



## ***This Week in Review – October 17-21, 2005***

**(1) Senate EPW Committee Holds Hearing on Gas PRICE Act (October 18, 2005)**  
– The Senate Committee on Environment and Public Works (EPW) held a hearing to take testimony on S. 1772, the “Gas Petroleum Refiner Improvement and Community Empowerment Act” – legislation introduced by Committee Chairman James M. Inhofe (R-OK) “to streamline the refinery permitting process, and for other purposes.” Among other things, the bill would authorize EPA, at the request of a Governor, to accept a “consolidated” permit application from a refiner and to establish the schedule for and oversee “concurrent consideration” of each determination to be made by a federal, state or tribal agency with respect to all permits necessary to construct and operate. Permit approval or disapproval would have to be within 270 days for a new refinery (with a possible 90-day extension), or 90 days for expansion of an existing refinery (with a possible 30-day extension). Judicial review of any federal, state or tribal determination regarding refinery permitting under the bill would be exclusively in the federal district court. With respect to fuels, the bill would restrict – beyond the significant limitations included in the Energy Policy Act of 2005, enacted just a few months ago – states’ abilities to adopt “boutique” fuel programs tailored to meet their specific air quality and public health needs and, in addition, would amend the fuel emergency waiver provisions of the new energy bill to stipulate that “a state shall be held harmless” and not be required to revise its SIP to account for emissions that result from a temporary waiver granted by the EPA Administrator during a fuel supply emergency. In addition it would subsidize refinery projects on base realignment and closure sites. In his opening statement, Chairman Inhofe said that “the U.S. lacks sufficient refining capacity to make clean transportation fuels the public demands, and tight capacity translates to significantly higher prices at the pump....So what are we doing about it? Congress cannot make new refineries spring up over night, states have a primary role in permitting the facilities, and we shouldn’t mandate the use of certain fuels where residents don’t want them.” Ranking Member James M. Jeffords (I-VT) responded in his opening statement, “I have grave fiscal and environmental concerns about this legislation. I am not yet convinced that the record shows that environmental permitting is the reason for a lack of refinery capacity, nor am I convinced that relaxing our environmental laws will do anything to lower gasoline prices, in either the short term or the long term. I am, however, convinced that changing our environmental laws is likely to lead to increased pollution at the expense of public health, a result I cannot support.” Witnesses at the hearing included Brian Mannix, Associate Administrator, EPA Office of Policy, Economics and Innovation;

Shawn Mitchell, Colorado State Senator; Eric Shaeffer, Director, Environmental Integrity Project; and Jonathan Adler, Associate Director, Center for Business Law and Regulation, Case Western Reserve University. The EPW Committee will mark up S. 1772 on Wednesday, October 26, 2005. STAPPA and ALAPCO plan on sending a letter to the Committee expressing concerns with the bill. [For further information: [epw.senate.gov/hearing\\_statements.cfm?id=247207](http://epw.senate.gov/hearing_statements.cfm?id=247207)]

**(2) EPA Publishes Proposed Emissions Test for NSR Modifications at EGUs, Sets Comment Deadline (October 20, 2005)** – In last week's *Washington Update* (October 10-14, 2005), we reported that EPA proposed to revise the emissions test for existing electric generating units (EGUs), such that emissions increases from EGUs making modifications would be based on whether there has been an increase in the hourly rate of emissions, rather than an increase in actual annual emissions. This week, the proposal was published in the *Federal Register*. Comments on the proposal must be received by EPA by December 19, 2005. If requested by November 9, 2005, EPA will convene a public hearing approximately 30 days after publication. [For further information: 70 *Federal Register* 61081]

**(3) EPA Announces No Additional Controls Under Residual Risk Provisions for Three Source Categories (October 20, 2005)** – EPA Administrator Stephen Johnson signed three proposed regulations under the Residual Risk provisions of Section 112(f) of the Clean Air Act that call for no additional control for Ethylene Oxide Sterilization Facilities, Magnetic Tape Manufacturing Operations and Industrial Process Cooling Towers. The Clean Air Act calls for EPA to evaluate the risk that remains after the imposition of Maximum Achievable Control Technology and to establish standards to address those risks. In the case of the three source categories included in the announcement, EPA has stated that the current MACT has resulted in risk levels that are sufficiently low and that no additional measures are needed. In addition, EPA is required to review and, if necessary, revise MACT standards every eight years. As part of its residual risk review, EPA also conducted a technology assessment to determine if the MACT standards (established in 1994) should be revised for the three source categories. EPA has concluded that no revisions to MACT are necessary. There will be a 60-day comment period on the proposals that begins upon publication in the *Federal Register*. [For further information: [www.epa.gov/ttn/oarpg/t3pfpr.html](http://www.epa.gov/ttn/oarpg/t3pfpr.html)]

**(4) New Jersey Classifies Carbon Dioxide as Air Contaminant (October 18, 2005)** – New Jersey has added carbon dioxide to the list of air contaminants regulated by state air pollution law. According to a statement by acting Governor Richard J. Codey, the state took this action so that it can participate in the Regional Greenhouse Gas Initiative, the goal of which is to establish a cap-and-trade system for greenhouse gas emissions from electric utilities in participating states. The state's designation of carbon dioxide as an air contaminant is based on existing and projected adverse impacts on the environment, ecosystems, wildlife and human health resulting from climate change. [For further information: [www.state.nj.us/cgi-bin/governor/njnewsline/view\\_article.pl?id=2779](http://www.state.nj.us/cgi-bin/governor/njnewsline/view_article.pl?id=2779)]

**(5) Department of Energy Sets Efficiency Standards for 15 Types of Appliances (October 18, 2005)** – As required by the recently enacted Energy Policy Act of 2005, the Department of Energy issued final rules codifying efficiency standards for 15 categories of appliances. The appliance categories for which efficiency standards were released are fluorescent lamp ballasts; ceiling fans and ceiling fan light kits; illuminated exit signs; torchieres; low-voltage dry-type distribution transformers; traffic signal modules and pedestrian modules; unit heaters; medium base compact fluorescent lamps; dehumidifiers; commercial prerinse spray valves; mercury vapor lamp ballasts; commercial package air conditioning and heating equipment; commercial refrigerators, freezers, and refrigerator-freezers; automatic commercial ice makers; and commercial clothes washers. [For further information: 70 *Federal Register* 60407]

**(6) Global Warming Will Increase Extreme Weather Events in the U.S. (October 17, 2005)** – Because of expected global warming, the U.S. will experience more extreme temperatures throughout the country and more extreme precipitation along the Gulf Coast, in the Pacific Northwest and east of the Mississippi. Researchers at Purdue University's Climate Change Research Center ran a climate model that incorporates factors not considered in previous models, such as the effects of snow reflecting solar energy back into space and high mountain ranges blocking weather fronts from traveling across them, to project the impacts of global warming in the 21<sup>st</sup> century. Along with predictions that the U.S. will experience more extreme heat, the model also generated some regional analyses, including 1) the desert Southwest will experience more heat waves; 2) the Gulf Coast will be hotter and will receive its precipitation in greater volumes over shorter time periods; and 3) in the northeastern U.S. – roughly the region east of Illinois and north of Kentucky – summers will be longer and hotter. [For further information: [news.uns.purdue.edu/UNS/html4ever/2005/051017.Diffenbaugh.model.html](http://news.uns.purdue.edu/UNS/html4ever/2005/051017.Diffenbaugh.model.html)]

**(7) Climate Group Publishes Reports on Cities' and Businesses' Efforts to Reduce GHG Emissions (October 18, 2005)** – The Climate Group released two reports reviewing efforts by cities and companies to reduce greenhouse gas (GHG) emissions. The report profiles several cities worldwide that have taken significant actions to reduce GHG emissions; the cities include Chicago, Illinois; New York, New York; San Francisco, California; and Seattle, Washington. The report *Carbon Down Profits Up* profiles 74 companies taking "ambitious" actions to reduce GHG emissions, more than triple the number of companies identified in the group's 2004 report. All 74 companies have cut costs and/or increased revenues from reducing emissions. Four of these companies – Bayer, BT, DuPont and Norske Canada – have achieved absolute GHG reductions of 60 percent or more with total gross savings of \$4 billion. Another 21 companies have achieved GHG reductions of over 25 percent and saved another \$10.9 billion. The Climate Group is an independent, nonprofit organization dedicated to advancing business and government leadership on climate change. [For further information: Air Web – Global Warming Committee page and [www.theclimategroup.org/assets/CDPU.pdf](http://www.theclimategroup.org/assets/CDPU.pdf)]

**(8) EPA Announces Second Annual Best Workplaces for Commuters (October 19, 2005)** – Intel, QUALCOMM and Oracle top the list of Best Workplaces for Commuters from the Fortune 500 Companies. For the past two years, EPA has recognized companies that offer excellent commuter benefits that reduce fuel consumption, vehicle emissions and traffic congestion across the country. Best Workplaces for Commuters (BWC) is a voluntary partnership between EPA and private industry to provide opportunities for employers to encourage energy conservation by offering commuter benefits such as subsidized transit passes and vanpool vouchers, telework and rideshare programs, bike lockers, showers and an emergency ride home. Approximately 600,000 employees receive commuter benefits from BWC's list of Fortune 500 companies resulting in carbon dioxide reductions of about 270,000 metric tons each year and savings in gasoline of nearly 30 million gallons, or \$88 million based on today's national average gas price of \$2.75 per gallon. Each of the companies being recognized has met EPA's National Standard of Excellence for commuter benefits and qualifies as one of the Best Workplaces for Commuters. [For more information: [www.bwc.gov](http://www.bwc.gov)]

**(9) Environmental Group to Sue EPA on Petroleum Refinery MACT (October 18, 2005)** – Our Children's Earth Foundation (OCE) filed notice that it intends to sue EPA for not updating the Maximum Achievable Control Technology (MACT) standard for petroleum refineries. The Clean Air Act calls for EPA to review and, if necessary, revise MACT standards every eight years. For petroleum refineries, that review was due by 2003. OCE sent its notice to both EPA Administrator Stephen Johnson and Attorney General Alberto Gonzales. [For Further information: [www.ocefoundation.org/RefineryMACTPRfinal.pdf](http://www.ocefoundation.org/RefineryMACTPRfinal.pdf)]

### ***The Week Ahead***

- STAPPA/ALAPCO Fall Membership Meeting, in Arlington, Virginia – October 23-26, 2005
- Senate Environment and Public Works Committee Mark-Up of S. 1772, the "Gas Petroleum Refiner Improvement and Community Empowerment Act," in Washington, DC – October 26, 2005

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