

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Bloomberg BNA
Sent: Mon 9/25/2017 8:24:09 PM
Subject: Sep. 25 -- 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.

Exxon Touts New Methane Efforts As EPA Pushes Rule Delay

Posted September 25, 2017, 12:48 P.M. ET

By [Abby Smith](#)

ExxonMobil Corp. announced new efforts to reduce methane emissions from its facilities, even as the EPA seeks to delay Obama-era pollution limits for new drilling operations in the oil and natural gas sector.

Some environmentalists are hailing ExxonMobil's new program as "real leadership" in a landscape where the Trump administration is working to broadly roll back federal requirements on the oil and gas industry to reduce methane emissions.

The oil and gas giant today announced an "enhanced" program for detection and repair of methane leaks at natural gas facilities operated by its subsidiary XTO Energy Inc. The program includes a commitment to phase out within three years high-emitting devices. It also includes a commitment to personnel training and research initiatives.

"At a time when others are trying to claw back basic protections and make excuses for inaction, this kind of company responsiveness to local community, investor, and advocate concerns is refreshing," Mark Brownstein, vice president in the climate and energy program of the Environmental Defense Fund, said in a statement.

Exxon's announcement comes after the Environmental Protection Agency Sept. 22 sent to the White House its final versions of rules to delay—for at least two years—key requirements of Obama-era methane limits. Many industry trade groups, including the American Petroleum Institute, which represents ExxonMobil, strongly support the delay.

Ameren to Add \$1 Billion of Wind Farms in the Midwest by 2020

Posted September 25, 2017, 01:34 P.M. ET

By [Brian Eckhouse](#)

Ameren Corp., the St. Louis-based utility holding company, is planning to add about \$1 billion of new wind-power plants by 2020 as part of a broader plan to reduce carbon emissions.

At least 700 megawatts of wind farms will be built in Missouri and neighboring states with U.S.-made turbines, Ameren said in a Sept. 25 statement.

The move comes as the company shifts away from coal-fired power plants and falling prices make wind more competitive.

“Because of significant advancement in technology, harnessing wind is less expensive than other forms of new generation,” Michael Moehn, president of Ameren Missouri, said in the statement.

Wind-turbine prices in the U.S. have fallen to \$830,000 a megawatt, below the global average of almost \$1 million, according to Bloomberg New Energy Finance. Because the company expects to complete the projects by 2020, they will probably qualify for a federal tax credit for wind power, Alex Morgan, a New York-based analyst at BNEF, said in an email Sept. 25.

Ameren Missouri, which is targeting a 35 percent reduction in carbon emissions from 2005 levels by 2030, also plans to add 100 megawatts of solar power over the next 10 years, with 50 megawatts expected online by 2025. The company announced in May plans to build as much as 1 megawatt of solar capacity at St. Louis Lambert International Airport that’s expected to be complete in 2018.

It plans to retire more than half of its coal-fired generating capacity, including the Meramec Energy Center in St. Louis County by the end of 2022.

©2017 Bloomberg L.P. All rights reserved. Used with permission

Funding Tesla Ticks Off Automakers Needing Electric Car Credits

Posted September 25, 2017, 7:16 A.M. ET

By [John Lippert](#) and [Ryan Beene](#)

Tesla Inc. has generated nearly \$1 billion in revenue the last five years from an unlikely source: Rival automakers. Needless to say, the other companies aren’t happy.

California requires that automakers sell electric and other non-polluting vehicles in proportion to their market share. If the manufacturers don’t sell enough of them, they have to purchase credits from competitors to make up the difference. Tesla, which exclusively sells battery-powered models, sold \$302.3 million in regulatory credits last year alone.

“It really makes them mad that Tesla got so much of a boost out of being the only purely electric car manufacturer out there,” Mary Nichols, the chair of the California Air Resources Board, said in an interview Sept. 22 at Bloomberg’s headquarters in New York. “In effect, they helped to finance this upstart company which now has all the glamour.”

China and the European Union -- two of the world’s biggest auto markets -- are considering mandates and credit systems similar to California’s. For all the flack the state has taken from traditional carmakers for how its benefited Tesla, Chief Executive Officer Elon Musk has also been a critic.

Musk, 46, last year said the Air Resources Board was being “incredibly weak” and called its standards “pathetically low.” Rules should be tougher and the credits should be worth more,

according to the CEO.

“Nobody’s happy,” Nichols said. “That’s my mantra.”

--With assistance from Dana Hull.

©2017 Bloomberg L.P. All rights reserved. Used with permission

German Coal May Be Another Loser as Merkel Pushed Toward Greens

Posted September 25, 2017, 8:19 A.M. ET

By [Brian Parkin](#) and [Mathew Carr](#)

Coal’s future in Europe’s biggest economy may take center stage when German Chancellor Angela Merkel tries to form a new government after losing support in national elections.

Voters weary with Germany’s so-called Grand Coalition between Merkel’s Christian Democratic-bloc and the Social Democratic Party cast their ballots elsewhere. While Merkel still came out atop Sunday’s poll, her potential partners in a new government narrowed to the Green Party and Free Democrats, both of which have different outlooks for coal.

“What’s sure is that campaign pledges on climate protection and a faster phase-out of coal power are not negotiable,” said Oliver Krischer, the deputy parliamentary chairman for the Green Party, in a phone interview on Sept. 22.

The Greens were the main force behind the introduction of clean power subsidies the last time they were in the national government from 1998 to 2005. On Sept. 24 they won 9 percent of the vote and could return to power by joining forces with Merkel’s bloc and the FDP. Social Democrats have ruled themselves out of government after their worst result since 1949.

Still, energy and environment policy differences will make negotiations for a coalition government “difficult,” according to a Barclays research note on Sept. 22, which cited opposition among Merkel’s supporters to shuttering coal plants. The FDP campaigned on economic competitiveness being paramount in energy policy.

High Hurdles

“Very high policy hurdles separate us from the Greens -- not just on energy,” said Frank Schaeffler, who’s seeking a return to parliament for the Free Democrats as a finance spokesman, in an interview late Sept 24. “The divisions are not insurmountable but each party has its red lines -- the challenge will be to see just how robust those lines really are.”

Both the Greens and the FDP expect invitations to enter exploratory coalition talks with Merkel, in a process that could take weeks or months before a new government emerges.

The Greens want to shape climate policy in government “but not at any price,” Krischer said.

Hard coal and lignite plants generated about 40 percent of all Germany’s power last year and about a third of all its carbon dioxide pollution. During the election campaign, Merkel eschewed any talk on a phase-out date for coal.

The Greens campaigned to end coal power by 2030 -- a step already envisaged by city states like Berlin. They also want to shut 20 of the most polluting coal plants by 2020 to help the nation meet its carbon dioxide reduction targets.

Efforts to cut emissions have faltered in Germany, despite the highest rate of renewable energy use in Europe. Persistent coal use means Germany is set to reduce carbon dioxide as much as 31 percent by 2020 rather than the 40 percent it targeted, according to Berlin-based environmental think tank Agora Energiewende.

"We will find ways to achieve our 40 percent target by 2020 -- that I can promise you," said Merkel in a Sept. 14 campaign speech that suggested a willingness to cap coal's future in Germany.

©2017 Bloomberg L.P. All rights reserved. Used with permission

India's Modi Starts \$2.5 Billion Plan to Grow Electricity Access

Posted September 25, 2017, 02:17 P.M. ET

By [Rajesh Kumar Singh](#)

India's Prime Minister Narendra Modi unveiled a 163.2 billion-rupees (\$2.5 billion) program to ensure electricity for all households.

The program will help poor people get electricity connections at no cost, Modi said, adding that his government is making efforts to provide power to about 3,000 unelectrified villages. Power Minister R. K. Singh said the nation will aim to complete electrification of all households ahead of a March 2019 deadline.

The announcement comes amid concerns over a slowing economy, which has led the government to consider measures to boost growth. Modi came to power in 2014 with popular promises such as job creation and electricity for all and will be tested on the pledges in 2019, when he faces re-election.

"Power for all is a very ambitious plan and the prime minister knows the political gains it can bring if he can pull it off," said Sandeep Shastri, a political analyst and a pro vice chancellor at Jain University in Bengaluru. "So, when he announces schemes to connect all households, beyond a shadow of doubt he has the 2019 elections in mind."

Nearly 304 million Indians don't have [access to electricity](#), accounting for about a quarter of the global population living without power, according to NITI Aayog, a government think-tank. Several of these are in rural areas, where state power retailers are reluctant to supply electricity as returns fall below the investment made in infrastructure.

—With assistance from Bibhudatta Pradhan.

©2017 Bloomberg L.P. All rights reserved. Used with permission

Dubai Introduces Incentives to Spur Electric Vehicle Market

Posted September 25, 2017, 01:39 P.M. ET

By [Matthew Kalman](#)

Electric-car drivers in Dubai will enjoy free parking, recharging, vehicle registration, and toll exemptions until the end of 2019, the Dubai Supreme Council of Energy announced.

The incentives are designed “to encourage the public use of electric vehicles in Dubai to help protect the environment,” said Mohammed Al Tayer, vice chairman of the energy council and managing director/chief executive officer of the Dubai Electricity and Water Authority.

The move is part of the Dubai Green Mobility initiative to motivate organizations to use more hybrid and electric vehicles to help reduce carbon emissions in ground transportation, which is the second-largest greenhouse gas emitter in Dubai, according to Al Tayer.

Additions to Government Fleet

At least 10 percent of the new cars that Dubai’s government institutions buy between 2016 and 2020 will be electric or hybrid, helping to raise the proportion of such vehicles to 2 percent by 2020 and 10 percent by 2030.

“This supports the Dubai Clean Energy Strategy 2050 for Dubai to have the lowest carbon footprint in the world by 2050, and the Dubai Carbon Abatement Strategy to cut carbon emissions by 16 percent by 2021,” Al Tayer added.

Abu Dhabi currently has 100 public electric vehicle charging stations, with 100 more planned in 2018. Electric or hybrid cars are distributed by Tesla, BMW, Renault, and Toyota. The sector grew by 30 percent from 2014 to 2016, Al Tayer said. The incentives could save the average driver commuting daily to Dubai’s business district, charging and parking for free and using the Salik toll gates more than 10,000 dirhams (about \$2,722) each year, said Nabeel Alzaka, co-founder and CEO of Surface Mobility Consultants in Dubai.

“There is an appetite for electric vehicles, particularly now that car manufacturers are becoming a little bit more inventive,” Alzaka said by phone Sept. 24, noting that some electric models, like the BMW i8 now in service with the Dubai police, matched in looks and performance the high-end supercars popular in the Emirates.

“These cars are as fast as Lamborghinis and Ferraris. They are as glitzy and as glamorous,” he said. “The car manufacturers are heading toward providing those fast supercars the Dubai market will want. Will that ever eradicate Ferraris and Lamborghinis? I don’t think so. People will still want to have the gas-guzzlers and the sound of the engines but I think you’ll find people will swap their petrol cars for a nice, shiny, sparkling electric vehicle.”

[Privacy Policy](#) | [Terms of Service](#) | [Manage Your Email](#) | [Contact Us](#)

1801 South Bell Street, Arlington, VA 22202
[Copyright](#) © 2017 [The Bureau of National Affairs, Inc.](#) .
Energy and Climate Report