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## **Daily Environment 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. The Bloomberg BNA Daily Environment Report is brought to you by EPA Libraries. Please note, these materials may be copyrighted and should not be forwarded outside of the U.S. EPA. If you have any questions or no longer wish to receive these messages, please contact Josue Rivera-Olds at [riversa-olds.josue@epa.gov](mailto:riversa-olds.josue@epa.gov), 202-566-1558.

### **Trump Seen Replacing Obama Power Plant Overhaul with a Tune Up**

*Posted October 06, 2017, 01:47 P.M. ET*

*By [Jennifer A. Dlouhy](#)*

President Barack Obama's signature plan to reduce carbon dioxide emissions from electrical generation took years to develop and touched every aspect of power production and use, from smokestacks to home insulation.

The Trump administration is moving to scrap that plan and has signaled that any alternative it might adopt would take a much less expansive approach, possibly just telling utilities to operate their plants more efficiently.

That's a strategy environmentalists say is almost certain to fall short of what's needed.

The benefit of the Clean Power Plan "is that it enabled states to create programs and enabled companies to find a reduction strategy that was the most efficient and made the most sense for their own content," said Kathryn Zyla, deputy director of the Georgetown Climate Center. "And that flexibility was really important for the states and companies."

President Donald Trump promised to rip up the Obama-era Clean Power Plan, which mandated that states change their overall power mix, displacing coal-fired electricity with that from wind, solar and natural gas. The EPA is about to make it official, arguing the prior administration violated the Clean Air Act by requiring those broad changes to the electricity sector, according to a draft obtained by Bloomberg.

#### **Possible Replacements**

Later, the agency will also ask the public to weigh in on a possible replacements. The administration will ask whether the EPA can or should develop a replacement rule—and, if so, what actions can be mandated at individual power plants.

Such changes—such as adding automation or replacing worn turbine seals—would yield at most a 6 percent gain in efficiency, along with a corresponding fall in greenhouse gas emissions, according to earlier modeling by the Environmental Protection Agency and other analysts. That compares to the 32 percent drop in emissions by 2030 under Obama’s Clean Power Plan.

“In these existing plants, there’s only so many places to look for savings,” said John Larsen, a director of the Rhodium Group, a research firm. “There’s only so many opportunities within a big spinning machine like that.”

EPA Administrator Scott Pruitt outlined such an “inside-the-fence-line” approach in 2014, when he served as Oklahoma’s attorney general. Under his [blueprint](#), states would set emissions standards after a detailed unit-by-unit analysis, looking at what reductions are possible given “the engineering limits of each facility.”

### **Inside-the-Fence Options**

The EPA has not decided whether it will promulgate a new rule at all. In a forthcoming advanced notice of proposed rulemaking, the EPA will ask “what inside-the-fence-line options are legal, feasible and appropriate,” according to a document obtained by Bloomberg.

Increased efficiency at a coal plant—known as heat-rate improvement—translates into fewer carbon-dioxide emissions per unit of electric power generated.

Under Obama, the EPA envisioned utilities would make some straightforward efficiency improvements at coal-fired power plants as the first step to comply with the Clean Power Plan. But that was expected to coincide with bigger, broader changes—such as using more cleaner-burning natural gas, adding more renewable power projects and simply encouraging customers to do a better job turning down their thermostats and turning off their lights.

Obama’s EPA didn’t ask utilities to wring every ounce of efficiency they could out of coal-fired power plants because they saw the other options as cheaper. A plant-specific approach “would be grossly insufficient to address the public health and environmental impacts from CO2 emissions,” Obama’s EPA said.

That approach might yield modest emissions reductions and, in a perverse twist, might event have the opposite effect. If utilities make coal plants more efficient -- thereby driving down operating costs they also make them more competitive with natural gas and renewables, “so they might run more and pollute more,” said Conrad Schneider, advocacy director for the Clean Air Task Force.

In a competitive market, any improvement in emissions produced for each unit of energy could be overwhelmed by an increase in electrical output.

“A very minor heat rate improvement program would very likely result in increased emissions,” Schneider said. “It might be worse than nothing.”

Power companies want to get as much electricity as possible from every pound of coal, so they already have an incentive to keep efficiency high, said Jeff Holmstead, a former assistant EPA administrator now at Bracewell LLP. But an EPA regulation known as “new source review” has discouraged some from making those changes, for fear of triggering other pollution-control requirements, he said.

### **Modest Impact**

“If EPA’s replacement rule allows companies to improve efficiency without triggering new source review, it would make a real difference in terms of reducing carbon-dioxide emissions,” Holmstead said.

A plant-specific approach doesn’t have to mean modest impact.

“If you’re thinking about what can be done at the power plants by themselves, you don’t stop at efficiency tune-ups,” said David Doniger, director of the Natural Resources Defense Council’s climate and clean air program. “You look at things like switching to natural gas or installing carbon capture and storage.”

Requirements that facilities use carbon capture technology or swap in natural gas for coal could actually come close to hitting the same goals as in Obama’s Clean Power Plan—if not go even further, Schneider said. They just would cost more.

Some utilities, including Houston-based Calpine Corp., PG&E Corp. and Dominion Resources Inc., backed the Obama-era approach. And they are still pushing the Trump administration to be creative now.

“The Clean Power Plan achieved a thoughtful, balanced approach that gave companies and states considerable flexibility on how best to pursue that goal,” said Melissa Lavinson, vice president of federal affairs and policy for PG&E’s Pacific Gas and Electric utility. “We look forward to working with the administration to devise an alternative plan for decarbonizing the U.S. economy through regulations that recognize the changing dynamics of the electric power sector, including new sources of low-carbon energy.”

—With assistance from Mark Chediak.

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## **Trump Quietly Stalls Safeguards for Dozens of Endangered Species**

*Posted October 06, 2017, 8:13 A.M. ET*

*By [Alan Levin](#)*

The Trump administration has quietly withdrawn dozens of pending actions to protect endangered species ranging from the green sea turtle to plants in the Florida Everglades, something conservationists say may violate federal law requiring the government to act.

The pending rules were mostly withdrawn in March and April. But environmental groups and others didn’t know about the action because the administration only noted it in passing in a broader posting from the White House on the status of regulations.

The U.S. Fish and Wildlife Service, which oversees U.S. policy on plants and animals in danger of extinction, withdrew a total of at least 42 pending regulatory actions pertaining to endangered species, many of which detailed how to protect animals or plants already deemed to be in peril, according to Office of Management and Budget data compiled by Bloomberg. The actions pertain to such species as the yellow-billed cuckoo and Miami tiger beetle, along with bats, salamanders and fish.

The Center for Biological Diversity, which has filed multiple lawsuits against the government seeking stronger protections for endangered species, wasn't aware the rules were withdrawn until asked about it by Bloomberg, said Noah Greenwald, who directs the group's efforts on the issue.

"They are required by law to issue these," Greenwald said. "If they are taking them off the schedule, they are in violation of the law and they are also putting species at risk of extinction. I think it's totally unacceptable."

The Fish and Wildlife Service took the action because it "reflects our anticipated workflow at this time," according to an emailed statement from its parent agency, the Department of Interior. The department is assessing possible additional actions on the endangered species list, according to the statement.

"Withdrawing a rule simply means the agency is focusing its resources on other priorities for the coming 12-month period," it said in the statement.

In comments last July, OMB Director Mick Mulvaney characterized the more than 400 pending rules withdrawn by the administration as the beginning of President Donald Trump's effort to cut regulations, which he views as a burden on business that slows hiring and imposes economic costs on the nation. He said they were part of a pool "that we got rid of."

Separately, the Fish and Wildlife Service drew criticism from environmental groups earlier this week when it declined to list 25 species, including the Pacific walrus, as endangered.

The withdrawn endangered species regulations, along with hundreds of other pending rules at other agencies, were included in the OMB's so-called Unified Agenda, the twice-a-year listing of all pending regulatory actions released in July. The Fish and Wildlife Service didn't issue a press release on its decision or notify groups that had an interest in the issues.

Such notice isn't required if work is halted on a pending regulation, the agency said.

Shelving the actions on endangered species is a reversal of the agency's plans for the year. In a "workplan" posted on its website, the Fish and Wildlife Service said it would complete many of the pending regulations it halted.

### **Intensely Controversial**

Rules to protect endangered species have been controversial, frequently plagued by delays and subject to litigation. Pro-development groups, including oil drillers and home builders, have charged that the Endangered Species Act unnecessarily puts a stranglehold on economic development.

Wyoming Sen. John Barrasso (R), who chairs the Senate Environment and Public Works Committee, is shepherding legislation to overhaul the act. "I think the Endangered Species Act has really been hijacked in ways that doesn't focus on the species," Barrasso said.

One of the withdrawn rules, which would have protected two rare garter snakes in Arizona, illustrates what's at stake and the potential legal pitfalls for Fish and Wildlife Service.

In 2014, the agency found that the snakes were endangered. U.S. law requires that a second regulatory action be taken within one year that identifies the areas that are home to the species so it

can be protected, it said in the Federal Register.

But the habitat area was never completed under the previous administration of President Barack Obama. Now, with the pending rule being withdrawn, it will be delayed for at least another year.

In its workplan, the agency said it had planned to finalize 20 such habitats this year. They include protections for endangered sea turtles, bats, salamanders and fish. Sixteen of them were withdrawn this year, the records show.

“It is troubling to see the administration withdrawing scores of regulations that are required by law with little to no justification,” said Amit Narang, regulatory policy advocate for the consumer advocacy group Public Citizen. “It adds to a pattern we’re seeing of this administration taking legally dubious actions in order to fast-track deregulation.”

—With assistance from Ari Natter.

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## **Luminant Coal Plant to Close Despite EPA Easing Haze Rule**

*Posted October 06, 2017, 12:15 P.M. ET*

*By Nushin Huq*

A Luminant coal-fired power plant in Texas will retire even though the EPA eased emissions rules for it and seven other coal plants in the state. Luminant, a subsidiary of Vistra Energy, will retire its Monticello plant in January 2018, the company said Oct. 6. The announcement came a week after the Environmental Protection Agency issued its final rules to address haze pollution in Texas. The rules allow the plants to participate in a new intrastate pollution trading program rather than install costly emission controls.

In the end, continued falling wholesale electricity prices forced the company to retire the plant, the company said.

“The decision to retire the plant was based on economics, not pending or current federal regulation,” Allan Koenig, a Vistra Energy spokesman, told Bloomberg BNA via email.

The company spent a year in a structured process to identify improvement opportunities across its plants and mines, Koenig said. The company tried several measures over the last few years to sustain the plant’s life.

But as wholesale power prices have continued to decline, the economics of the plant no longer make it a viable option, Koenig said.

### **Notice Triggers Review**

Once Monticello retires, about 1,800 megawatts of power will be taken offline, Luminant said in a statement.

As part of the retirement process, Luminant filed a notice with the Electric Reliability Council of Texas, the state’s electric grid operator.

The notice triggers a reliability review. If ERCOT determines the units are not needed for reliability following a 60-day review, the company plans to stop plant operations on Jan. 4, 2018.

The company will decommission the plant in accordance with all federal and state regulations, the company said. It also will continue ongoing reclamation works at the plant's mines, which ceased active operations in the spring of 2016.

Luminant estimates that Monticello's retirement would impact about 200 employees.

### **Expensive Controls**

The original federal proposal for the Texas Regional Haze Rule, issued in the final days of the Obama administration, would require Texas power plants to install new pollution controls in order to improve visibility in nearby national parks, including the Big Bend and Guadalupe Mountains national parks. Luminant Generation Co. LLC projected the proposal would require utilities to spend more than \$3 billion on emissions controls.

Luminant as well as other utilities and the state of Texas sued the EPA over the rule. The state argued that the requirement to install the costly sulfur dioxide controls would force the plants to retire and affect power reliability in the state. The U.S. Court of Appeals for the Fifth Circuit stayed the rule (*Texas v. EPA*, 5th Cir., no. 16-60118, 12/19/16).

In addition to Monticello, other Luminant plants affected by the rule are Big Brown, Martin Lake and Sandow. The other coal-fired power plants under the rule are owned by Xcel Energy, Dynegy, and NRG.

On Sept. 30, the EPA signed a final rule that allowed the eight plants to join an air pollution trading program instead of installing expensive sulfur dioxide controls.

### **Market Pressure**

EPA's more flexible regulations may not be enough to save coal plants from retirement. Market pressure from renewables still will likely force some Texas plants to shutter, according to Rob Whaley, an analyst with the consulting firm Wood Mackenzie who focuses on ERCOT.

"The ERCOT market, with all the wind generation coming on, is really suppressing prices and making it really hard for these baseload units to make money," Whaley told Bloomberg BNA in an interview before EPA's final rules were issued.

Wind generation accounted for nearly 23 percent of ERCOT's power generation in the first quarter of 2017. That level marked the highest quarterly wind penetration in ERCOT's history and highlighted the market challenges facing the coal industry in Texas.

With less costly rules, some of the Luminant plants may be economical, but some may still have to retire, Whaley said.

### **'Unstoppable Shift'**

The retirement of Monticello is evidence of an "unstoppable shift away from dirty coal plants and toward clean energy," the Sierra Club said in a statement.

“Clean energy like wind and solar is rapidly replacing uneconomical, dirty coal plants across the country as America transitions to a clean energy economy,” Bruce Nilles, director of Sierra Club’s Beyond Coal Campaign, said in a statement.

The group said Monticello is the 11th coal plant retired in 2017 and the 10th since President Donald Trump took office.

The Sierra Club has received funding from Bloomberg Philanthropies, the charitable organization founded by Michael Bloomberg, founder of Bloomberg L.P. Bloomberg BNA is an affiliate of Bloomberg L.P.

### **Storm-Hit Puerto Rico Tweets Offer @Elon to Prove Battery Tech**

*Posted October 06, 2017, 8:14 A.M. ET*

*By [Perry Williams](#) and [Dana Hull](#)*

The government of storm-battered Puerto Rico has taken to Twitter to engage Tesla Inc.’s Elon Musk to show off his company’s battery technology.

“Let’s talk,” Governor Ricardo Rossello [tweeted](#) at Musk. “Do you want to show the world the power and scalability of your #TeslaTechnologies? PR could be that flagship project.”

This isn’t the first time Musk has been approached via social media to demonstrate Tesla’s power-storage tech. Earlier this year, a bet wagered via Twitter resulted in Musk promising to install the world’s biggest battery project within 100 days or it’s free. He said Sept. 29 in South Australia that the project is on-track to beat its own deadline.

“I fully support this!” Glorimar Ripoll, Puerto Rico’s chief innovation officer, [wrote](#) on Twitter. “Let’s build the Puerto Rico we all want through innovation #letstalk.”

Tesla said last week that it’s sending Puerto Rico hundreds of its Powerwall battery systems, which can be paired with solar panels. The U.S. solar industry is also about to airlift rooftop panels and batteries in an effort to help the island territory, where more than 90 percent of homes and businesses remain without electricity after Hurricane Maria destroyed the grid.

“The Tesla team has done this for many smaller islands around the world, but there is no scalability limit, so it can be done for Puerto Rico too,” Musk wrote in a [post](#) before Rossello’s tweet.

—With assistance from Steven T. Dennis and Brian Eckhouse.

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### **Solar’s Courting Puerto Rico, and the Ravaged Island Is All Ears**

*Posted October 06, 2017, 9:09 A.M. ET*

*By [Mark Chediak](#) and [Brian Eckhouse](#)*

The U.S. solar industry is about to airlift rooftop panels and batteries to Puerto Rico, where more

than 90 percent of homes and businesses remain without electricity after Hurricane Maria destroyed the grid. The first plane full of supplies is set to leave this week.

It's primarily a humanitarian effort, according to the Solar Energy Industries Association. But it's also a chance for the industry to showcase what it can offer that conventional power plants and grids can't: an energy source capable of weathering natural disasters. And Puerto Rico Governor Ricardo Rossello, leader of an island wrecked by back-to-back storms, is all ears.

After Elon Musk suggested on Twitter Oct. 5 that Tesla Inc. could rebuild Puerto Rico's electricity system with solar panels and batteries, Rossello responded: "Let's talk."

Renewable-energy advocates have wasted no time in promoting solar and batteries as a solution for regions wrecked by hurricanes Irma and Maria. Tesla Inc. said it would send hundreds of battery systems to Puerto Rico that could be paired with rooftop panels.

Edward Fenster, chairman of solar-panel provider Sunrun Inc. said it's also looking to help in restoration efforts. The storms knocked out power to millions of utility customers who depend largely on fossil-fuel plants and long-distance transmission lines for service. Some in Puerto Rico may be in the dark for as long as a year as the grid's repaired.

"We build solar panels to withstand 150-mile-an-hour winds—if the roof stays on your house, the solar panels stay on your roof," Sunrun's Fenster said in an interview at Bloomberg's San Francisco office Oct. 5. "And batteries are real-life safety equipment. From a broad perspective, solar and storage can strengthen grids everywhere."

Solar's proposition is proving an attractive choice for an island facing the daunting task of rebuilding a system from the ground up. It could take six months to a year before power is restored across the entire island, the U.S. Army Corps of Engineers in Puerto Rico said, citing initial forecasts.

"What's the smartest way to rebuild?" asked Abigail Ross Hopper, president of the Solar Energy Industries Association. "Do you recreate the infrastructure that existed and could be devastated in a storm, or do you balance a resilient system like solar plus storage that can better weather storms?"

### **Energy Storage**

The supplies U.S. solar companies are sending to help with the hurricane response is a testament to how crucial energy storage has become to their business. Solar customers are looking for affordable ways to keep the lights on even when the sun's not shining—and lithium-ion battery pack prices fell 73 percent from 2010 to 2016, based on Bloomberg New Energy Finance estimates.

While such a combination may look increasingly appealing for regions like the Caribbean islands hit hard by the hurricanes, "the question is whether you can do it affordably," said Ethan Zindler, an analyst with Bloomberg New Energy Finance in Washington.

According to the Rocky Mountain Institute, a nonprofit group that promotes clean energy, it would cost roughly \$250 million to build about 90 megawatts of solar and storage across a chain of Caribbean islands. That's enough to power an estimated 15,000 U.S. homes. While it may be sufficient for islands like the Turks and Caicos, more than a million households live in storm-battered and debt-ridden Puerto Rico alone.

### **Aid to Rebuild**

“Certainly there’s an opportunity here, with the potential for positives in Puerto Rico probably much larger than the potential total revenue,” Zindler said. “There are sales potentially to be had,” he said, but that assumes Puerto Rico gets the aid it needs to rebuild.

Meanwhile, the solar association has packed more than \$1 million of donated gear onto airplanes. It’s working with disaster-relief groups and other trade organizations to get the equipment where it’s needed and to help raise money for the recovery efforts.

“We’re trying to connect people with each other,” said Hopper, the trade group’s president. “Our customers have products that can make a huge difference in people’s lives.”

--With assistance from Ezra Fieser.

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### **FERC’s Powelson Walks Back Comments About Perry’s Pricing Rule**

*Posted October 06, 2017, 01:56 P.M. ET*

*By Catherine Traywick*

Robert Powelson, the newest member of the agency that oversees U.S. power markets, Oct. 6 walked back a day-old threat to quit before supporting U.S. Energy Secretary Rick Perry’s proposal to shore up nuclear plants.

Powelson, speaking at an industry event Oct. 5, said that he would quit before supporting a Federal Energy Regulatory Commission rule that would “blow up” markets.

“When that happens, we’re done. I’m done; I don’t need this job,” he said.

The next day, Powelson reiterated support for competitive markets at the same time he eased back on the threat.

“I think everyone who knows me and who has worked with me fully understands my steadfast commitment to competitive markets,” he said in an email. “In the context of the DOE request, I made it very clear that we are reviewing it and will take the necessary time to look at some of the issues facing baseload resources in the markets.”

Perry last week directed the agency to craft regulation enabling certain coal and nuclear plants to recover their costs, a move that critics have cautioned could upend markets.

On Oct. 6, Powelson said that FERC should look to the work of PJM Interconnection LLC, the largest U.S. grid operator, as the commission evaluates Perry’s proposal. PJM has asked the agency to change the way it sets prices and recognize the contributions of baseload plants, such as coal and nuclear. PJM’s plan would be much narrower in scope than Perry’s.

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### **Canada Aligns Small Engine Emissions Rules with U.S.**

Posted October 06, 2017, 11:29 A.M. ET

By [Peter Menyasz](#)

Canada wants to make it easier for lawnmower and other small engine manufacturers to sell their products in the U.S. so it's giving the industry an extra year to meet new air pollution requirements.

Delaying the new pollution standards for small engines until the 2019 model year will allow manufacturers such as Ariens Co., Husqvarna AB, MTD Products Inc., Briggs and Stratton Corp., and Toro Co. to bring their products into compliance with the new requirements, Environment and Climate Change Canada said Oct. 4. The standards were originally planned to take effect for model year 2018 engines.

Other changes to the requirements, which manufacturers had sought, align Canada's labeling requirements with those in the U.S.

"The rule looks to provide a clear path for manufacturers to concurrently sell products in the U.S. and Canada under an EPA certification," Kris Kiser, president and chief executive officer of the Outdoor Power Equipment Institute, which represents more than 100 power equipment, engine and utility vehicle manufacturers, told Bloomberg BNA in an email. Kiser said Canada's regulations should serve as a model for other countries considering similar requirements.

#### **Lawn and Garden Products**

The new standards apply to lawn and garden products such as hedge trimmers, lawn mowers, leaf blowers, and snow blowers as well as to small generators, chainsaws, and generators.

When fully implemented, the rules are expected to reduce pollutant emissions from small engines by 58,000 metric tons of volatile organic compounds and 20,000 metric tons of nitrogen oxides between 2019 and 2032, the department said.

Benefits are expected to total C\$153 million to 253 million (\$122 million to 201 million) over that period, while costs are expected to total C\$91 million (\$72 million), including increased engine and testing costs and government compliance promotion and enforcement activities, it said.

While many of the 1.5 million to 2 million small gas engines that enter Canada each year already meet U.S. requirements, further aligning the two countries' regulations will prevent less expensive engines with higher pollution emissions from entering Canada, Environment and Climate Change Canada said.

#### **Companies' Burning of Spilled Oil, Composting Sewage Now OK in Brazil**

Posted October 06, 2017, 12:01 P.M. ET

By [Michael Kepp](#)

Companies will be allowed to do controlled burns of significant oil slicks far offshore if other methods of cleaning them up have failed under one of two resolutions by Brazil's National Environmental Council (CONAMA) now in effect.

The other [resolution](#) will allow sewage treatment operators to convert residual sludge into compost.

Neither activity had been permitted before because the council, a public-private, policy-making body headed by the Environment Ministry, had not regulated them.

The resolution on controlled burning (No. 482) only allows the technique if chemical dispersants that break up oil from oceanic spills and the use of skimmers to collect contained oil from slicks prove ineffective.

Controlled burning is also only allowed when the spill is “nationally significant,” requiring the use of a national contingency plan to clean it up; has “expressive volumes” of oil equivalent of at least 1,600 cubic meters (422.7 gallons) per day continue to be spilled; or has the potential to migrate to environmentally-sensitive areas.

No burning will be allowed if the slick is within a nautical mile (1.15 miles) from the coast or nearby islands or three nautical miles from coral reefs. Companies responsible for the spill are required to notify state officials and stop the burning if evidence shows that the resulting smoke could affect coastal areas.

#### **Burning the Midnight Oil**

Robson Jose Calixto de Lima, environmental analyst at Brazil’s Environment Ministry, told Bloomberg BNA Aug. 30 the resolution comes in response to the 2010 Macondo spill in the Gulf of Mexico and is an effort to modernize Brazil’s oil spill cleanup techniques and make them more efficient.

The BP-operated Macondo well exploded in April 2010, killing 11 workers and spewing an estimated 4.9 million barrels of oil into the Gulf of Mexico.

Daniel Ribeiro, the emergency response manager for Shell Brasil, which operates two offshore oil production platforms in Brazil, told Bloomberg BNA Aug. 31 that the resolution provides an important new tool for cleaning up spills.

“It’s a tool that is most effective when big concentrations of oil have been spilled and when the weather is calm, making the slick easier to ignite. At Macondo, controlled burning was responsible for 5 percent of the oil cleaned up,” he said.

Brazil’s state oil company Petrobras told Bloomberg BNA in a Sept. 1 statement that the technique was a good option “for responding, in exceptional cases, to major offshore oil spills far from the coast” but would not be the preferred solution. Rather, it would be considered on a case-by-case basis.

#### **Composting to Save Money**

The other CONAMA resolution (No. 481) allows sewage sludge, a byproduct of wastewater treatment—to be turned into compost. The decomposed organic matter can be recycled as fertilizer and a soil additive.

The resolution bars composting sludge that is the byproduct of waste from health facilities, airports, ports, or companies whose treated organic waste is classified as dangerous.

“This CONAMA resolution is important because being able to turn sewage sludge into compost will

allow water-and-waste treatment companies to reduce costs because they no longer have to pay for disposing sludge in landfills,” Carlos Bocuhy, a member of CONAMA and president of the Brazilian Institute for Environmental Protection, an environmental group that focuses on industrial pollution, told Bloomberg BNA Aug. 31. He lamented, however, that the resolution doesn’t deal with how to treat and eliminate pharmaceutical waste, which could pose a health risk, in the process of turning sludge into compost.

The composting resolution and the oil slick burn-off resolution, both approved by CONAMA Aug. 23, took effect when published in the government’s daily registry, on Oct. 4, and Oct. 6 respectively.

## **Faster, Fewer Environmental Reviews Coming Under New Czech Law**

*Posted October 06, 2017, 01:24 P.M. ET*

*By [Jan Stojaspa!](#)*

Developers in the Czech Republic can expect faster reviews of how their projects could affect the environment under changes to the country’s environmental assessment law that take effect Nov. 1, a senior environment ministry official said.

The current two-tiered environmental impact assessment (EIA) process was shortened, giving interested parties only one chance, not two, to comment and object. This will cut about six weeks off the usual six months developers have to wait for an EIA, Evzen Dolezal, director of environmental impact assessment and integrated prevention at the Czech Ministry of the Environment, told Bloomberg BNA in an Oct. 3 interview.

A number of project proposals will also benefit from changes to how they are categorized for different types of environmental reviews, he added.

For example, facilities for the production of cement and lime and facilities for the processing of magnesite with annual outputs exceeding 15,000 tons will no longer require a full-fledged EIA—unless a screening procedure determines it to be necessary, according to Dolezal.

### **Fewer Projects Need Review**

Also, projects that fall below certain screening thresholds—and there are around 2,000 of them per year—will only require review if they are planned for specially protected areas.

Dolezal expects the number of these projects to decline by as many as 1,700. And he expects a “10 percent to 20 percent” decline in the number of projects requiring a full EIA or a screening procedure.

“An ideal outcome will be an environmental assessment process that is simpler and shorter,” Dolezal said. “And the process will be only applied when necessary, to projects that can have a potential impact” on the environment.

The amendment was signed into law by the Czech president Sept. 12, and, Dolezal said, does not favor any particular sector or industry.

It incorporates the 2014 revisions to a European Directive (2011/92/EU) on the assessment of the effects of certain public and private projects on the environment. The revisions, for example, require

EU member countries to expand their focus to include the potential impact of projects on biodiversity or climate change.

But most of the changes, including efforts to speed up and streamline assessment procedures, are based on local experience with the Czech environmental assessment law, which has been in effect since 2002 and which in many cases has gone above and beyond European environmental protection rules, according to Dolezal.

#### **Possible Turning Point**

Tomas Kaderabek, director of Prague-based Developer Association, told Bloomberg BNA Oct. 4, the amended EIA Act was a possible turning point for how development projects are treated by the state administration.

“The most valuable thing, from my perspective, is that the state administration finally reached the point where it realized that it is no longer viable to increase restrictions, but that the opposite is required,” he said. “This is the first moment when someone says things have gone too far.”

But Petr Kincl, managing associate, PwC Legal in Prague, remained skeptical.

“The amendment brings no revolution,” he told Bloomberg BNA in an Oct. 5 email. “It is above all an administrative correction of mistakes made during previous implementations of European regulations or amendments to these regulations.”

He said he did not think the changes would have much impact for Czech investors. “In general, investors would find more helpful improvements in the quality and speed of work of public officials, so that their opinions/assessments/decisions are defensible and difficult to contest by those who try to scuttle their investment projects for whatever reason,” he added.

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