

# Bryan Cave Energy Update

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Issue 34

## White House

### Administration Takes On Energy Bill

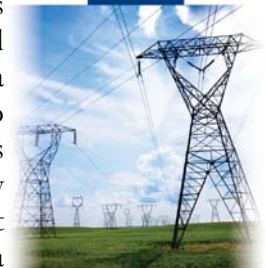
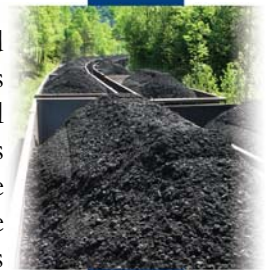
The Obama administration made a tandem effort between the White House climate advisor, Carol Browner, and National Economic Council director, Lawrence Summers, to shape the growing climate debate this week. By stressing a bill that caps emissions is “beneficial to a battered economy,” the administration hopes to achieve a “comprehensive legislation.” Browner urged Congress to not pursue an energy bill that fails to cap carbon emissions and to push legislation that also includes “a whole new generation of clean energy jobs.” Summers lobbied for climate and energy legislation that would “provide clarity and confidence among investors.” He addressed the notion of reaching “political compromises” in order to “move forward” with emissions-regulating legislation. Meanwhile, Republicans and industry lobbyists are pressing for consideration of a measure that has been approved by the Senate Energy and Natural Resources Committee. This measure includes a move to expanded exploration for oil and gas reserves while “creating a national renewable electricity standard and energy efficiency initiatives. Senator Lugar introduced an energy bill last week that was suggested as an amendment if the Senate spearheads a climate debate.

### Wilderness Conservation Proposals Land on Interior and Obama’s Desk

The Fish and Wildlife Service has submitted new conservation measures for Alaska’s Arctic National Wildlife Refuge in a proposal submitted to the Obama administration this week. The proposal sets out to update “the refuge’s 22-year old comprehensive land-use plan.” Met with resistance and support as they propose new wilderness areas, it is widely known that wilderness designations introduce “sharp limits” on developing and sustaining oil and gas reserves. Senator Lisa Murkowski (R-AK) objects the effort to “block development” of the refuge’s petroleum reserves as the area “likely contains the nation’s largest onshore deposit of hydrocarbons.” Whereas the Alaska Wilderness League suggests the said that the update is “necessary to protect the refuge.”

### Arch Coal Files Suit Against the EPA

Arch Coal, Inc. (“Arch”) filed suit last week against the EPA in the US District Court for the District of Columbia. Arch’s legal action are an effort to block the agency’s proposal to revoke a permit in West Virginia for planned mountaintop-removal coal mine as the “EPA does not have the authority to veto a Clean Water Act permit that has already been issued.” If Arch’s suit against the EPA is successful, revoking the permit would affect investments on surface coal mines in one of the largest mines in West Virginia. Twelve permits have been vetoed



Since the Clean Water Act passed in 1972, but the EPA has never “retroactively vetoed a permit for a surface coal mine.”

### **Canada Rounding Up Countries for New Group at ECPA**

Canada is making plans to “round-up” countries for a “Heavy Oil Working Group” to the list of energy topics at the Energy and Climate Partnership of the Americas (“ECPA”) gathering next week. The new working group will allow Canada to “share its knowledge about working with oils sands” and provide the dialogue for environmental and civil groups to contribute. ECPA is a new institution proposed by President Obama last April composed of a cluster of Western Hemisphere countries to jointly discuss ideas on energy and propose projects. Since the group does not have a “purse of its own,” the institution is designed to have countries work together. Several ECPA’s current projects are receiving financial assistance from the Department of Energy. The two projects include a rural electrification in Brazil, Chile and Peru and a Costa Rican training center that certifies workers to use energy-efficient technologies and perform audits.

## ***Industry***

### **Opposition Rises Against California Power Plant Air Quality Permit**

California activists and local citizens are challenging the air quality permit for Calpine Corp.’s planned Russell City Energy Center, the first major U.S. power plant with mandatory federal greenhouse gas emission limits. Calpine planned to break ground on the plant in late summer or fall this year, but it can only proceed once the Environmental Appeals Board dismisses the case. Officials for the plant remain confident about construction, however, claiming that construction fully abides by the EPA’s comprehensive permit.

### **BP Shareholders Split Over Tar Sands Disclosure**

A group of 143 BP PLC shareholders filed a special resolution ordering BP to provide a report by next year about its planned oil sands development in Canada. Shareholders filing the resolution say they hope strong support for the risk assessment will embarrass the company, even if the resolution is ultimately unsuccessful. Environmentalists who are protesting the extraction would like to see the company fully disclose its involvement in oil sands projects, further arguing that oil sands extraction is expensive, environmentally unsafe and damaging to local communities. A similar resolution hit Royal Dutch Shell PLC, and the company responded by issuing a report on oil sands extraction a year earlier than planned. Investors claim that the report was a partial victory, but have remaining questions.

### **Scientists Denies Writing Rain Forest Pollution Reports in Chevron Suit**

American scientist, Charles Calmbacher, whose findings have been used as evidence in a \$27 billion lawsuit against Chevron Corp., now claims he did not agree that there were dangerously high pollution levels in Ecuadorean rain forests, as concluded in the lawsuit case. The reports, signed by Calmbacher in 2005, were among those used by a court-appointed expert who estimated that Chevron’s total liability for environmental cleanups exceeded \$27 billion. Calmbacher argues that he concluded that there was not enough significant contamination that posed an immediate threat to the environment or to humans around it. Steven Donziger, a New York-based attorney for the Ecuadorian plaintiffs, said the reports bearing Calmbacher’s name were just a small part of the evidence against Chevron. Even if the reports were found to be false or misleading, he said, dozens of similar tests

have found environmental contamination that would require cleanup.

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## More Information

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

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