Inc. Daily Environment Report - Latest Developments

Sounds like the Steam Electric ELG.

From: Corb, Doug
Sent: Thursday, March 20, 2014 9:25 AM
To: DeMeo, Sharon M.; Webster, David
Subject: FW: Mar 19 -- BNA, Inc. Daily Environment Report - Latest Developments

From: BNA Highlights [<mailto:bhighlig@bna.com>]
Sent: Wednesday, March 19, 2014 4:24 PM
To: Corb, Doug
Subject: Mar 19 -- BNA, Inc. Daily Environment Report - Latest Developments

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Latest Developments

EPA Unable to Meet Deadline to Set Final Effluent Limits for Power Plant Discharges of Toxic Pollutants

Posted March 19, 2014, 10:26 A.M. ET

The Environmental Protection Agency has informed the U.S. District Court for the District of Columbia that it will not meet its court-approved deadline of May 24 to finalize effluent limits for discharges of toxic pollutants from roughly 1,200 steam-generated, electric power plants.

In a March 18 status report filed with the federal court, Steven Silverman, deputy assistant attorney general for the Justice Department's Environment and Natural Resources Division said the EPA is engaged in discussions with the Defenders of Wildlife, Environmental Integrity Project, Earthjustice and Sierra Club to see if the deadline for the final rule can be pushed beyond May 24.

Absent an agreement with the environmental groups, Silverman said the EPA would file a motion with the court requesting additional time.

EPA hasn't updated the effluent limits for power plants since 1982. The agency agreed to update the rules

following a 2012 approved settlement agreement with the environmental groups.

Infrared Cameras Can Facilitate Methane Leak Detection, Repairs, Report Says

Posted March 19, 2014, 11:59 A.M. ET

Methane leaks from oil and natural gas production can be easily identified using infrared cameras and are highly cost-effective to repair, the Clean Air Task Force said in a report.

According to the report, "Quantifying Cost-effectiveness of Systematic Leak Detection and Repair Programs Using Infrared Cameras," released March 19, more than 97 percent of identified leaks were cost-effective to repair even if natural gas prices fell as low as \$3 per million cubic feet. More than 90 percent of the leaks saw a payback period of less than one year, the report said. Quarterly leak-detection surveys could abate methane emissions for less than \$280 per metric ton, the report said. The Clean Air Task Force assessed the value of recovered methane at \$4 per million cubic feet for the purposes of the study.

The oil and natural gas sector accounts for approximately 30 percent of U.S. methane emissions. Almost 30 percent of methane emissions from that sector are due to leaks, the report said. Methane is 21 times more potent a greenhouse gas than carbon dioxide, according to the EPA.

The study collected data from 4,293 surveys of oil and gas facilities in the U.S. and Canada. The surveys found 39,505 leaking components at the facilities.

Renewable Industry Expects Wyden to Act Quickly, Extend Wind Production Tax Credit

Posted March 19, 2014, 12:42 P.M. ET

The renewable energy industry expects Senate Finance Committee Chairman Ron Wyden (D-Ore.) to take quick action to reinstate the renewable energy production tax credit, the top lobbyist for the American Council on Renewable Energy said March 19.

"One of his top priorities is a tax extenders package that could also include an extension of the PTC, among other things," Todd Foley, ACORE's senior vice president for policy and government relations, said during a conference call. "He came on board saying this is one of the most important things we need to do."

The credit, which provides 2.3 cents per kilowatt hour for electricity produced from wind and other renewable sources expired at the end of 2013, along with several other renewable energy tax credits, leaving investors in the clean energy industry uncertain.

Nitric Acid Plants Settle Air Pollution Case With EPA

Posted March 19, 2014, 11:43 A.M. ET

The owner of 10 nitric acid plants [agreed](#) to install updated air pollution control equipment, which will cut nitrogen oxides emissions by 800 tons per year and cost between \$6.3 million and \$11.7 million, to settle a Clean Air Act lawsuit brought by the Environmental Protection Agency and states (United States v. El Dorado Chemical Co., W.D. Okla., No. 14-271, proposed consent decree filed 3/18/14).

LSB Industries Inc. also will pay a \$725,000 fine and spend \$150,000 on local environmental projects. It operates 10 plants in Alabama, Arkansas, Oklahoma and Texas.

The EPA brought the case with Alabama and Oklahoma, and argued that three of LSB Industry's subsidiaries—El Dorado Chemical Co., Cherokee Nitrogen Co. and El Dorado Nitrogen Co.—modified their facilities without securing the proper permits and complying with nitrogen oxides emissions limits under the Clean Air Act. Enforcement at large manufacturing facilities, including nitric acid plants, is an agency priority.

In a news release March 19, the EPA said that the company's new emissions limits are among the lowest in the industry.

"LSB Industries has committed to dramatic cuts in air pollution and ensuring they are in compliance with the law," Cynthia Giles, EPA assistant administrator for enforcement and compliance assurance, said in a news release. "We expect others in the industry to recognize the imperative to adopt reforms and reduce pollution in communities where they operate."

The proposed consent decree was filed March 18 in the U.S. District Court for the Western District of Oklahoma and will not be final until the government considers public comments.

Obama Administration Launches Climate Data Effort

Posted March 19, 2014, 11:21 A.M. ET

The Obama administration has launched an initiative to make federal climate data more accessible to local communities and businesses looking to stem risks associated with climate change.

Data from the National Oceanic and Atmospheric Administration, the National Aeronautics and Space Administration and other federal agencies will now be available at climate.data.gov.

The administration also has called on the private sector to leverage this data to build tools for boosting climate resilience. Several companies already have responded to the effort, including Google, which will donate cloud storage for climate data.

EPA Plans Six-Month Review of Renewable Fuel Pathway Approval Process

Posted March 19, 2014, 3:52 P.M. ET

The Environmental Protection Agency will spend six months reviewing its methods for approving new renewable fuels pathways to streamline the application process, the agency [announced](#).

The agency is asking parties that intend to submit applications to approve new renewable fuel pathways to wait until after the review is completed.

"We firmly believe the long-term performance of the petition process will benefit from these efforts," the EPA said in its March 19 announcement.

The EPA reviews new fuel pathways such as feedstocks and production processes to determine whether the fuels produced meet the lifecycle greenhouse gas emissions reductions required by the renewable fuel standard.

The EPA said that its review will focus on improving the speed and transparency of the renewable fuels approval process. The agency also intends to develop additional guidance for petitioners seeking to have fuels approved, including templates for applications.

EPA's Ozone Review Panel Lacking Transparency, House Republican Says

Posted March 19, 2014, 1:51 P.M. ET

Scientists reviewing the Environmental Protection Agency's upcoming air quality standards for ozone have financial ties to the agency and other conflicts that could jeopardize the impartiality of their work, a senior House Republican said.

The EPA has been too slow to change over membership of the Clean Air Scientific Advisory Committee's ozone review panel and the members of the committee are often tasked with reviewing their own research, Rep. Lamar Smith (R-Texas), chairman of the House Science, Space and Technology Committee, said in a March 19 [letter](#) to Administrator Gina McCarthy. Smith also questioned the impartiality of

scientists who have received grant funding from the EPA serving on the ozone review panel.

“The lack of turnover in a panel whose composition includes members with a direct financial relationship to the agency related to the very issues under review suggests a critical lack of impartiality,” Smith said.

Smith asked the agency to provide the committee with all communications between the EPA staff, the advisory committee staff and the ozone review panel since 2008.

House Committee to Hold Hearing on Water Quality Trading March 25

Posted March 19, 2014, 12:23 P.M. ET

The Water Resources and Environment Subcommittee of the House Transportation and Infrastructure Committee plans to hold a hearing March 25 on the role of trading in achieving water quality objectives.

The hearing will focus on successful trades involving nitrogen and phosphorus compounds, including the first nitrogen and phosphorus credits bought by Duke Energy, Hoosier Energy and the American Electric Power to launch the interstate Ohio River Basin Trading Project.

Witnesses will include two other participants in the Ohio River Basin Trading Project—the Ohio River Valley Water Sanitation Commission and the Ohio State University. In addition, Jim Pletl, water quality director at the Hampton Roads Sanitation District, who on behalf of the National Association of Clean Water Agencies will discuss the wastewater utility's participation with other utilities in trading nitrogen and phosphorus compounds to meet discharge limits.

Also expected is testimony from the American Farm Bureau Federation and the newly formed National Water Quality Trading Alliance, which is advocating for the Environmental Protection Agency to adopt explicit language authorizing states to use trading as a tool for meeting water quality standards. The hearing will be held at 2 p.m. in 2167 Rayburn House Office Building.

Michigan Legislature Passes Bills to Lower Taxes on Enhanced Oil, Gas Recovery

Posted March 19, 2014, 4:10 P.M. ET

The Michigan Legislature approved a package of bills lowering taxes on oil and gas produced using carbon dioxide for enhanced recovery.

House Bill 4885 would impose a severance tax of 4 percent of the oil or gas produced from a carbon dioxide secondary or enhanced recovery project, based on the gross cash market value of total production during the preceding month. Currently, the tax on oil recovery is 5 percent, and the tax on gas is 6.6 percent. The new law applies to projects approved after March 30.

H.B. 5254, 5255 and 5274 would amend the 1929 law regulating the transportation and sale of crude oil and petroleum through pipelines to allow for the transport of carbon dioxide substances.

Similar versions of the bills, approved by the Senate March 18 and 19, passed the House in February. A reconciled package will be sent to Gov. Rick Snyder (R) for signature.

The Senate version of H.B. 4885 included an amendment prohibiting any company convicted of antitrust violations in Michigan from receiving the preferential tax rate. Sen. Hoon-Yung Hopgood (D) proposed the amendment in light of the fact that Attorney General Bill Schuette (R) recently filed charges against Chesapeake Energy Corp. and a division of Encana Corp., alleging they collaborated with each other on public auctions and private negotiations for oil and gas leases in an effort to keep prices low.

Other Democrats also opposed the legislation, as did the Sierra Club.

North Carolina Agents Join Federal Probe of State Oversight on Coal Ash Spill

Posted March 19, 2014, 3:56 P.M. ET

Agents with North Carolina's State Bureau of Investigation are involved in the federal probe into the state's oversight of Duke Energy and its response to a recent coal ash spill, a spokeswoman for the agency told Bloomberg BNA March 19.

According to Noelle Talley, public information officer for the N.C. Department of Justice, SBI agents are continuing to conduct their criminal investigation into the matter at the request of the U.S. Attorney's Office for the Eastern District of North Carolina. The federal prosecutor's office has issued subpoenas to employees of the state Department of Environment and Natural Resources and the utility, as well as the North Carolina Utilities Commission, in the matter.

State regulators have been criticized by environmental groups for inadequate oversight of coal ash storage, their relationship with Duke Energy and information they have provided about the spill and its impacts. A federal grand jury was scheduled to hear testimony related to the criminal probe March 18-20.

The criminal investigation into the oversight issues was launched after tens of thousands of tons of ash were released into the Dan River in a Feb. 2 ash spill from a Duke Energy facility. Responding to criticism and the subpoenas, state officials have said that the utility has not been given special treatment.

California Eases Restrictions on Water Deliveries for Senior Water Rights Holders

Posted March 19, 2014, 4:00 P.M. ET

Above average rainfall in Northern California last month improved the state's water supply outlook enough for the State Water Resources Control Board March 18 to grant a request from the state and federal water projects to slightly ease drought restrictions on certain water deliveries.

The state water board's executive officer, Tom Howard, amended a temporary emergency order issued in February that had limited Sacramento-San Joaquin River Delta exports to only those needed for human health and public safety.

As a result, the State Water Project and federally operated Central Valley Project may begin sending some water to Sacramento and San Joaquin Valley irrigation districts with the most senior water rights.

Earlier on March 18, California's Department of Water Resources and the U.S. Bureau of Reclamation filed the petition seeking to modify the February order.

In a conference call with reporters, Howard said that "while the drought is of a very critical nature," February's rains allow for some relaxing of the restrictions in the February order.

Beale, Brenner's Involvement 'Raises New Questions' About Air Regulations: Vitter Staff

Posted March 19, 2014, 11:15 A.M. ET

The involvement of two disgraced senior Environmental Protection Agency air officials in the rulemaking process "raises new questions about the science underlying" the 1997 national ambient air quality standards for ozone and particulate matter, a report from Sen. David Vitter's (R-La.) staff says.

John Beale, a former senior adviser in EPA's air office who is now serving 32 months in prison for defrauding the agency of nearly \$900,000 for made-up work he purported to do for the Central Intelligence Agency, "took the lead" in developing the standards with his "best friend" Robert Brenner.

Brenner, former deputy EPA assistant administrator for air and radiation, admitted he had accepted an \$8,000 discount on a Mercedes-Benz automobile that was "brokered" by a lobbyist with ties to the automobile industry. The EPA Office of Inspector General said there was "merit" to move forward with charges against Brenner, but he retired before an interview could be conducted with the inspector general.

The report alleges those regulations “marked a turning point for EPA air regulations and set the stage for the exponential growth of the Agency’s power over the American economy.”

“The legacy of John Beale and his best friend Robert Brenner is a permanent tarnishing of the concept of public service as it is executed at [the] Environmental Protection Agency,” the report said.

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