

**To:** Jackson, Ryan[jackson.ryan@epa.gov]  
**From:** Bloomberg BNA  
**Sent:** Wed 8/9/2017 8:14:19 PM  
**Subject:** Aug. 9 -- Energy and Climate Report - Afternoon Briefing



## **Energy and Climate Report**

### **Afternoon Briefing - Your Preview of Today's News**

The following news provides a snapshot of what Bloomberg BNA is working on today. Read the full version of all the stories in the final issue, published each night.

#### **Climate Reports May Slow Trump's Push to Undo Obama-Era Rules**

*Posted August 09, 2017, 7:29 A.M. ET*

*By [Christopher Flavelle](#) and [Brian K. Sullivan](#)*

A pair of highly anticipated government studies, one of them due to be released this week, could complicate President Donald Trump's effort to roll back federal climate regulations, according to people on both sides of the debate over global warming.

A National Oceanic and Atmospheric Administration-backed report summarizing the global effects of climate change in 2016 is scheduled for release Aug. 10. Its conclusion will be similar to [previous years' versions](#), according to people familiar with the report: Climate change is real, it's man-made and it's dangerous.

That report dovetails with a broader [National Climate Assessment](#), which is due next year from the administration. Drafts of the study, compiled by scientists from across the federal government, show that the effects of climate change in the U.S. are severe.

Both reports are at odds with Trump's contention that climate change is a "hoax" and may hinder his moves to undo President Barack Obama's efforts to address the issue, analysts say. Revoking Obama's rules requires agencies to give a legally sound justification for the policy pivots—such as arguing they are no longer necessary.

David Schnare, who worked on Trump's transition team at the Environmental Protection Agency and then advised EPA Administrator Scott Pruitt, said that both reports will make it harder for the agency to reverse the Obama administration's limits on carbon dioxide emissions from power plants, as well as the broader policy that defines those emissions as a danger to the public, called an endangerment finding.

"If the NCA comes out with an unflattering report on carbon dioxide, the only way EPA can change its endangerment finding is to reexamine all that science, and have a reasonable basis for rejecting" it, said Schnare, who left EPA in March. Once those reports become public, "it's hard to dodge," he said.

Opponents of Trump's climate policies agreed that the reports could slow his administration's repeal of Obama-era regulations.

“It will make it harder for them to justify,” said David Hawkins, director of climate programs for the Natural Resources Defense Council. “It’s yet another document that weighs against whatever claims Trump political appointees attempt to make about the state of the science.”

The Aug. 10 report, which was written by more than 450 scientists in the U.S. and abroad, will show that ice levels in Antarctica have set a record low, according to Keith Seitter, executive director of the American Meteorological Society. Antarctic ice levels had previously been increasing, a point highlighted by those who say climate change is a hoax.

The study will be released in the group’s Bulletin of the American Meteorological Society.

Otherwise, the report doesn’t contain many surprises, according to Seitter—because the public has become accustomed to continually breaking temperature records. On Aug. 8, NOAA reported that 2017 is so far the second-warmest year to date.

“As a standard practice, NOAA does not discuss leaked or draft reports,” said Brady Phillips, a spokesman for the agency.

NOAA’s willingness to publicize data about the threat of climate change presents a stark contrast with other agencies. The EPA has removed information about climate change from its website; Pruitt has said human activity isn’t the primary contributor to global warming, as has Secretary of Energy Rick Perry. And the Interior Department reassigned dozens of employees, including one scientist who said his transfer to an office processing revenue was in retaliation “for speaking out publicly about the dangers that climate change poses to Alaska Native communities.”

An Interior spokeswoman declined to discuss specific personnel matters among the senior executive service and said the reassignments “are being conducted to better serve the taxpayer and the department’s operations.” The EPA didn’t respond to a request for comment.

The difference, according to Schnare, reflects the fact that the Trump administration has yet to assign political appointees to NOAA, which has left the agency—a division of the Department of Commerce—with an unusual degree of independence. Nor has the administration filled key climate positions at the White House; the Office of Science and Technology Policy still has no confirmed director, preventing it from aligning policy across federal agencies.

“This administration has simply not gotten its coordinating process together,” said Schnare. Ross Gillfillan, a spokesman for the science office, declined to comment.

### **National Assessment**

A test of that coordinating process will be the National Climate Assessment, which the White House is required by Congress to release every four years. The last report, in 2014, concluded that average global temperatures had increased more than 1.5 degrees Fahrenheit (0.8 Celsius) since 1880, and predicted as much as four feet of sea-level rise by 2100. A draft version of the 2018 report projects temperatures in the U.S. will rise as much as 12 degrees if emissions aren’t reduced. The New York Times reported Aug. 8 that scientists involved were worried the Trump administration would suppress that study.

“The White House will withhold comment on any draft report before its scheduled release date,” White House spokeswoman Sarah Sanders said in a statement referring to the New York Times story.

Hawkins, of the Natural Resources Defense Council, said the administration could in theory try to stop publication of the final report, which must be approved by 13 federal agencies; it could even go so far as to reassign or fire the scientists working on it. But, he added, those strategies are unlikely to do much good.

“Now that the current draft report is public knowledge, firing people isn’t going to undermine the validity of what’s written down,” Hawkins said. “They can’t prevent the understanding of the science anymore than Canute could hold back the seas.”

--With assistance from Jennifer A. Dlouhy.

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### **National Grid Modernization Plan May Get Massachusetts Approval**

*Posted August 09, 2017, 02:38 P.M. ET*

*By Adrienne Appel*

National Grid expects to receive approval from Massachusetts in January on its plan to dramatically change electricity service for customers under a broad grid-modernization plan.

In June 2014, Massachusetts asked major electric suppliers Eversource Energy, National Grid and Unitil Corp. to submit blueprints to modernize their portions of the state’s 60-year-old electric grid.

National Grid’s plan would give customers real-time data each day about when it would be cheapest to run appliances and cool homes and businesses, Marcy Reed, president of National Grid in Massachusetts, said. The company also would make it easier for wind, solar and other renewable energy to deliver power to the grid.

The upgrades would cause monthly electric rates to rise, though the company estimates customers would save in the long run, Reed told Bloomberg BNA Aug. 8, after addressing state lawmakers attending a national meeting in Boston.

“The benefits will outweigh the costs,” she said.

### **In Eclipse, Natural Gas Sees Its Future as Solar’s Backstop**

*Posted August 09, 2017, 11:23 A.M. ET*

*By Christopher Martin, Mark Chediak and Naureen S. Malik*

Natural gas is about to get a glimpse of its future role in the U.S. power mix as solar energy’s backup.

During the upcoming Aug. 21 eclipse, operators of giant solar fields from California to the Carolinas will rely on power from fast-start natural gas generators as well as hydroelectric plants and other sources to fill the gaps as the sky darkens. The celestial event will provide owners of gas turbines a chance to shine even as the fossil fuel is expected to be displaced over time by solar and wind energy.

The eclipse comes as the U.S. power grid undergoes a transformation that will bring increasing amounts of flexible resources needed to complement growing supplies of solar and wind energy. Solar installations have grown ninefold since 2012 and renewable sources are forecast to supply just as much of America's electricity demand as gas by 2040, according to Bloomberg New Energy Finance.

The "electric grid of tomorrow" will increasingly have to deal with fluctuating power supplies from the wind and sun while incorporating quick-start gas turbines during events like the upcoming eclipse, said Stephen Berberich, president of California ISO, the state's grid operator. Operators will also use new technologies to control demand when the moon will completely block the sun along a 70-mile-wide (113-kilometer) corridor stretching from Oregon to South Carolina.

The eclipse, in which the moon will completely obscure the sun, will cast a shadow along a 70-mile-wide (113-kilometer) corridor stretching from Oregon to South Carolina. Based on a Bloomberg calculation of grid forecasts, more than 9,000 megawatts of solar power may go down. That's the equivalent of about nine nuclear reactors.

To help keep the lights on, the California Independent System Operator will tap the state's network of gas generators and hydroelectric dams to make up for the loss of about 6 gigawatts of solar output over two hours as the sun is obscured by the moon. Duke Energy Corp. said it will utilize gas generators in North Carolina, the biggest solar state after California, to make up for output that is expected to sink 92 percent to about 200 megawatts in 90 minutes.

#### **Reliability Issues Not Foreseen**

The North American Electric Reliability Corporation doesn't foresee any reliability issues as grid operators have been planning for the eclipse for months.

"Given that the timing and path of the eclipse are well understood and well reflected in solar generation forecasts by CAISO and other grid operators, generation dispatch or curtailment would be managed as a part of routine operations," said Steve Krum, a spokesman for First Solar Inc., the largest operator of solar plants in the U.S.

AutoGrid Systems Inc. says some utilities will be using its software systems to shut off unnecessary appliances during the height of the eclipse, and bring them on slowly as solar power returns, said Adam Todorski, a director of product technology for the Palo Alto, California-based company.

#### **Shedding Demand**

"It's a lot like a planned outage; you know it's coming," Todorski said. "You can get hundreds of megawatts by shedding things like water heaters and pool pumps, and heat pumps."

The California Solar Energy Industries Association is asking residents to "pledge" to turn off lights, unplug microwaves and dial back air conditioners in order to reduce the need for the state to use gas plants and to limit carbon emissions.

Demand for gas is forecast to stop growing by 2040 as new technologies such as battery storage ramp up to provide backup for wind and solar, according to Bloomberg New Energy Finance.

During a March, 2015 eclipse that crossed Europe, German grid operator TenneT TSO GmbH

brought on 8 gigawatts of generating capacity to compensate for the loss of solar power as the sun disappeared, double the usual amount. It also kept hydropower plants that can store energy on standby and coordinated its flows with neighboring grid operators.

Power prices in Germany's wholesale market surged then dipped for a short time as the first eclipse of the emerging solar age passed, briefly switched off thousands of panels that on the brightest days provide 40 percent of Germany's power.

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## **Samarco Executives' Homicide Charges Suspended in Brazil Spill**

*Posted August 09, 2017, 02:48 P.M. ET*

By [Michael Kepp](#)

A Brazilian judge suspended and could potentially dismiss homicide charges against 21 officials of Samarco mining company, Vale SA and BHP Billiton Ltd., in connection with the rupture of an iron-ore tailings dam two years ago that killed 19 people.

The judge suspended criminal proceedings to determine whether wiretapping of the officials' phones by prosecutors was legal. If not, it "could result in the annulment of the case," the judge [wrote](#).

The case stems from the Nov. 5, 2015, rupture of a Samarco tailings dam in Minas Gerais state that sent 62 million cubic meters of iron-ore waste into the valleys below, flattened a village of 600, left 19 dead and polluted the Doce River. Brazil's Environment Ministry called the spill "the country's worst environmental catastrophe."

The executives are charged with qualified homicide, which in Brazil means homicide aggravated by certain factors. When the charges were filed last year, prosecutor Jose Leite Sampaio said the Samarco executives knew or should have known that the dam was unsafe and at risk of failing.

### **Illegal Wiretapping?**

Judge Jacques de Queiroz Ferreira of the first regional federal court in the Minas Gerais state municipality of Ponte Nova suspended the criminal case (No. 0002725-15.2016.4.01.3822) July 4, but the court just publicly confirmed the suspension, a court spokeswoman said Aug. 8. It is not known when the judge will decide how to proceed.

Former Samarco President Ricardo Vescovi and ex-director of Samarco operations and infrastructure Kleber Luiz de Mendonca Terra allege that phone wiretaps between executives charged in the case took place outside the time frame that the judge had authorized.

Those charged include 16 current or former executives of Samarco, the reservoir's operator, and five current or former executives of Samarco's two co-owners, the Brazilian iron-ore giant Vale S.A. and the Anglo-Australian BHP Billiton Ltd, on Samarco's board of directors. VOGBR, a geotechnical auditor that does reservoir safety inspections, and one of its employees were also criminally charged with presenting false reservoir stability reports.

### **Civil Settlement Pending**