This Week in Review – July 27-31, 2015

(1) Senate Committee Approves Bipartisan Energy Legislation, Energy Efficiency Bill (July 30, 2015) – After a three-day markup, the Senate Energy and Natural Resources Committee approved, by an 18-4 vote, the “Energy Policy Modernization Act of 2015,” comprehensive, bipartisan energy legislation introduced last week by Committee Chairman Lisa Murkowski (R-AK) and Ranking Member Maria Cantwell (D-WA). The Committee also separately approved, 20-2, an energy efficiency bill sponsored by Sens. Rob Portman (R-OH) and Jeanne Shaheen (D-NH), most of the provisions of which were also included in the comprehensive legislation, so that it might move forward separately if the larger bill stalls. During markup of the broad energy package, a Manager’s Amendment was adopted that would speed federal permitting of natural gas infrastructure projects, naming the Federal Energy Regulatory Commission as lead agency for all such authorizations and requiring natural gas infrastructure projects to be approved within 90 days after an application is complete. An amendment offered by Sen. Lamar Alexander (R-TN) to establish a vehicle efficiency research, development and demonstration program at the Department of Energy was approved 20-2. A proposed amendment from Rep. Bernie Sanders (I-VT) to affirm the “sense of Congress” that climate change is real and that the energy system must be transformed away from fossil fuels as soon as possible failed by a vote of 9-13, as did a proposed amendment from Sen. Al Franken (D-MN) to establish a competitive grant program to measure energy use in multi-tenant buildings. The four committee members who voted against the energy bill were Sens. Sanders, Mike Lee (R-UT), Jeff Flake (R-AZ) and Debbie Stabenow (D-MI). Earlier in the week, a coalition of eleven environmental groups sent a letter to Sens. Murkowski and Cantwell saying they would oppose the bill in its current form. The groups’ major concerns include the repeal of a fossil-fuel phase-out in federal buildings and other provisions they believe would weaken or imperil certain energy efficiency programs. For further information: http://www.energy.senate.gov/public/index.cfm?p=legislation&id=87D9E1CF-1B96-4815-9D05-387798EFAEA7 (Senate Energy and Natural Resources Committee); http://www.4cleanair.org/sites/default/files/Documents/Environmental_Groups_Energy_Bill_Letter.pdf (environmental groups’ letter)
(2) House Approves REINS Act, White House Threatens Veto (July 27-28, 2015) – The House of Representatives, by a vote of 243 to 165, approved H.R. 427 – well known as the REINS (Regulations from the Executive in Need of Scrutiny) Act. The bill would require Congress to approve any proposed or interim final “major” regulations before they become effective. The bill provides that votes on affected rules must occur within 70 legislative days; however, if both chambers fail to act within this timeframe any rule in question would be tabled. A “major” regulation is defined as one that the Office of Management and Budget finds has resulted in, or is likely to result in, an annual effect on the economy of $100,000,000 or more; a major increase in costs or prices for consumers, individual industries, federal, state, or local government agencies or geographic regions; or significant adverse impacts on competition, employment, investment, productivity, innovation or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. The day before the House vote, the White House issued a Statement of Administration Policy (SAP) opposing passage of the REINS Act, calling the requirements of the bill a “radical departure from the longstanding separation of powers between the Executive and Legislative branches” that “would delay and, in many cases, thwart implementation of statutory mandates and execution of duly-enacted laws, create business uncertainty, undermine much-needed protections of the American public, and cause unnecessary confusion.” The SAP states that if the President were presented with H.R. 457, his senior advisors would recommend that he veto it. The REINS Act was introduced in the House by Rep. Todd Young (R-IN) on January 21, 2015. On the same day, Senator Rand Paul (R-KY) introduced a companion bill (S. 226) on which no action has yet been taken. Rep. Young also introduced the REINS Act in the last Congress, where it passed the House on August 2, 2013. For further information: https://www.congress.gov/bill/114th-congress/house-bill/427?q=%7B%22search%22%3A%5B%22%5C%22hr427%5C%22%5D%7D&resultIndex=1 and https://www.whitehouse.gov/sites/default/files/omb/legislative/sap/114/saphr427r_20150727.pdf

(3) After Standoff, House and Senate Agree on Three-Month Transportation Funding “Patch” (July 29-30, 2015) – With the House preparing to adjourn at the end of this week for the August recess, Congress scrambled to put in place yet another short-term “patch” to keep highway and transit funds flowing until agreement is reached on, and funding sources are identified for, a comprehensive long-term transportation reauthorization bill. The most recent short-term measure was set to expire today (July 31, 2015). The road to this latest “patch” was not a direct one. On Wednesday, the House passed H.R. 3236, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015, introduced the day before by Rep. Bill Schuster (R-PA), Chairman of the House Transportation Committee, for himself and Reps. Paul Ryan (R-WI), Chairman of the House Ways and Means Committee, and Rep. Jeff Miller (R-FL), Chairman of the House Veterans’ Affairs Committee. The bill, which was approved by a vote of 385 to 34, extends authorization for highway and transit programs – as well as
various other programs, including the Dingell-Johnson Sport Fish Restoration Act – through October 29, 2015; it also includes a title on veterans’ healthcare. Earlier this month, the House passed H.R. 3038, which provided for a five-month extension (see related article in the July 13-17, 2015 Washington Update), but took action this week on the shorter stopgap to demonstrate to the Senate that the chamber will focus on a multi-year bill upon return from the recess. Comparing the preference of the House to pass a short-term fix while it continues to work on a long-term bill and the preference of the Senate to pass a long-term bill now, Senator Schuster said, “I believe this three-month extension represents the compromise that allows the House more time, and a confirmation of our commitment to produce a fiscally responsible long-term proposal.” Meanwhile, on Thursday, the Senate passed a long-term comprehensive bill by a vote of 65 to 34. The six-year Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act (see related article in the July 20-24, 2015 Washington Update) carries a price tag of over $300 billion, but includes only enough funding for the first three years. The DRIVE Act also includes an amendment to reauthorize the Export-Import Bank – a move that was not well received by some in the Senate. Following passage of the DRIVE Act, the Senate turned to H.R. 3262, the three-month House “patch,” and voted 91 to 4 to approve it, thus clearing the way for the bill to go to President Obama for signature. The President has indicated he will sign it. The House and Senate have their work cut out for them when they return in September facing a new deadline of October 29, 2015. For further information: https://www.congress.gov/bill/114th-congress/house-bill/3236?q=%7B%22search%22%3A%5B%22Surface+Transportation+and+Veterans+Health+Care+Choice+Improvement+Act+2015%22%5D%7D&resultIndex=1 and http://www.epw.senate.gov/public/_cache/files/876635f5-6dbc-4b5d-b93e-e41481a4e071/edw15765.pdf

(4) House Members Weigh in With EPA Administrator on Ozone Standard (July 28, 30, 2015) – Two groups of Congressmen have written EPA Administrator Gina McCarthy recommending opposing views on the appropriate level of the ozone National Ambient Air Quality Standard (NAAQS). A group of 136 members of the House of Representatives sent a letter to EPA Administrator Gina McCarthy urging that she retain the 75-parts-per-billion (ppb) ozone standard and allow “sufficient time for existing measures to take hold, before setting a new ozone standard.” The 121 Republicans and 15 Democrats who signed the letter told the Administrator that they are concerned that EPA has proposed new ozone National Ambient Air Quality Standards before implementation of the existing standards is complete. Noting the growth in U.S. Gross Domestic Product, population and energy consumption that occurred between 1980 and 2013, at the same time air emissions were dropping “significantly,” the signatories advised that “EPA can support economic growth while continuing decades-long trends toward cleaner air by maintaining the existing 75 ppb ozone standard.” However, the signatories warned, areas unable to meet a tighter standard “would be required to implement costly ozone-reduction measures and permitting requirements that could prove technologically difficult.” They say that EPA has acknowledged that there are
“alternative” views on health effects and risk and, in light of these uncertainties, “allowing the current standard to take full effect would alleviate any perceived concerns with measured scientific data and allow EPA time to further consider those uncertainties while still protecting air quality.” In a separate letter, a group of 64 House Democrats wrote EPA urging the Administrator to tighten the ozone standard to 60 ppb, stating the more stringent level would “drive investments in clean energy and public transit infrastructure, save taxpayers billions of dollars annually in health care costs, and save taxes.” For further information:


(5) House Energy and Commerce Committee Leaders Say Revised Ozone Standard Not Required at This Time (July 29, 2015) – The Chairman of the House Energy and Commerce (E&C) Committee, as well as the Chairmen of two E&C Subcommittees, sent a letter to White House Chief of Staff Dennis McDonough asking that the 75-parts-per-billion (ppb) ozone standard not be changed. Reps. Fred Upton (R-MI), Ed Whitfield (R-KY) and Pete Olson (T-TX) write in their letter that the implementation rule for the 75-ppb standard, which was set in 2008, was not published until March 6, 2015 and that “states are just beginning to implement that standard.” They go on to say, “Nevertheless, EPA is proposing to change that standard through a new regulation that would possibly be the most expensive in the agency’s history.” Like others who oppose a new standard, the Congressmen cite the impact of new regulatory and compliance requirements on areas that would become nonattainment under a tighter standard, contending a standard in the range EPA proposes would make it harder for manufacturing and other businesses in those areas to build and expand, produce and sell goods, and create jobs. They also say a new standard would have immediate implications for transportation projects and the development of other infrastructure in affected areas. Accordingly, they say, “Given the significant costs of the proposed rule, the uncertainty of the benefits, and the expected ozone reductions under the existing standard, we do not believe that revisions are required at this time.” For further information:


(6) Business and Industry Groups Urge President Obama to Keep the Current Ozone Standard (July 29, 2015) – The National Association of Manufacturers (NAM), the U.S. Chamber of Commerce, the Business Roundtable and more than 260 other groups representing manufacturers and businesses sent a letter to President Obama requesting that he order EPA to abandon its rulemaking for a new ozone standard. Saying “[e]fforts to reduce ozone are an environmental success story,” citing “[m]arket-driven innovations and dozens of existing policies to improve fuel economy, increase energy efficiency, and reduce emissions from stationary and mobile sources” that will “drive further air quality improvements over the next decade, and beyond” and stating that they “are committed to ensuring a clean and safe environment now and in the future,” the
signatories argue that they will “bear the brunt of the economic pain from a regulation that will make it difficult to manufacture products, build new projects, produce energy, improve infrastructure and hire the workers needed to make all this happen....The need for balanced government policies and reasonable flexibilities has never been greater, and no single regulation threatens to disrupt this balance more than EPA’s ozone rule.” In closing, the signatories make their “simple, but critical request” that the President retain the existing 75-parts-per-billion standard and let that requirement be met “before moving the targets again.” For further information: http://www.nam.org/Issues/Energy-and-Environment/Ozone/NAM-Ozone-Sign-On-Letter.pdf and http://www.nam.org/Newsroom/Press-Releases/2015/07/Simple--but-Critical-Request/

(7) House Energy and Commerce Committee Holds Roundtable Discussion on Economic Impacts of Proposed Ozone Standard (July 28, 2015) – The Energy and Power Subcommittee of the House Energy and Commerce Committee hosted a “roundtable discussion” on the potential impacts of EPA’s proposed ozone standard on manufacturing and jobs. In an announcement for the event, the Subcommittee said the discussion was a continuation of its “work to protect jobs and the economy from the EPA’s looming ozone rule,” which, they note, “some experts predict could be the costliest rule ever.” Subcommittee Chairman Ed Whitfield (R-K) said in the announcement, “The EPA is moving too far and too fast with their proposed rule and consumers, manufacturers and small businesses across the country bear the brunt of the compliance burdens.” Participants in the discussion were Jerry Mouton, Jr., Mayor of Deer Park, Texas; Larry Waters, Mayor of Sevier County, Tennessee; Chris Norch, President of Denison Industries; George A. Williams, CEO of PMI Energy Solutions; Gregory L. Johnson, Director of Legislative Affairs for The Sherwin-Williams Company; and Joseph Stanko, Partner at Hunton & Williams. For further information: http://energycommerce.house.gov/event/roundtable-discussion-epas-proposed-ozone-rule-potential-impacts-manufacturing-and-jobs

(8) Members of Congress Press National Park Service for Information on Which Parks Will Not Meet Tighter Ozone Standard (July 28, 2015) – Several House Committee and Subcommittee Chairmen sent a letter admonishing Jonathan Jarvis, Director of the National Park Service (NPS), for a “deficient” response to an earlier request from the lawmakers for information that will assist their respective committees with oversight related to EPA’s proposed ozone standard revision. In particular, in a June 10, 2015 letter, Rep. Lamar Smith (R-TX), Chairman of the Science Committee, Rep. Rob Bishop (R-UT), Chairman of the Natural Resources Committee, and Rep. Jim Bridenstine (R-OK), Chairman of the Science Committee’s Environment Subcommittee asked Jarvis for four copies each of “all documents and information” on a series of ozone-related issues, including such things, among others, as which national parks are currently nonattainment and how many would be nonattainment under a revised ozone standard of 70 parts per billion (ppb), 65 ppb and 60 ppb and NPS’s position on whether EPA’s proposed standards are close to background ozone levels and how
NPS makes this judgment. In a July 27, 2015 response, Jarvis cited, among other things, three national parks that measured ozone greater than 75 ppb for the three-year period of 2012 through 2014 and others that are located in an ozone nonattainment area and described how the NPS has worked with states to implement plans to bring national parks into attainment. Dissatisfied with Jarvis’ response, Smith, Bishop and Bridenstine sent their second letter the next day noting that Jarvis did not provide any documents responsive to their request and stating that “NPS’s lack of effort in responding to our request leads the Committee to conclude that the NPS has not taken our request seriously and is attempting to obfuscate Congressional oversight of the NPS’s role in the promulgation of [EPA’s] proposed rule for ozone.” They go on to advise Jarvis that he has until August 5, 2015 to provide all documents and communications responsive to their June 10, 2015 letter and that if NPS fails to meet this deadline “the Committees will consider the use of compulsory process.” For further information:


(9) National Parks Conservation Association Releases Analysis of Air Pollution in National Parks (July 28, 2015) – The National Parks Conservation Association (NPCA) released an analysis in which it identifies pollution-related damage in every one of the 48 national parks with Class I air quality protections. In all of these parks, regional haze restricts how far the eye can see with visitors missing, on average, 50 miles of scenery. Air quality in 75 percent of these parks – 36 of the 48 – “is periodically unhealthy…having at least ‘moderate’ ozone levels at times”; four parks “regularly have air quality that’s known to be unhealthy for most park visitors and rangers.” Ninety percent of these parks are already experiencing a changing climate, with weather that is more extreme than at any time in the last century. NPCA also reports that the 12 most affected parks encountered problems severe enough to earn them a grade of “D” or lower in at least one of the three rated categories (visibility, healthy air and climate change). Noting that the federal Regional Haze Rule under the Clean Air Act is intended to protect air quality in national parks, NPCA says, “due to loopholes in the rule, states and polluters can game the system and avoid having to clean up.” In Polluted Parks: How Dirty Air Is Harming America’s National Parks, NPCA calls upon President Obama to revise the Regional Haze Rule before he leaves office by setting park-centered targets, closing loopholes, strengthening accountability and giving park managers a voice. The group says, “If the Regional Haze Rule is not improved, in 50 years just 10 percent of national parks required to have clean air will actually have it.” For further information:

(10) Acadia Center Calls RGGI Successes a Pathway for Clean Power Plan Compliance (July 29, 2015) – A report from the Acadia Center finds that the Regional Greenhouse Gas Initiative (RGGI) has fostered economic growth while reducing greenhouse gas emissions from the power sector, calling the program a demonstrated, cost-effective and flexible model for states to meet U.S. EPA’s Clean Power Plan. The report bases its conclusion on a review of RGGI’s environmental and economic impacts since the program’s 2009 launch. The report notes that RGGI has had a successful track record of reducing emissions. In 2014, for example, CO$_2$ emissions in the RGGI region extended a multi-year pattern of decreases, ending 5.2 percent below the program’s 2014 cap. With respect to power price impacts, Acadia finds that while prices have increased in some RGGI states, average electricity prices across the RGGI region have decreased 2 percent since 2008. The report also points to significant economic benefits from the program. Citing a recent study from the Analysis group, Acadia claims that the reinvestment of RGGI allowance auction revenues has created over $2.76 billion in net economic growth and more than 28,000 job-years of employment. The report also examines air quality impacts, identifying large decreases in SO$_2$, NO$_x$ and mercury emissions since 2009. In addition, Acadia estimates that the RGGI caps will lead to $1.4 billion in health savings through 2020 due to future reductions in hazardous air pollutants. Finally, the report discusses adjustments that may be needed to make RGGI consistent with EPA’s CPP. Describing them as “modest”, the report notes that RGGI may need to extend its emissions caps from 2020 to 2030, adjust the rate at which the total number of allowances annually decrease and revise program provisions that allow for the creation of new allowances above certain cost thresholds. The report is entitled RGGI: A Model Program for the Power Sector – 2015 Update. For further information: http://www.4cleanair.org/sites/default/files/Documents/RGGI-Emissions-Trends-Report_Final.pdf

(11) Regional Approaches Cost Less Than Single-State Clean Power Plan Implementation, According to Southwest Power Pool (July 27, 2015) – The Southwest Power Pool (SPP), an electric grid operator based in Arkansas and serving the Southern and Midwestern U.S., has concluded that multistate compliance plans for U.S. EPA’s Clean Power Plan (CPP) are significantly cheaper than state-by-state approaches. The analysis, detailed in a report entitled SPP Clean Power Plan Assessment – State-by-State, finds that a regional compliance approach could cost as much as 40 percent less than an individual state approach. SPP also found that a single-state approach poses larger reliability challenges. The findings are based on modeling results that assume additional power generation costs of $45 per ton of CO$_2$ emitted and consider compliance costs related to new generation construction, capital investments and energy generation. SPP did not evaluate changes or improvements to the electric transmission system. The report is the third in a series developed by SPP to analyze the CPP’s impacts. An October 2014 SPP study examined the CPP’s reliability impacts and a March 2015 report assessed the costs of regional CPP compliance. Findings from both were synthesized into the State-by-State analysis
released this week. For further information: http://www.4cleanair.org/sites/default/files/Documents/document_ew_02.pdf

(12) D.C. Circuit Will Not Rehear Case that Overturned EPA’s Biomass Deferral Rule (July 24, 2015) – The U.S. Court of Appeals for the D.C. Circuit denied a petition by forest and paper industry groups to rehear the case that struck down EPA’s biomass Deferral Rule. The opinion in that case, Center for Biological Diversity v. EPA, was issued over three years ago. However, the court’s vacatur of the rule never became legally effective because industry intervenors successfully moved to postpone the deadline for rehearing petitions while the Supreme Court considered challenges to EPA’s greenhouse gas permitting program. Published in July 2011, the Deferral Rule delayed for three years the applicability of Prevention of Significant Deterioration (PSD) and Title V permitting requirements to greenhouse gas (GHG) emissions from biogenic stationary sources. The Deferral Rule expired on its own terms on July 20, 2014. However, industry intervenors contended in their rehearing petition that legal ambiguity remains with respect to stationary sources that avoided GHG permitting based on the Deferral Rule but would otherwise have triggered PSD requirements for GHGs based on their emissions of non-GHG pollutants. The court rejected the rehearing petition in a one-page order without providing an explanation of its reasoning. For further information: http://www.4cleanair.org/sites/default/files/Documents/CBD_v_EPA_Order_Denying_Rehg_Petition.pdf

(13) D.C. Circuit Issues Opinion in EME Homer City (July 28, 2015) – The U.S. Court of Appeals for the District of Columbia Circuit issued its opinion and judgment in EME Homer City Generation v. EPA related to EPA’s Transport Rule (aka CSAPR). The D.C. Circuit revisited this case to 1) consider, on remand from the U.S. Supreme Court, several “as-applied over-control challenges” to EPA’s 2014 emissions budgets and 2) address a number of the petitioners’ broader challenges to the Transport Rule that it did not have occasion to address the first time it heard this case. In its opinion, the court wrote, “To sum up: We hold invalid the 2014 SO2 emissions budgets for Alabama, Georgia, South Carolina and Texas, as well as the 2014 ozone-season NOx budgets for Florida, Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Virginia and West Virginia. We remand without vacatur to EPA for it to reconsider those emissions budgets. We reject all of petitioners’ other challenges to the Transport Rule, including all of their facial challenges to the Rule. The petitions for review are therefore granted in part and denied in part.” For further information: http://www.4cleanair.org/sites/default/files/resources/CSAPR_072815_DC_Circuit_Opinion.pdf and http://www.4cleanair.org/sites/default/files/resources/CSAPR_072815_DC_Circuit_Judgment.pdf
(14) States, Industry Ask D.C. Circuit to Rehear Cases Challenging Clean Power Plan Proposal (July 24, 2015) – Fourteen states and a number of industry petitioners asked the U.S. Court of Appeals for the D.C. Circuit to rehear their challenges to EPA’s proposed Clean Power Plan rule after the court rejected them as premature (In re Murray Energy Corp., Nos. 14-1112 et al. and West Virginia v. EPA, No. 14-1146). In its June 9 opinion, the court’s three-judge panel held that it lacked authority to consider the petitioners’ challenges to the Clean Power Plan because the rule was not yet final. The court also held, in a 2-1 split, that the All Writs Act does not authorize the court to issue an “extraordinary writ” prohibiting EPA from finalizing the rule. In their rehearing petitions, the state and industry challengers argued that the court’s decision overly constrains its authority to review illegal agency proposals. “Under the panel’s majority decision, an agency can repeatedly threaten regulated parties to make immediate expenditures to comply with an unlawful but not-yet-final rule, and evade legal accountability for this misconduct,” the states asserted in their petition. This, they warned, “will only further enable agencies to make their policy goals a practical reality before the courts can review their legality – a tactic EPA brazenly touted after losing in Michigan v. EPA” (referring to the recent Supreme Court opinion in which EPA’s Mercury and Air Toxics Standards were determined to be unlawful). In the alternative to rehearing the cases, the petitioners asked the court to delay issuing its mandate and retain jurisdiction over the case so that it can later be consolidated with future challenges to the final Clean Power Plan rule. If such relief were granted, the merits of the rule would likely be determined by the same three-judge panel that heard the challenges to the proposed rule. Among the D.C. Circuit judges, these three are considered among those most poten-
tially receptive to arguments challenging the rule’s legality. The petitioners also reserved the right to seek “emergency relief” from the court when EPA signs the Clean Power Plan rule, before it is published in the Federal Register (under CAA Section 307(b), petitions for review of a final rule may not be filed until the rule appears in the Federal Register). For further information:
http://www.4cleanair.org/sites/default/files/Documents/In_re_Murray_Energy_States_Rehg_Petition_7_24_15.pdf (States’ rehearing petition);
http://www.4cleanair.org/sites/default/files/Documents/In_re_Murray_Energy_Murray_Peabody_Rehg_Petition_7_24_15.pdf (Murray Energy Corp./Peabody Energy Corp. rehearing petition);

(15) Combined Heat and Power Compliance Options for Clean Power Plan Highlighted by New Report (July 27, 2015) – A report and compliance template has been released to help states utilize combined heat and power (CHP) to meet U.S. EPA’s Clean Power Plan targets. Developed by David Gardiner & Associates and the Institute for Industrial Productivity, the template examines key plan design issues states must address when incorporating CHP into a CPP compliance plan. Among the issues discussed are (1) whether to rely on “outside the fenceline” reductions to meet EPA’s CPP goals; (2) whether to adopt rate- or mass-based
goals; (3) how to allocate enforceable emission obligations between affected power plants and other entities; and (4) whether to measure compliance unit-to-unit, across an entire state inventory or in a multistate framework. The tool also addresses how CHP can meet EPA’s proposed plan approvability criteria and outlines a step-by-step process states can follow to integrate CHP into their CPP compliance plans. For further information: http://www.dgardiner.com/wp-content/uploads/2015/07/CHP_Pathway_Final_7_23_15.pdf

(16) Governor Announces Plan to Cap Washington’s Carbon Emissions (July 28, 2015) – Washington State Governor Jay Inslee directed his Department of Ecology to cap the state’s carbon emissions and increase the enforcement of Washington’s environmental laws. A press release announcing the measures did not reference a specific cap but indicated that the initiative would allow Washington to meet emission targets set by the state legislature. Legislation enacted in 2008 calls for Washington to reduce its greenhouse gas (GHG) emissions to 1990 levels by 2020, to five percent below 1990 levels by 2035 and to 50 percent below 1990 levels by 2050. Inslee noted that the new program will not include a revenue generating mechanism, like a carbon tax, nor will it include a state-run market for trading carbon credits. Regulated entities, however, are expected to be able to trade credits among themselves. The Governor’s office estimates that the regulatory process to develop the cap program will take one year. For further information: http://www.governor.wa.gov/news-media/inslee-directing-ecology-develop-regulatory-cap-carbon-emissions

(17) Electric Cooperative Association Predicts Rural Job Loss from Clean Power Plan (July 27, 2015) – A study from the National Rural Electric Cooperative Association (NRECA) predicts that implementation of EPA’s Clean Power Plan (CPP) will lead to large job losses, disproportionately harming rural economies. According to an earlier analysis, NRECA found that the CPP would raise electricity bills by an average of 10 percent. The association’s new report examines the impacts of potential electricity price increases, estimating that a 10 percent increase would eliminate 1.2 million jobs across the U.S. by 2021 and that nearly 500,000 of those losses would occur in rural areas. Assuming a 25 percent increase in electricity prices, NRECA predicts U.S. job losses of 2.2 million, with 890,000 of those occurring in rural areas. Further, the report concludes that a 10 percent average electric price increase would cause $2.8 trillion in cumulative economic losses between 2020 and 2040, while a 25 percent increase would result in a $5.4 trillion loss during the same period. According to NRECA’s Chief Executive Officer, Jo Ann Emerson, “Affordable electricity is rural America’s economic lifeline. This study shines a light on the true, real-life cost of higher electricity prices – a cost that policymakers in Washington would do well to remember.” Emerson added, “Federal regulations that result in higher electricity prices, such as the EPA’s proposed Clean Power Plan, could wipe out any modest gains rural America has made since the Great Recession.” For further information: http://www.nreca.coop/wp-content/uploads/2015/07/Affordable-Electricity-Rural-Americas-Economic-Lifeline.pdf
(18) Comment Deadline Extended for Proposed Phase 2 Heavy-Duty GHG and Fuel Efficiency Standards (July 28, 2015) – EPA and the National Highway Traffic Safety Administration announced in the Federal Register (80 Fed. Reg. 44,863) that they have extended, to Thursday, September 17, 2015 (from Friday, September 11, 2015), the comment deadline for the proposed Phase 2 greenhouse gas and fuel efficiency standards for medium- and heavy-duty vehicles and engines. Additional time has been provided to allow 30 days after the last public hearing for commenters to submit their views to the agencies. EPA and NHTSA will hold public hearings on the Phase 2 proposal on August 6, 2015 in Chicago and August 18, 2015 in Los Angeles. For further information: http://www.gpo.gov/fdsys/pkg/FR-2015-07-28/pdf/2015-18527.pdf

(19) EPA Publishes Revised Portland Cement Air Toxics Regulation (July 27, 2015) – EPA has published in the Federal Register final amendments to the regulations limiting emissions of hazardous air pollutants from new and existing Portland Cement Manufacturing Plants, as well as New Source Performance Standards for new cement kilns. The rule, which was first announced on July 2, 2015, eliminates the affirmative defense provisions related to startup and shutdown, clarifies definitions, provides a compliance-scaling alternative for certain sources, restores the table of emission limits that applies until the compliance date of September 9, 2015, prohibits the substitution of emissions data that were mistakenly added to the final rule, adds temperature parameters to startup and shutdown requirements and makes other technical changes and corrections. For further information: http://www.gpo.gov/fdsys/pkg/FR-2015-07-27/pdf/2015-16811.pdf


(21) Proposed Revisions to EPA’s Guideline on Air Quality Models Published in Federal Register; Supporting Materials Now Available (July 29, 2015) – EPA published in the Federal Register its proposed revisions to the Guideline on Air Quality Models (40. C.F.R. Part 51, Appendix W – commonly referred to as “Appendix W”), triggering a 90-day public comment period that will end on October 27, 2015. In addition, new modeling code and other materials supporting the proposal were released for public review on the electronic docket for the rulemaking. Appendix W contains EPA’s regulatory guidance on models and modeling methodologies to be used in new source permitting, state implementation plan submittals and other applications. EPA’s proposed revisions
enhancements to the AERMOD near-field dispersion modeling system. EPA is also proposing to add guidance on particular models and analytical techniques that may be used for assessing individual source impacts on ozone and fine particulate matter (PM$_{2.5}$) associated with precursor emissions, such as sulfur dioxide, oxides of nitrogen and volatile organic compounds. In addition, EPA is proposing to replace the CALINE3 model with AERMOD for mobile source applications; to allow for the use of prognostic meteorological data in AERMOD when there is no representative National Weather Service station; and to remove CALPUFF as a preferred model for long-range air quality assessments. EPA will hold a public hearing on the proposal at the Eleventh Conference on Air Quality Modeling, which will take place August 12-13 in Research Triangle Park, North Carolina. The supporting documents in the rulemaking docket include, among other things, memoranda setting forth in detail EPA’s proposed approaches for demonstrating ozone and PM$_{2.5}$ PSD compliance, respectively. For further information: http://www.gpo.gov/fdsys/pkg/FR-2015-07-29/pdf/2015-18075.pdf (Federal Register publication); http://www.regulations.gov/#!docketDetail;D=EPA-HQ-OAR-2015-0310 (rulemaking docket); http://www.regulations.gov/contentStreamer?documentId=EPA-HQ-OAR-2015-0310-0006&disposition=attachment&contentType=pdf (Proposed Approach for Determining Ozone PSD Compliance); http://www.regulations.gov/#!documentDetail;D=EPA-HQ-OAR-2015-0310-0005 (Proposed Approach for Determining PM$_{2.5}$ PSD Compliance); http://www.epa.gov/scram001/11thmodconf.htm (11th Conference on Air Quality Modeling)

(22) Companies and Investors Support EPA’s Clean Power Plan (July 31, 2015) – Just days before EPA is expected to announce its final rule on the Clean Power Plan (CPP), over 365 small companies and Fortune 500 industries have sent letters to 29 governors voicing their support for the program. The letters, which were coordinated by Ceres, a nonprofit organization that brings together businesses and investors in support of climate change, water scarcity and other sustainability challenges, noted that industry support for the rule is “firmly grounded in economic reality” and the recent trend towards increasing reliance on renewable energy and energy efficiency measures to cut company costs. The letters also encourage the “timely finalization” of state plans to meet the new standards. “More than ever, businesses and investors are waking up to the threat of climate change and the urgency for low-carbon solutions that make strong economic sense,” said Ceres President Mindy Lubber. “The Clean Power Plan speaks to these growing business concerns by providing certainty and flexibility in building their own clean energy strategies.” For further information: http://www.ceres.org/press/press-releases/365-companies-and-investors-announce-support-for-epa2019s-clean-power-plan
**The Week Ahead**

- Senate Environment and Public Works Committee Hearing on “Oversight of Litigation at EPA and FWS: Impacts on the U.S. Economy, States, Local Communities and the Environment, in Washington, DC – August 4, 2015

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