

MWCOG Climate, Energy and Environment Policy Committee
Monthly COG staff update as of May 26, 2010

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Federal Regulatory Updates

✓ **Mobile Sources GHG Regulation (4/1)**

The EPA finalized its regulation of GHG emissions from light-duty vehicles, in a joint ruling the NHTSA. The final rule imposes stricter fuel economy requirements for cars and trucks in the 2012-2016 model years, and is already facing legal challenges from states and business groups. <http://www.epa.gov/oms/climate/regulations.htm>

On May 21, President Obama signed an Executive Order directing EPA and DOT to create a first-ever National Policy to increase fuel efficiency and decrease greenhouse gas pollution from medium- and heavy-duty trucks for Model Years 2014-2018. <http://www.whitehouse.gov/the-press-office/president-obama-directs-administration-create-first-ever-national-efficiency-and-em>

✓ **Tailoring Rule (5/13)**

To address concerns that regulating GHG under the Clean Air Act would cause a “regulatory cascade”, requiring permits for even very small CO2 emitters, the EPA released a “tailoring rule” to raise its regulatory threshold to 100,000 tons CO2/year. This regulation effectively ensures only the 15,550 largest GHG polluters in the US would be subject to EPA regulation in 2011, and has been hailed as a “sensible” step by environmental and business leaders.

<http://www.nytimes.com/2010/05/14/science/earth/14permit.html?hpw>

✓ **Offshore Oil Regulation (4/30)**

In response to the Deepwater Horizon (BP) oil spill in the Gulf of Mexico, the White House has announced a ban on all new offshore oil drilling projects until a “thorough review” is conducted to investigate the causes of the accident. President Obama has also proposed breaking up the Minerals Management Service (MMS) into three branches, to reduce any potential influences oil companies might have on their primary federal regulator.

<http://www.nytimes.com/2010/05/12/us/12interior.html?hpw>

✓ **US EPA Climate Change Indicators report (4/27)**

A U.S. EPA report released in April, Climate Change Indicators in the United States, looks at 24 key indicators that show how climate change impacts the health and environment in the US. This report shows that impacts of climate change are already being seen throughout the country. <http://www.epa.gov/climatechange/indicators.html>

✓ **Last edition of the National US Greenhouse Gas Inventory shows a decrease in emissions in 2008 (04/15)**

The 15th annual U.S. greenhouse gas inventory report prepared by the EPA shows a drop in overall emissions of 2.9 percent from 2007 to 2008. The downward trend is attributed to a decrease in carbon dioxide emissions associated with fuel and electricity consumption. <http://www.epa.gov/climatechange/emissions/usinventoryreport.html>

✓ **New Report on Social Cost of Carbon for Regulatory Impact Analysis (April).**

A Federal interagency working group has proposed various estimates for the economic cost to society associated with continued GHG emissions. The estimates ranged from approximately \$5 to \$35 per metric ton CO2 for the year 2010, and from approximately \$10 to \$50 per metric ton CO2 for the year 2030. The estimates are intended to be used in the cost-benefit analyses required under Executive Order 12866 for all federal regulatory actions.

http://www2.eere.energy.gov/buildings/appliance_standards/commercial/pdfs/sem_finalrule_appendix15a.pdf

Federal Legislative Updates

✓ **Senate American Power Act - APA (5/12)**

The Senate's long-awaited climate bill was released by Senators Kerry and Lieberman. The Discussion Draft of the APA contains GHG reduction targets, facilitated by a cap-and-trade program phasing in large industrial sources, and a carbon tax for oil refiners. A Clean Energy Deployment Administration (CEDA) would also be created to fund EERE projects after ARRA expires. Additional provisions of the APA include a "price collar" of \$12-25 for allowances, and incentives for nuclear power, carbon capture and storage, and offshore oil drilling.

While the APA has gained endorsements from many major environmental and business groups, it has drawn criticism for pre-empting regional cap-and-trade programs, cutting energy efficiency local block grants, and limiting funding for international projects.

<http://www.vnf.com/news-alerts-462.html>

Side-by-side with Waxman-Markey bill: <http://wonkroom.thinkprogress.org/2010/05/12/kerry-lieberman/>

✓ **Home Star Bill (5/6)**

HR 5019, also known as "Cash for Caulkers" was passed by the House after receiving strong bipartisan support. The bill, which provides rebates for energy efficiency retrofits, is likely to be attached to a future jobs bill as it moves to the Senate. <http://www.ncsha.org/blog/house-passes-home-star-energy-retrofit-act>

✓ **Offshore Wind (4/19)**

The Cape Wind project recently received approval from the Interior Secretary and the Federal Aviation Agency, launching the US' first offshore wind farm, in Massachusetts.

http://www.nytimes.com/2010/05/18/us/18brfs-FAACLEARSWIN_BRF.html?dbk

Federal Budget Updates

✓ **\$250 million for regional global climate change modeling (3/22)** The National Science Foundation, the US Department of Energy and Department of Agriculture have announced a joint federal research program, providing funding for regional and state level modeling of climate change. The 5-year program will sponsor more reliable regional-level predictions of climate change, assessing local impacts and possible adaptation responses.

<http://www.energy.gov/news/8777.htm>

✓ **\$3.9 million for agricultural GHG (5/3)** The EPA and Department of Agriculture have announced an interagency agreement to promote renewable energy (from biogas) and cut GHG emissions from the livestock industry.

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/eddc8a628ce5e9b2852577180066c2d3!OpenDocument>

✓ **\$100 million for SmartGrid (4/8)** The DOE announced funding for 54 projects to expand workforce training in support of SmartGrid expansion. A PEPCO facility in Rockville is receiving \$4.4 million alone to train 700 employees for construction, deployment, and demonstration projects. <http://www.energy.gov/news/8842.htm>

State Government Updates

✓ **Maryland Sustainability Legislation (5/20)** At the close of its 2010 session, the Maryland legislature passed a series of bills promoting sustainability, including (1) a tax credit and HOV lane authorization for electric vehicles, (2) extending the clean energy tax credit until January 2016 (3) increasing solar's share in the state's RPS, (4) establishing a Sustainable Growth Commission, and (5) expanding the state's green purchasing requirements.

<http://www.governor.maryland.gov/documents/100520EnergyBills.pdf>

✓ **Maryland EERE Retrofits (4/22)** The State of Maryland has been selected to receive a \$20 million grant from the DOE's \$452 million Retrofit Ramp-up program, providing funding for energy efficiency retrofits throughout the state. In related news, Governor O'Malley also recently announced that Project Sunburst, administered by the MEA, will provide 32 solar installations for government buildings in Prince George, Montgomery, and other counties.
<http://conduitstreet.mdcountries.org/2010/04/23/project-sunburst-to-assist-state-and-local-governments-with-solar-panel-installment/>

DOE Retrofit Ramp Up - list of recipients: http://www.energy.gov/news/documents/Retrofit_Ramp-Up_Project_List.pdf

✓ **Virginia Green Energy Legislation (4/2)** Virginia's general assembly also passed a number of bills this session supporting green energy, creating (1) a \$500 green jobs tax credit, (2) a Virginia Universities Clean Energy Development and Economic Stimulus Foundation for technology R&D, (3) an Offshore Wind Development Authority to support research and build manufacturing capacity, (4) awarding offshore wind triple credit towards the state's RPS, and (5) expanding Virginia's Alternative Fuels Revolving Fund.

<http://www.governor.virginia.gov/News/viewRelease.cfm?id=105>

✓ **Virginia Attorney General's Office (4/25)** Attorney General Ken Cuccinelli filed a joint petition with the state of Alabama, calling the EPA to remand its Endangerment Finding. The attorney general has also subpoenaed the records of Michael Mann, a prominent climate researcher implicated in the "Climate-gate" e-mails. Cuccinelli alleges Mann violated the Virginia Fraud Against Taxpayers Act, using state funding for research making "false or fraudulent" claims.

<http://www.washingtonpost.com/wp-dyn/content/article/2010/05/03/AR2010050304139.html>

✓ **Green DC map (4/27)**

On Earth Day, DC DOE released the Green DC map, an interactive map highlighting environmental points of interest throughout the nation's capital, from farmers' markets to Energy Star buildings, and from Metro stops to bike-share locations. <http://rrc.dc.gov/green/cwp/view,a,1231,q,463333.asp>

Local Government Updates

✓ **Montgomery County carbon & energy taxes (5/20)**

Montgomery County passed one of the nation's first carbon taxes, levying \$5 per ton of CO₂. Mirant's Dickerson power plant is the only emitter in the county large enough to fall under the new legislation's jurisdiction, but the tax could raise up to \$15 million in revenues, and potentially support Montgomery's Home Energy Loan Program (HELP). The Montgomery County is also considering doubling its energy tax to reduce its deficits, and will hold a final budget vote by May 27th.

<http://washington.bizjournals.com/washington/stories/2010/05/17/daily32.html>

✓ **Loudoun County Energy Strategy receives national recognition (3/30)**

The National Association of Counties (NACo) and EPA have recognized Loudoun County as a national leader in developing community-wide energy efficiency strategies. NACo specifically has pledged its support for Loudoun's "County Community-wide Energy Management Guide," and plans to feature Loudoun County as a model in an upcoming December 2010 webinar.

✓ **Leesburg Power plant approved by Loudoun County Board (04/20)**

Loudoun County Board of Supervisors unanimously approved the local land use applications for a hybrid energy park to be built south of Leesburg. The hybrid plant will be designed to use natural gas, steam and Virginia's largest solar array to generate 981 megawatts of electricity. The solar array would create four megawatts of power. Federal permits and the purchase of air pollution offsets are still needed for the Loudoun County based company Green Energy Partners to get the final go-ahead.

<http://www.leesburg2day.com/articles/2010/04/20/news/9771powerplant042010.txt>

✓ **American University announces 100% wind power purchase (5/11)**

American University has become the largest east coast school to purchase wind energy credits equivalent to 100% of the university's electricity usage, offsetting an estimated 53 million kWh per year.

<http://wtopnews.com/?nid=25&sid=1954786>

✓ **Arlington office building in national EPA competition (5/9)**

An office building on 1525 Wilson Boulevard, Arlington is one of 14 businesses competing in the EPA's first National Building Competition. The Arlington office has implemented a number of energy efficiency practices (such as automated lighting), and a winner is expected to be announced by September 2010.

<http://www.wusa9.com/news/local/story.aspx?storyid=100691&catid=175>

Regional Agency Updates

✓ **HUD Sustainable Communities Planning grant**

The COG Board appointed a special task force at its April 14 meeting to oversee preparation of a regional consortium application led by COG. The final NOFA is expected to be released in the coming weeks.

Under this program, approximately \$100 million will be available for regional integrated planning initiatives, to improve regional planning efforts that integrate housing and transportation decisions and promote environmental sustainability.

Large metropolitan areas will be eligible for funding up to \$5 million.

International news

✓ **International Climate Negotiations (5/2)**

Representatives from 40 countries kicked off this month's round of UN negotiations with the "Petersburg Dialogue," a series of informal discussions from May 2-4. The next formal climate treaty negotiations will be held May 31-June 11, although analysts expect little progress will be made until the US finalizes its domestic climate change legislation.

<http://www.vnf.com/news-policyupdates-461.html>

✓ **500 EU cities pledge deeper cuts (5/5)**

A group of 500 European cities have pledged to exceed the EU's GHG reduction requirements, cutting their emissions by more than 20% below 1990 levels by 2020. EU officials have touted these efforts to mitigate climate change as "one of the best economic recovery strategies" and a platform for creating jobs "which by their nature cannot be delocalized."

<http://www.greenbiz.com/news/2010/05/05/500-european-cities-pledge-20-percent-co2-cut>