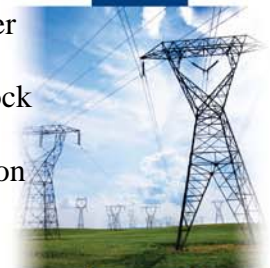


Bryan Cave Energy Update

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Congress

Wide-Open House Budget Debate Moves Toward Finish Line

This week the House worked towards completing a major budget bill to fund the federal government for the remainder of the 2011 fiscal year. The GOP bill would reduce government spending over the next seven months by \$60 billion compared to current levels or \$100 billion compared to the President's FY11 budget request. Despite their opposition to the reduced spending levels, some Democrats praised Republicans for allowing hundreds of amendments to be offered and voted upon.

Major energy and environment-related amendments already adopted would reverse a law that requires the federal government to pay the legal costs of some environmental plaintiffs, defund the White House climate czar's office, prevent an EPA appeals board from revoking air permits for oil exploration in the Arctic, and defund the EPA's greenhouse gas emissions registry. The House also turned back an effort to cut funds from the EPA's science budget. Additionally, the House has reached a procedural agreement that will allow votes on a proposal to block EPA regulation of greenhouse gas emissions from stationary sources and a proposal to curtail oil and gas drilling on the outer continental shelf.

Bipartisan Opposition To FERC Renewable Transmission Proposal In Senate

Senator Lisa Murkowski (R-AK), the ranking member of the Senate Energy Committee, along with Senators Ron Wyden (D-OR), Richard Burr (R-NC), Bob Corker (R-TN) and Lindsey Graham (R-SC), introduced legislation to block a pending Federal Energy Regulatory Commission regulation dealing with the transmission of renewable power. The FERC proposal would force transmission companies to give equal priority to long-distance, high-voltage lines linking wind and solar farms to cities when expanding their networks. Currently, these companies are required to focus on economic and reliability benefits. The Senate bill's backers believe that renewable transmission lines should have to deliver the same benefits to ratepayers as other lines, so that ratepayers are not footing the bill for benefits they do not receive. FERC is expected to finalize its regulation sometime this spring.

Jeff Bingaman Expected to Retire

Friday afternoon word spread through Washington, DC that Senate Energy Committee Chairman Jeff Bingaman (D-NM) would announce his intent to retire from the Senate at the end of his current term in January, 2013.

Bingaman, a well-respected five-term Democrat, worked across the aisle with the ranking member on his committee, Republican Lisa Murkowski (R-AK), to craft a bipartisan energy bill in 2009. That bill included a controversial Renewable Electricity Standard opposed by Murkowski and most other Republicans but also a number of popular energy efficiency programs. It was expected to be rolled into a larger cap-and-trade bill in the last Congress, but Senate leaders never took up that legislation.

Senator Ron Wyden, an Oregon Democrat, would be next in line to chair the Committee if Democrats maintain their Senate majority in the 2012 elections.

White House

DOE Does Well In White House Budget Proposal

The Obama Administration's FY12 budget request arrived on Capitol Hill this week with additional support for renewable energy programs. Despite level funding or reductions for

More Information

If you have any questions regarding any of these issues, please contact:

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many programs across the government, DOE's research and development programs saw major increases, and the DOE's overall budget would grow by 12% under the White House proposal.

Industry

Ecuador Court Delivers Big Verdict In Chevron Case, But Outcome Far From Clear

A court in Ecuador found Chevron Corp. liable for \$8.6 billion in damages in long-standing litigation Chevron inherited when it acquired Texaco in 2001. Plaintiffs allege Texaco caused significant environmental damage to the Amazon River basin in the 1970s and 1980s. Chevron has long maintained the litigation is nothing more than extortion and has won a restraining order in U.S. federal court barring the plaintiffs from enforcing the ruling outside Ecuador, where Chevron has no assets. Chevron has also filed racketeering charges against the plaintiffs.