



This Week in Review – April 11-15, 2005

(1) STAPPA and ALAPCO Weigh in on Refinery Permitting and Boutique Fuel Provisions of House Energy Bill; Energy and Commerce Committee Completes Mark Up and Sends Bill to Full House (April 11-13, 2005) – The House Committee on Energy and Commerce (E&C) spent Tuesday and Wednesday marking up the Committee print of the “Energy Policy Act of 2005” (see related article in April 4-8, 2005 *Washington Update*) and, by a vote of 39 to 16, forwarded the bill to the full House for consideration. On Monday, STAPPA and ALAPCO sent a letter to E&C Committee Chairman Joe Barton (R-TX) and Ranking Committee Member John Dingell (D-MI) opposing two provisions of the bill: the “Refinery Revitalization Act of 2005,” found in Subtitle D of Title III of the bill, and provisions for “reducing the proliferation of boutique fuels,” found in Subtitle C of Title XV. The associations’ letter was similar to letters sent last year when the House considered similar provisions as part of House Energy Week. Nonetheless, an amendment by Rep. Hilda Solis (D-CA) to strike the “refinery revitalization” provision failed, as did an amendment by Rep. Sherrod Brown (D-OH) to amend the boutique fuels language. Also rejected by the Committee were, among others, amendments to increase the Corporate Average Fuel Economy Standard to 33 miles per gallon by 2014 and to strike provisions for an MTBE liability waiver and to amend the Clean Air Act to require EPA to extend the attainment deadline for any downwind area classified under subpart 2 for ozone without that area being reclassified to a more stringent standard. [For further information: Air Web – In the News and Energy Committee pages – and energycommerce.house.gov/108/Markups/04132005markup1473.htm]

(2) Senate EPW Committee Approves Nomination of Steve Johnson as EPA Administrator; Senator Carper Moves to Block Nomination (April 13-14, 2005) – The Senate Environment and Public Works Committee voted 17-1 to send Steve Johnson’s nomination to the Senate floor for confirmation; the dissenting vote was cast by Senator Tom Carper (D-DE), who questioned Johnson vigorously the week before regarding the status of EPA’s analysis of three multi-pollutant legislative proposals (Clear Skies and bills by Senator Carper and Senator James Jeffords). Carper has stated that he needs such analyses to reopen negotiations on multi-pollutant controls on power plants so that the Senate can meet the President’s August deadline for action on related legislation. Subsequent to the Committee’s vote, Carper placed a hold on Johnson’s nomination, until he has an “ironclad” promise from EPA and the

White House that they will provide the information he has requested on the multi-pollutant proposals.

(3) Deadline for Regional Haze Rule Extended to June 15, 2005 (April 15, 2005) – EPA and Environmental Defense agreed to extend the deadline in a consent decree for EPA to finalize the rules explaining how states determine which power plants and other facilities must install best available retrofit technology (BART) in order to address regional haze. The deadline for EPA to act was changed from April 15, 2005 to June 15, 2005. The BART rules are part of the regional haze program aimed at restoring visibility to natural conditions in the nation's Class 1 areas. The BART requirements of the regional haze rule apply to facilities built between 1962 and 1977 that have the potential to emit more than 250 tons a year of visibility-impairing pollution. Those facilities fall into 26 categories, including utility and industrial boilers, and large industrial plants such as pulp mills, refineries and smelters. Many of these facilities previously have not been subject to federal pollution control requirements for these pollutants. EPA initially issued BART rules in 1999, but these were overturned in a court decision. EPA repropose rules in April 2004. [For further information: www.environmentaldefense.org/pressrelease.cfm?ContentID=4419]

(4) Washington State Senate Approves California GHG Emission Limits for Vehicles (April 14, 2005) – The Washington State Senate approved legislation that would limit emissions of greenhouse gases (GHGs) from new cars and light-duty trucks; the legislation is modeled on California's limitations on vehicle emissions. While the legislation also adopts California's Low-Emission Vehicle provisions, the Washington Senate removed the Zero-Emission Vehicle provisions, which would have required carmakers to meet quotas for selling a certain number of zero-emitting vehicles each year. In addition, the Washington Senate legislation stipulates that Oregon must adopt similar regulations before they could take effect in Washington. Because these provisions differ from those already passed by the Washington House of Representatives, the differences will need to be resolved in conference before the legislation can be enacted into state law. [For further information: www.leg.wa.gov/wsladm/billinfo1/bills.cfm (search for H.B. 1397)]

(5) Court Orders EPA to Act on Washington, DC-Area SIP by May 3, 2005 (April 11, 2005) – The U.S. District Court of the District Columbia has ordered EPA to approve or reject by May 3, 2005, the one-hour ozone attainment plans submitted by Maryland, Virginia and the District of Columbia for the Washington, DC metropolitan area. EPA argued that the SIPs submitted in 2004 restarted the clock for required agency action, but the judge said that EPA's duty to act on the SIPs submitted in 1997 and 1998 has not been mooted or overtaken by the fact that the states submitted a revised SIP in 2004 to address DC's bumped-up status as a Severe nonattainment area. The 2004 SIP supplemented, rather than supplanted, the earlier submissions. The court noted that a mandatory injunction is an "extraordinary remedy, especially when directed at the United States Government, but, considering EPA's unblemished record of nonperformance" on this case, the court considers the injunction "fully warranted." [For further information: www.earthjustice.org/news/display.html?ID=981]

(6) Oregon Governor Announces Five Global Warming Initiatives (April 13, 2005)

– Oregon Governor Ted Kulongoski announced five actions his administration is taking to address global warming. These initiatives include 1) establishing new greenhouse gas (GHG) reduction goals for the state; 2) appointing a task force to develop a plan for how Oregon can implement stricter emission standards for vehicles; 3) appointing a workgroup to develop a carbon dioxide (CO₂) reduction schedule for utilities and other large emitters of CO₂; 4) directing the Oregon Department of Energy to create an energy-saving campaign to reduce state agency energy use by at least 20 percent by 2015 and energy use statewide by at least 20 percent by 2025; and 5) launching an aggressive campaign to increase renewable energy and biofuel production and use in the state. The actions are based on the recommendations of an advisory group the Governor convened on GHG issues; these recommendations were released late last year. [For further information: governor.oregon.gov/Gov/press_041305a.shtml]

(7) Energy Information Administration Models Impacts of Recommendations of National Commission on Energy Policy (April 13, 2005)

– The Department of Energy's Energy Information Administration (EIA) analyzed the energy supply, demand and fuel import impacts of the recommendations contained in the report released earlier this year by the National Commission on Energy Policy (NCEP), *Ending the Energy Stalemate: A Bipartisan Strategy to Meet America's Energy Challenges*. EIA concludes that NCEP's proposed cap-and-trade system for greenhouse gas (GHG) emissions would reduce GHG emissions by 281 million metric tons (MMT) of carbon-dioxide equivalent in 2015 and 621 MMT CO₂-equivalent by 2025 and would cause electricity prices to rise by 4.8 percent. EIA also analyzed the impact of NCEP's recommendation to increase the CAFE standards for light-duty vehicles by 36 percent over the period of 2010 to 2015. This would reduce petroleum consumption by 0.61 million barrels per day (2.5 percent) in 2015 and 1.61 million barrels per day (5.8 percent) in 2025 and reduce CO₂ emissions by 79 million metric tons (1.1 percent) in 2015 and 242 million metric tons (2.8 percent) in 2025. EIA also analyzed other NCEP recommendations, including a \$4-billion program to spur deployment of integrated gasification combined cycle turbines, a \$3-billion tax incentive program to promote the adoption of hybrid and advanced diesel vehicles, a \$3-billion program to stimulate carbon capture and sequestration technologies and a \$4-billion production tax credit program for non-GHG emitting power generation capacity added between 2006 and 2009. [For further information: www.eia.doe.gov/oiaf/servicerpt/bingaman/index.html]

(8) Investors Call on Electric Utilities to Report Financial Implications of GHG Limits (April 13, 2005)

– Ceres, a coalition of leading institutional investors, called on the 50 largest investor-owned utilities to report within a year how future greenhouse gas limits will affect their financial bottom lines and steps they are taking to reduce those financial impacts and improve their competitive positioning. According to Ceres' press release, climate risk reports from power sector companies should include financial analysis of likely regulatory scenarios and the strategic actions being taken to prepare for those scenarios. This action follows an analysis done by Ceres on three climate change risk reports issued by American Electric Power, Cinergy and TXU. All three of the companies acknowledged that carbon limits are inevitable in the U.S. and also voiced widespread concern that impending climate regulations might make

today's investments and operating decisions obsolete. [For further information: www.ceres.org/news/news_item.php?nid=108]

(9) IPCC Report Examines Global Warming Impact of Alternatives to Ozone-Depleting Substances (April 11, 2005) – The Intergovernmental Panel on Climate Change (IPCC) released a report analyzing the impact of alternatives to ozone-depleting substances (ODS) on global warming. Under the Montreal Protocol on Substances that Deplete the Ozone Layer, countries agreed to phase out the use and production of ODS, such as chlorofluorocarbons (CFCs), and to instead use ODS alternatives, such as hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs). CFCs, HFCs and PFCs (as well as other ODS alternatives) are greenhouse gases (GHGs) and thus contribute to global warming. Actions taken under the Montreal Protocol have led to the replacement of CFCs with HCFCs, HFCs and other substances and processes; according to the IPCC, since these replacements generally have lower Global Warming Potentials (GWPs), and because total halocarbon emissions have decreased, their combined carbon dioxide-equivalent (direct GWP-weighted) emission has been reduced. The report examines ways to reduce emissions of these GHGs that are also ODS alternatives. For example, ammonia and hydrocarbons are replacement options; they have very limited atmospheric lifetimes and their GWP is quite low comparatively. [For further information: www.ipcc.ch/press/SPM.pdf]

(10) EPA Publishes Notice Modifying PM_{2.5} Designations for 12 Areas (April 14, 2005) – EPA published in the *Federal Register* a notice modifying the fine particle (PM_{2.5}) designation status for 12 areas; this action was reported in last week's *Washington Update*. Eight areas were reclassified from nonattainment to attainment, and four areas from unclassifiable to attainment. The effective date of these redesignations is April 5, 2005. [For further information: Air Web – Criteria Pollutants Committee page]

(11) UCS Launches Hybrid Vehicle Web Site (April 6, 2005) – The Union of Concerned Scientists (UCS) has announced a comprehensive web site providing information on hybrid-electric automobiles. The new site, which features an interactive buyer's guide, allows drivers to input personal details on their driving habits, location and ownership history to receive customized information on hybrid models that fit their lifestyle and budget. The web site also includes a "Watchdog" section, where UCS analysts will monitor the hybrid market and expose models that do not deliver on the promise of hybrid technology. Further, the web site provides a guide to hybrid consumer incentives, tips for quicker access to the most popular models, comparisons of the available hybrid vehicles, vehicle reviews and anecdotes from hybrid owners across the nation. Since 1999, more than 200,000 hybrids have been sold in the U.S.; six hybrid models are currently on the market, with five to eight to be released in the next three years. [For further information: www.hybridcenter.org]

(12) House Committee Passes "Green Chemistry" Legislation (April 13, 2005) – The House Science Committee approved the "Green Chemistry Research and Development Act of 2005" (H.R. 1215). The bill calls for the establishment of a Green

Chemistry Research and Development Program that will promote and coordinate federal research and the development, demonstration, education and technology transfer activities related to environmentally friendly chemicals. The program would, among other things, award grants to colleges to support the revision of undergraduate courses in chemistry and chemical engineering to incorporate green chemistry concepts. The bill must now go to the House floor for consideration. A similar bill is expected to be introduced in the Senate shortly.

The Week Ahead

- National Association of Environmental Professionals Annual Conference, in Alexandria, Virginia – April 16-19, 2005
- Senate Democratic Policy Committee Oversight Hearing on EPA's Mercury Rule – April 19, 2005
- House Committee on Energy and Commerce Subcommittee on Energy and Air Quality Hearing on the Proposed Clear Skies Act, in Washington, DC – April 21, 2005 (rescheduled from March 16, 2005)

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