

# Bryan Cave Energy Update

March 4, 2010

Issue 29

## ***Climate Change***

### **150 Years of Climate Data Must be Rechecked Due to Errors and Suppression**

The Met Office, the UK's National Weather Service, has submitted proposals for the reassessment by an independent panel of more than 150 years of global temperature records in an effort to regain public trust in climate science. The move comes in response to the allegations that the University of East Anglia's Climatic Research Unit exaggerated the extent of global warming and attempted to hide its raw data. The Met Office stated that "it is timely to propose an international effort to reanalyze surface temperature data in collaboration with the World Meteorological Organization." According to the Met Office, the new assessments would be independent based on data that is publicly available. The reassessment, which is expected to take up to three years, is designed to "ensure that the datasets are completely robust and that all methods are transparent."

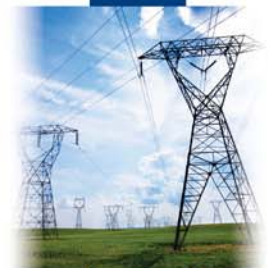
### **EPA Increases Emissions Thresholds in Greenhouse Gas Tailoring Rule**

The Environmental Protection Agency has altered its plans for its proposed "tailoring" rule that will require emissions permits for

facilities. Originally, the EPA intended to require permits for facilities that emit more than 25,000 tons of carbon dioxide equivalent each year. Now, the final threshold will be larger. "If you're smaller than 75,000 tons, for the next two years, you would not need a permit," EPA Administrator Lisa Jackson said. The EPA will phase in permitting requirements early next year; and, only facilities that currently are required to apply for Clean Air Act permits for other pollutants will need to address their carbon dioxide emissions. While less than 400 facilities would be subject to those requirements, Jackson said as many as 1700 permits would be reviewed for greenhouse gas emissions in the second half of 2011.

### ***EPA, Senate GOP Spar over Global Warming***

During a hearing before the Senate Environment and Public Works Committee on the EPA's budget request, EPA Administrator Lisa Jackson said that "the science behind climate change is settled, and human activity is responsible for global warming." She added, "That conclusion is not a partisan one." Republicans on the committee, however, urged the EPA to reconsider its determination that greenhouse gases endanger human health and welfare. Sen. James Inhofe (R-OK) said, "We've been told that the science still



stands. We've been told that the IPCC's mistakes are trivial. We've been told that Climategate is just gossipy e-mails between a few scientists. But now we know there's no objective basis for these claims." He added, "Climategate shows there's no 'consensus,' the science is far from settled." Jackson responded that the IPCC has not been discredited and that there is no evidence to show that the EPA's endangerment finding is not supported by facts.

## **White House**

### **President Obama Discusses Cap-and-Trade with CEOs**

President Obama recently encouraged a group of CEOs to consider cap-and-trade legislation as a way to promote green jobs and marketplace certainty. "A competitive America is also an America that finally has a smart energy policy," Obama said during a meeting of the Business Roundtable. "If we decide now that we're putting a price on this pollution in a few years, it will give businesses the certainty of known they have time to plan and transition," he said. "This country has to move towards a clean-energy economy. That's where the world is going," he added. President Obama also said that while businesses would face transition costs, he would work with the Business Roundtable strike the right balance. He also reiterated an earlier pledge to make "tough decisions" on offshore drilling.

## **Congress**

### **Senators Drop Cap-and-Trade from Draft Climate Legislation**

The three key senators who are drafting climate change legislation are expected to drop the cap-and-trade approach from their

bill in favor of imposing different carbon controls on individual sectors of the economy. Sen. Lindsey Graham (R-SC), Sen. John Kerry (D-MA) and Sen. Joseph Lieberman (I-CT) have been working for months to develop an alternative to cap-and-trade and reportedly may target electric utilities, transportation and industry in different ways. For example, power plants may face an increasingly stringent overall cap on emissions and motor fuel may be taxed to help fund a transition in the transportation sector to electricity. The bill also reportedly would exempt industrial facilities from emissions for several years.

The bill also would expand offshore oil and gas drilling and would provide assistance for building nuclear power plants and for carbon sequestration and storage.

### *Negotiators to Circulate Proposal*

It is unclear whether the new approach will be sufficient to win the 60 votes needed. This week, however, Sen. Kerry, Sen. Lieberman, and Sen. Graham will meet with a number of senators to solicit feedback on issues such as coal, natural gas, manufacturing and transportation. A spokesperson for Sen. Kerry said, "Dozens of meetings and scores of decisions and negotiations still have to happen before anyone knows what a bill would look like, but every day we are making progress."

The three senators also noted that their compromise legislation is different than earlier proposals. Writing in the *New York Times*, Sen. Graham said, "Cap and trade as we know it is dead, but the issue of cleaning up the air and energy independence should not die – and you will never have energy independence without pricing carbon."

### *Senate Moderates Downplay Chance for Senate Action*

Despite the effort to produce compromise legislation, a number of moderate senators from both parties have expressed doubt that the Senate will move climate change legislation this year. For example, Sen. Carl Levin (D-MI) said that it's "unlikely" the Senate will address the issue and that the economy will be the focus. He added that a more narrow energy-only bill could be possible. Sen. Jay Rockefeller (D-WV) said that President Obama needs to better educate the public on the need for a cap on greenhouse gas emissions.

### **Rockefeller Proposes Moratorium on EPA Greenhouse Gas Regulation**

Sen. John Rockefeller (D-WV) today introduced legislation to prevent the EPA from regulating greenhouse gases from power plants and other stationary emitters for two years. Sen. Rockefeller said the bill would give "Congress the time it needs to address an issue as complicated and expansive as our energy future. Congress, not the EPA, must be the ideal decision-maker on such a challenging issue." The Supreme Court ruled in 2007 that the EPA has the authority to regulate greenhouse gases under the Clean Air Act and the EPA is expected to impose greenhouse gas limits on cars and light-trucks by the end of the month. However, the EPA then intends to target industrial facilities and power plants, which sparked considerable controversy. Rockefeller's bill is designed to allow the EPA to move forward with its regulation of motor vehicles while providing Congress with the time to consider changing or altering EPA's authority.

Rockefeller and seven other Democrats recently sent the EPA a letter requesting information on how it intends to implement

greenhouse gas rules. The letter also expressed concern that regulation of stationary emitters would be harmful to millions of jobs. Rep. Nick Rahall (D-WV) and Rep. Rich Boucher (D-VA) will introduce companion legislation in the House.

### *Murkowski Endorses Congressional Review Act Strategy*

Sen. Lisa Murkowski (R-AK) recently insisted that utilizing the Congressional Review Act was the best way to prevent the Obama administration from moving forward in its effort to regulate greenhouse gases. While the EPA has announced that no stationary sources will face greenhouse gas regulations until 2011, EPA Administrator Lisa Jackson said that "a vote to vitiate the greenhouse gas endangerment finding would be viewed as a vote to reject the scientific work of the thirteen U.S. government departments that contribute to the U.S. Global Change Research Program."

### *House Republicans Seek to Prevent EPA from Regulating Greenhouse Gases*

House Republicans have introduced a resolution that would effectively veto the EPA's "endangerment" finding that greenhouse gases are a threat to public health and welfare. The resolution mirrors the measure introduced by Sen. Lisa Murkowski (R-AK) in the Senate. "Congress has the right and the responsibility to nullify the decision of the bureaucracy when they run counter to the people's interests and a formal Resolution of Disapproval is fully warranted in this instance," Rep. Joe Barton (R-TX), said.

In addition, two House Democrats have introduced a resolution that would use the Congressional Review Act to prevent the EPA from using the Clean Air Act from

regulating greenhouse gases. Rep. Collin Peterson (D-MN), chair of the Agriculture Committee, and Rep. Ike Skelton (D-MO) have introduced the resolution. “When Congress passed the Clean Air Act, it never gave EPA the explicit authority to regulate greenhouse gas emissions for the purpose of stopping global climate change,” Skelton said. “But, that is exactly what EPA has proposed to do,” he added.