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From: Bloomberg BNA
Sent: Thur 6/15/2017 8:01:55 PM
Subject: June 15 -- Daily Environment Report - Afternoon Briefing



Daily Environment Report

Afternoon Briefing - Your Preview of Today's News

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EPA to Seek Legislative Fixes In Place of Regulations, Pruitt Says

Posted June 15, 2017, 02:44 P.M. ET

By [Brian Dabbs](#)

The EPA will proactively reach out to seek legislative fixes to environmental laws that avoid lengthy litigation akin to the Clean Power Plan and the Clean Water Rule, Administrator Scott Pruitt told lawmakers June 15.

That strategy aims to curb agency “overreach” while providing certainty to companies, Pruitt said.

“When you disrespect rule of law, and what that fundamentally means, is when you take statutes passed by Congress and act in a way that’s not authorized, it creates uncertainty,” Pruitt told lawmakers. “If you have not spoken to an issue, if you have not given authority to the agency, we’re not to reimagine it. We’re not going to create it. We’re going to let you know when those deficiencies arise.”

The two high-profile regulations have been wading through legal limbo in recent years, and the Environmental Protection Agency is now reconsidering the Clean Power Plan rule. That regulation, arguably the trademark of the Obama administration’s environmental legacy, would require decreased carbon dioxide emissions on the fleet of existing power plants.

EPA rules have had a “devastating impact” on coal-producing communities, Rep. Hal Rogers (R-Ky.) told Pruitt. Rogers has recently complained of the Trump administration’s plan to zero out the Appalachian Regional Commission, an economic development program that is receiving \$152 million this fiscal year through the Energy Department’s appropriations account.

EPA Approves Dow, Monsanto Gene-Silencing Tech to Fight Pests

Posted June 15, 2017, 12:09 P.M. ET

By [Tiffany Stecker](#)

Farmers will soon have access to a novel technology to fight corn rootworm, a devastating pest that has grown resistant to traditional pesticides.

The Environmental Protection Agency on June 14 approved for sale four new corn seeds from Monsanto Co. and Dow Agrosiences engineered with ribonucleic acid interference (RNAi). The technology works by “silencing” certain genes from expressing undesirable traits. In the case of the companies’ SmartStax PRO seeds, the corn plants produce a pesticide that suppresses a gene that allows the worm to survive.

“We are using innovation and emerging technologies to solve problems like infestations of corn rootworm on our nation’s corn crop,” EPA Administrator Scott Pruitt said in a statement. “Corn rootworm has been called the ‘billion-dollar pest’ because it is so expensive for corn growers to control.”

Corn growers have struggled to address corn rootworms that don’t die from the insecticide *Bacillus thuringiensis* (Bt). Almost 80 percent of corn plantings in the U.S. are genetically-engineered with Bt.

Plant geneticists and farmers tout RNAi technology as a promising alternative to other forms of plant genetic engineering, which take genes from one species and inserts them into another. This genetic modification has generated considerable controversy over the past three decades, but RNAi technology has also raised concerns.

Some environmental and health groups have raised the possibility that the technology could unintentionally shut off gene function in those who eat the foods, or could have ecological consequences past the limits of a farmer’s field.

The Food and Drug Administration in 2015 approved two crops made with RNAi techniques: an apple that resists browning and potatoes that produces less acrylamide, a carcinogen. An EPA Scientific Advisory Panel in 2014 had recommended more research to better assess the health and ecological implications of using the technology.

Trump’s Budget Puts Climate Research Program on Thin Ice

Posted June 15, 2017, 12:18 P.M. ET

By Catherine Douglas Moran

The U.S. could fall behind on mitigating expensive and irreversible damage from climate change domestically as a result of the White House’s proposed cuts to an interagency research program’s budget. Funding worries for the domestic climate and climate-related research program come at a time of uncertainty about the Trump administration’s priorities for climate change as it slashes funding for that work across the government. President Donald Trump has pledged that the U.S. will exit the Paris Agreement and has proposed a fiscal year 2018 budget that would discontinue more than \$100 million in funding for several climate change research and partnership programs.

Margaret Leinen, director of the Scripps Institution of Oceanography at the University of California San Diego who previously served on the National Science and Technology Council’s environment committee that guides the U.S. Global Change Research Program, told Bloomberg BNA that if major cuts are made to the program, the decreased funding will not stop or alter the course of climate research. But she said it may affect the country’s reputation internationally and reduce the amount of domestic research.

“Other countries are not going to do the work on impact in the U.S. for us,” she said. “No one else is going to do that research for us, so that’s really what’s at risk when we cut the U.S. climate research.”

Comprised of nearly a dozen agencies and departments, Congress created the program in 1990 under the Global Change Research Act (Pub. Law No. 101-606) to better understand human-caused and natural climate changes and to develop mitigation and adaptation policies. Every three years Congress requires the submission of a strategic plan outlining goals and priorities for the next 10 years, and no less than every four years Congress and the president receive a national scientific assessment on the research program’s findings.

Funding Fluctuations

The largest contributors to the program include NASA, the Energy Department, the National Oceanic and Atmospheric Administration, and the National Science Foundation.

Some of the agencies submit requests for the research program as a part of their budgets. Others calculate their contribution to the program from allotted research grants. The program’s annual report that explains and breaks down the budget request is expected in a few months.

Here are the known agency funding requests for Global Change Research Program for fiscal 2018, according to the agencies:

- National Science Foundation: \$264 million—a decrease of \$66 million from its actual fiscal 2016 amount
- Smithsonian: \$8 million—largely steady from fiscal 2014 to fiscal 2018 request
- Energy Department: \$84.2 million—a decrease of \$144.7 million from its fiscal 2017 enacted appropriation
- EPA: Global Change Research listed as a proposed eliminated sub-program along with other science programs

“I think it’s really important that people understand that there are real risks, and the risks are not just for polar bears or for coral reefs,” Leinen said. “They are for us and our economy and what our livelihood is like.”

Leinen said the collaboration between the agencies is only as good as the budgets provided. The research program has tried to recover from funding dips by accepting proposals from scientists who were turned away at other agencies, but one agency will not assess the impacts of climate and environmental change for another agency’s mission, she said.

Congress Could Rescue Funding

While Congress and the administration set the priorities for climate change research, Congress probably won’t eliminate or “massively” cut funding for the program in the upcoming fiscal year, Leinen said.

“Each administration comes in seeing the problem of climate change with their own lens and may have different priorities,” Leinen said. “I think that one of the things that was quite, quite clear in the 2017 deliberations was that Congress did protect, Congress did acknowledge the importance of

climate change research and made sure that it was funded to the best of their ability.”

Overall, funding for Global Change Research Program grew 30.2 percent from fiscal 2000 to the fiscal 2017 request, peaking in 2003, according to the American Association for the Advancement of Science. After declining during President George W. Bush’s administration, the program was revitalized in fiscal 2009 when the American Recovery and Reinvestment Act provided an additional \$641 million.

Anthony Janetos, a Boston University biologist and next chairman of the National Academies of Science advisory committee for the U.S. Global Change Research Program, told Bloomberg BNA that there is “nothing concrete to put our fingers on” financially for fiscal 2018, until the multiple appropriations committees that handle the agency budgets piece together the funding.

“Even small changes can make a difference in what gets done,” he said. “The accumulation of the kind of scientific knowledge is best served by budgets that don’t radically change from year to year.”

Agency Overlap and Collaboration

Two Republican committee aides familiar with the research program’s reports told Bloomberg BNA that it will probably not face funding problems. However, one of the aides said the cuts might be justified by potential duplication of climate modeling and other resources at the agencies.

“Is this funding cut in one place? Is there an offset somewhere else where the federal government is already doing research into that topic?” the aide said. “The federal government doesn’t need to be spending money on any sort of competing research.”

One of the reasons that Congress created the research program was to reduce the redundancy between agencies, John Furlow, the deputy director for humanitarian assistance and international development at Columbia University’s International Research Institute for Climate and Society, told Bloomberg BNA. He was a USAID representative to the climate change research program.

“There might be a little bit of redundancy, but I think there’s more complementarity,” he said. “If you cut something that NASA is doing, it might make it more difficult for NOAA to do its piece. So I mean just as a very coarse example, if NASA doesn’t launch satellites, NOAA can’t stick instruments on those satellites.”

He said he is concerned about the uncertainty for climate funding and what that will mean for the program’s future if the budgets for the EPA, NOAA, and National Science Foundation plummet.

If the climate research program’s funding is slashed, Furlow said public outreach, website maintenance, and production of reports for Congress may be constrained.

“It probably would not be the end of the world but just reduce the amount of outreach that GCRP can provide,” Furlow said. “I don’t know what happens if the funding were to become so constrained that they couldn’t pass the smell test of meeting the requirements of that law.”

Political Controversies

This is not the first time that the Global Change Research Program has faced funding cuts and encountered concerns about potential political influence on its science.

One of the majority committee aides said the reports were used to further the agenda of the Obama administration by narrowly focusing on human-caused climate change instead of global change.

“I think we could agree that the politics has influenced the work of GCRP over the years,” the aide said. “I think the conclusions of the National Climate Assessment are used to support climate policies specifically of the last administration and that’s its job, that’s its goal, that’s its duty. Support the president.”

Leinen said she thinks politics influence the funding, but not the science.

“Although there can be political push, there are so many other forces that I don’t think the science gets steered,” she said. “Does the politics get steered by the science? Sometimes.”

—With assistance from Dean Scott.

EPA Isn’t Reviewing California’s Clean Air Act Waiver: Pruitt

Posted June 15, 2017, 03:49 P.M. ET

By [Jennifer A. Dlouhy](#)

EPA Administrator Scott Pruitt said the agency isn’t reviewing a Clean Air Act preemption waiver granted to California that allows the state to impose air pollution control requirements that are stricter than those of the federal government.

“Currently, the waiver is not under review,” Pruitt said during a June 15 House Appropriations subcommittee hearing.

Some conservatives want EPA to pull back the waiver, which would threaten California’s historically influential role driving auto-emissions standards and other environmental regulations. The waiver also gives California leverage in any negotiations over standards for cars and light trucks through model year 2025, which the Trump administration is reviewing.

Pruitt said the waiver goes “back to the beginning of the Clean Air Act.”

“Because of the leadership that California demonstrated it was actually preserved in the original writing of the Clean Air Act,” Pruitt said. “It’s important we recognize the role of the states in achieving good air quality standards, and that’s something we’re committed to in the agency.”

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EPA Task: Balance Chemical Trade Secrets With Public Data

Posted June 15, 2017, 7:00 A.M. ET

By [Pat Rizzuto](#)

The EPA says it’s hard pressed to withhold the identities of certain chemicals while also making public any health, worker safety, or environmental risk information about the chemicals under the amended toxics law passed last June.

The law gave the EPA a difficult dual obligation, Derek Swick, regulatory and scientific affairs manager for the American Petroleum Institute, told Bloomberg BNA. “It’s unclear how EPA will do this,” Swick said.

The agency is accepting [comments](#) through July 7 on its initial ideas about fulfilling a confidentiality requirement in the 2016 Frank R. Lautenberg Chemical Safety Act. The agency must shield from public disclosure the specific identities of certain chemicals it determines qualify for that protection to guard trade secrets such as market share while at the same time making non-confidential information about the same chemicals available to the public.

“Protecting confidential business information is the bread and butter of any company,” Christina Franz, senior director of regulatory and technical Affairs at the American Chemistry Council, told Bloomberg BNA. “It’s critical to innovation, to creating new, important products and to maintaining or gaining a competitive advantage.” For chemical makers, confidential business information (CBI) can mean keeping secret the specific identity or unique performance attributes of a chemical, she said.

But Richard Denison, lead senior scientist with the Environmental Defense Fund, told Bloomberg BNA the law’s requirement is not as hard to achieve as industry and the EPA have suggested. Congress’ intent was to have the EPA review CBI claims more strictly and often favor disclosure of risks the public involuntarily faces from air, water and soil pollution. The agency has navigated similar situations involving confidential identities in the past, he added.

Shift in Thinking

Thus far, it has been easy for companies to overbroadly shield many different types of information—including chemical identity—as confidential, which bars agency public disclosures, Denison said. Companies got accustomed to asserting such claims without challenge.

Information chemical manufacturers often claim as confidential includes: their manufacture or importation of a particular chemical; production or import volumes; the number of workers they estimate are exposed to it; and whether children or consumers are exposed to it.

Companies can continue to assert that much of this information as confidential under the Lautenberg Act, which overhauled the Toxic Substances Control Act. The amended law, however, requires them to provide more detailed substantiations of a company’s need for confidentiality.

The TSCA amendments, however, raised the bar chemical makers will have to clear to prove to the agency that the public must be denied knowledge that a chemical exists, Denison said.

Many concerns that information disclosure could cause competitive harm can be addressed, for example, by claiming a company’s relationship to a particular chemical is confidential, Denison said. This may take some getting used to for companies that have traditionally claimed everything possible as confidential, he said.

Emphasis on Public Right-to-Know?

The amended statute directs the EPA to use what the law calls a “unique identifier” for “each specific chemical identity for which the administrator approves a request for protection from disclosure.” The agency can decide a chemical’s identity warrants such protection if its manufacturer proves disclosure would cause competitive harm to the company by revealing, for example, commercially sensitive market share information.

EPA must apply the unique identifier consistently across data received on a compound. The agency also has annual reporting requirements for CBI-protections and related health information.

By requiring a unique identifier, Congress sought to maximize public access to information about such a chemical, Denison said. Congress “resolved any possible conflict in favor of the public’s right to know,” he said.

The unique identifier allows industrial hygienists, public health officials, labor organizations, first responders, researchers and the general public to link together any health, safety, and environmental effects the agency receives for the same chemical, he said.

Compiling the non-confidential safety information about a chemical can allow researchers and organizations to recognize that some chemical is raising concerns—even if they don’t know the specific identity of the chemical, Denison said.

That knowledge would allow the public to demand the agency look into unwarranted health and environmental risks.

When CBI claims expire in 10 years—unless re-substantiated—then the previously submitted non-confidential health and safety information could be matched to the specific chemical.

Disclosure to Competitors

The EPA said in a May 8 Federal Register notice that it isn’t sure it can both design a unique identifier that fully shields chemical identities from disclosure and use that same identifier on all non-confidential information (82 Fed. Reg. 21,386).

“EPA has identified several situations where applying the same unique identifier to every instance where information pertaining to the same chemical substance is reported under TSCA could cause confidential business information, including specific chemical identity, to be revealed,” the agency wrote.

EPA’s notice described scenarios where it envisions complying with the dual obligation could result in competitors being able to follow a paper trail and figure out the confidential chemical identities.

First Option

The agency discussed two possible strategies for balancing CBI with the public’s right to know at a May 24 meeting.

The agency’s first option would require it to review all non-confidential information about a trade-secret-protected chemical. The EPA would place the unique identifier on the information and remove any details that could result in disclosure of the chemical.

The agency would remove identity revealing information even if the person, organization or company that submitted the information to the agency did not claim confidential business protection, Pamela Myrick, director of information management in the EPA’s Office of Pollution Prevention and Toxics, said during the meeting.

But screening and redacting the wide variety of information the agency receives for chemicals could be so burdensome that it may not be viable, she said.

Second Option

Under the second alternative, the EPA would use unique identifiers on non-confidential information, but only when it's submitted by the same company that originally asked that the chemical's identity be kept confidential, Myrick said.

"The public would be able to link some submissions on the same chemical, but not necessarily all submissions on that chemical," she said.

This would mean the same chemical could have different identifying numbers, which could be linked to different pieces of health, ecological and worker safety data.

EPA is proposing that each trade-secret-protected chemical identity would get multiple unique identifiers. Most of the industry groups and consultants that attended EPA's meeting said they favored the second alternative.

EDF: Options Inconsistent With Law

But Denison told meeting participants both of the EPA's options are inconsistent with the law's requirements.

"EPA finds an apparent conflict that doesn't exist in the law, and overstates a problem that it has successfully negotiated in the past," he said.

The agency has managed to balance the need to protect CBI with public access as it established policies in its new chemicals program and for the production volume, worker exposure and other information companies periodically report under the Chemical Data Reporting rule, Denison said. That rule requires periodic reporting of chemical production and import information.

Chemical identity should only qualify as CBI if companies carefully craft their trade secret protection rationales and demonstrate that identity disclosure would likely cause the company substantial competitive harms, Denison said.

Eventual Legal Challenge?

But Swick, from the American Petroleum Institute, said the law's requirements aren't black and white.

The provision requiring the unique identifier is in the amended TSCA, but so is the statute's "clear mandate to protect trade secrets and encourage innovation," he said. The agency should implement this legal requirement through rules to make sure all issues are flagged, Swick said.

Providing case studies describing the variety of chemical information it receives under TSCA and other statutes would be valuable, he said. That would help companies understand whether their CBI could be discovered through other types of required submissions.

Franz, from the American Chemistry Council, said EPA has a tough job ahead. Whatever path it chooses may be challenged in court, because of these different interpretations of what the law requires, she said.

Nuclear Waste Bill Set to Change After Subcommittee Markup

Posted June 15, 2017, 01:25 P.M. ET

By Rachel Leven and Rebecca Kern

A House subcommittee June 15 approved, along party lines, a draft bill to reboot efforts to make Yucca Mountain the nation's permanent repository for nuclear waste and a bill (H.R. 806) that would push back deadlines for Obama-era ozone standards.

Additionally, draft legislation that would reauthorize the EPA's brownfields program for the first time since 2006 was approved unanimously by the House Energy and Commerce's Subcommittee on Environment. That program aims to clean up and repurpose contaminated industrial and commercial sites.

Rep. John Shimkus (R-Ill.), the subcommittee's chairman, previously told Bloomberg BNA that he hopes the House will pass the three bills, along with a drinking water reauthorization bill, by August.

At the markup, Democrats expressed concern that the administration didn't testify on the bills.

"We do not know how the agencies that would implement these programs would interpret the language in these bills," full committee ranking member Rep. Frank Pallone (D-N.J.) said at the start of the markup. "We are being asked to vote on legislation without the opportunity to fully understand its effects and potential unintended consequences."

The Environmental Protection Agency and the Energy Department didn't immediately respond to Bloomberg BNA's messages asking why they didn't testify and whether they support these bills. A spokesman for the Nuclear Regulatory Commission said the committee didn't request that the agency testify at the hearing on the nuclear waste draft bill in April and that it has no stance on the draft bill.

The two draft bills will next be introduced and all will be sent to the full committee, a committee spokesman told Bloomberg BNA in an email. There could be changes from the draft bills discussed at the markup to the bills that are formally introduced, the spokesman said.

Pennsylvania Bill Would Hinder Bay Cleanup, State Official Says

Posted June 15, 2017, 01:08 P.M. ET

By Leslie A. Pappas

A proposed Pennsylvania budget bill would further cripple the state's Chesapeake Bay cleanup efforts by cutting funding to conservation districts that help farmers reduce water pollution, Pennsylvania Agriculture Secretary Russell Redding said today.

"It's an open question at this point how we would meet the requirements," Redding said in response to a question about how the cuts would affect Pennsylvania's Chesapeake Bay commitments to reduce nitrogen, phosphorus and sediment runoff.

House Bill 218 would cut several programs that support conservation districts, which currently partner with the state's environmental regulators to inspect farms and help farmers implement clean water practices.

The cuts would result in fewer clean water management plans, less technical support for farmers, fewer training programs and cuts in staff, Redding said in a media call.

Senate Committee Advances Nuclear Regulator Nominee Svinicki

Posted June 15, 2017, 10:54 A.M. ET

By [Rebecca Kern](#)

The Nuclear Regulatory Commission is a step closer to retaining its quorum as the Senate Environment and Public Works Committee advanced the nomination of current NRC Chairman Kristine Svinicki for a third term at the agency.

The committee voted unanimously by voice vote to favorably report Svinicki's nomination for another five-year term on the commission. Chairman John Barrasso (R-Wyo.) told Bloomberg BNA after the June 15 business meeting that he and others are working with Senate leadership to get a floor vote on Svinicki before July 1.

Svinicki's current term is set to expire on June 30, after which she will no longer be allowed to serve and the NRC will not have a quorum.

In addition to Svinicki, a Republican, the committee considered two other Republicans nominated by the Trump administration: Annie Caputo, a long-time energy policy adviser for the committee, and David Wright, a former chairman of the South Carolina Public Service Commission. The committee has not yet scheduled votes on those nominations.

The NRC is an independent agency that licenses and regulates the country's nuclear reactors. Its five commissioners serve staggered five-year terms, with three seats belonging to the political party in power in the White House. It currently has three commissioners: Svinicki, whom President Donald Trump named as chairman in January; Stephen Burns (I), the previous chairman in the Obama administration; and Jeff Baran (D).

EU Moves to Limit Chemicals in the Workplace, Electronics

Posted June 15, 2017, 02:04 P.M. ET

By [Stephen Gardner](#)

European Union member countries are backing a plan to establish bloc-wide workplace exposure limits on five cancer-causing substances that would protect more than 4 million workers at industrial sites producing chemicals, lubricants, plastics and pharmaceuticals.

Ministers from the EU's 28 nations June 15 approved the amending directive, which would write the exposure limits into Annex III of a 2004 law (Directive 2004/37/EC), requiring employers to reduce worker exposure to carcinogens and mutagens. The law also obliges employers to provide workers and authorities with information about the risks of carcinogenic substances in the workplace.

The five substances covered by the amending directive are 4,4'-methylenedianiline, epichlorohydrine, ethylene dibromide, ethylene dichloride and trichloroethylene. An impact assessment on the proposed exposure limits, published in January by the European Commission, the EU's executive arm, found that epichlorohydrine and trichloroethylene are estimated to cause a combined 95 cancer deaths of workers in the EU each year. The likely number of deaths caused by the other three substances is unknown.

The exposure limits are "not controversial" and should be straightforward to agree between the council and parliament, Evi Liaskou, a spokeswoman for the Council of the EU, the EU

institution that represents the governments of member countries, told Bloomberg BNA June 15. In addition to setting exposure limits, the amending directive introduces “skin notations” for the substances, meaning employers should monitor and take steps to prevent skin absorption. The amending directive would also add skin notations for used engine oils and polycyclic aromatic hydrocarbons.

The ministers’ approval must be confirmed by the European Parliament, which has not yet voted on the amending directive. The council and parliament must also finalize a separate but similar amending directive that would set or tighten workplace exposure limits for 13 carcinogenic substances. The European Parliament’s employment committee approved that amending directive in February.

Substances In Electronics

Council and parliament representatives are now set to meet June 21 seeking an agreement on technical amendments that would close loopholes in the EU’s Restriction of Hazardous Substances Directive (RoHS Directive, 2011/65/EU). RoHS prohibits cadmium, hexavalent chromium, lead, mercury and some brominated flame retardants from household appliances, consumer electronics and other electrical and electronic products.

The European Commission proposed the RoHS update in January that would aim to correct oversights in the law that could result in certain medical and professional equipment and some spare parts becoming illegal on the EU market in July 2019.

Both the council and the parliament have provisionally approved the RoHS amendments. If the directive containing the amendments is agreed June 21, it would then require formal ratification by the two institutions.

EU Environment Agency Warns of ‘Profound and Rapid’ Arctic Changes

Posted June 15, 2017, 01:15 P.M. ET

By [Stephen Gardner](#)

The European Union should do more to relieve the pressures on the Arctic ecosystem or risk a breakdown of “the Arctic’s role in global climate regulation,” the European Environment Agency said June 15.

Specific measures for the 28-nation EU bloc to take could include initiatives to limit marine litter and black carbon, designation of more nature conservation areas in the European Arctic, phasing out the use of diesel generators in the Arctic in favor of renewable power, and designating low environmental impact shipping corridors, the agency said in a [report](#).

The EU should also do more within international forums to promote protection of the Arctic environment and to ensure that economic exploitation of the Arctic’s resources does not damage the region’s ecosystems, the report said.

The current slowdown of investment in resource extraction in the Arctic, caused by low commodity prices, is a “window of opportunity” to introduce new more environmentally-friendly Arctic policies, the report added.

Global warming is leading to “profound and rapid changes” in the Arctic environment that could have worldwide consequences, the environment agency report said.

Of the eight countries with Arctic territory, Finland and Sweden are EU members, while Greenland is a territory of EU member Denmark.

U.S. Toughens Stance on Russian Gas as Engie Defends New Pipe

Posted June 15, 2017, 8:09 A.M. ET

By [Elena Mazneva](#), [Francois de Beaupuy](#) and [Anna Shiryayevskaya](#)

As U.S. lawmakers targeted Russia's controversial \$10-billion natural gas pipeline to Europe in a plan for expanded sanctions, French utility Engie SA defended the link that it says is vital for the region's fuel supplies.

The Nord Stream 2 pipeline to Germany will have "detrimental impacts on the European Union's energy security," and on reforms in Ukraine, the U.S. Senate said after voting in favor of tightening curbs against Russia June 14. The U.S. will "continue to oppose the link," according to the bill posted on the Senate website.

The proposals are a way for the U.S. "to try to favor its own gas" in Europe, Isabelle Kocher, the chief executive officer of France's former gas monopoly, told reporters in Paris June 15. "I don't think at all that the United States can stop this project."

Engie was among five European Union companies that planned to join the Nord Stream 2 project run by the Kremlin-backed Gazprom PJSC before the deal was scuppered last year when Poland's competition watchdog objected to the joint venture. The 1,220 kilometer (758-mile) link, designed to cut Russia's reliance on gas transit through Ukraine, would double the capacity of an existing route to Germany. The link is also opposed by politicians in Ukraine, Slovakia and the Baltic States.

Engie, together with Royal Dutch Shell Plc, BASF SE's Wintershall unit, Uniper SE and OMV AG agreed in April to provide loans for Nord Stream 2 to see it ready by the end of 2019.

Gazprom sees no impact from U.S. curbs on the link. Nord Stream 2 is a European project, developed in partnership with European companies that had already provided funding before the latest U.S. bill was approved, according to Alexander Medvedev, the deputy chief executive officer of Gazprom. The project is in compliance with all existing EU regulations, he said.

"If the senators believe that they can block Russian-American cooperation in energy and as a whole—God is their judge," he said at a conference in Berlin. Trade and political ties between the countries have already dropped "to a very low level."

Gazprom, which supplies about a third of the European Union's gas, has shrugged off the prospect of U.S. liquefied natural gas in Europe for years. While most analysts expected increased U.S.-Russia gas rivalry last year, only a few cargoes from North America have reached southern Europe.

The bill approved by the Senate says the U.S. government "should prioritize the export of United States energy resources in order to create American jobs, help United States allies and partners, and strengthen United States foreign policy."

Under the bill, the president gets the right to impose sanctions against companies that make investments or sell goods or services to Russia's export pipelines of \$5 million or more during a year.

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China, India Seen as \$4 Trillion Opportunity for Energy by 2040

Posted June 15, 2017, 8:18 A.M. ET

By [Feifei Shen](#) and [Anindya Upadhyay](#)

China and India will be the biggest recipients for new investment in power-generating capacity by 2040, representing a \$4 trillion opportunity for the energy sector.

China will require \$2.8 trillion of spending for 2,547 gigawatts of new capacity, while India needs \$1.2 trillion, according to a Bloomberg New Energy Finance outlook forecasting how energy markets will evolve by 2040. China's wind and solar capacity will increase eightfold through to 2040, retaining the nation's role as a global powerhouse of clean energy.

India will build 10 times more solar capacity than net additions of coal to 2040 as it shifts to lower-cost renewables to meet a more than threefold rise in energy demand. Coal generation will increase by 78 percent as the country becomes the second-biggest power system in the world.

The massive deployment of renewables in the two countries will help the region reduce its output of greenhouse gases. BNEF expects emissions from the power sector to peak at 7.2 gigatonnes in 2028 in Asia Pacific.

Interestingly, India's increasing adoption of air conditioners as it transitions to a service-oriented economy means a change in peak demand periods, aligning the nation's energy needs more closely with output from solar systems.

The London-based research company also found:

- China's coal capacity will peak in 2024 due to stricter standards for new projects and cheaper renewables.
- Renewables will attract 73 percent of the new investment spent over the next 23 years in China. Renewable capacity will account for 63 percent of the nation's overall mix in 2040, compared with 33 percent last year.
- China's electricity demand will almost double by 2040, while the electricity intensity of economic growth falls by 35 percent as the nation shifts away from an industry-heavy growth model.
- India's coal additions will be at a near-hiatus from 2023 to 2028. From 2029, new coal will be needed to meet rising demand. Even so, with an explosion in solar installations, coal is set to no longer play a dominant role in the growth of India's power-generating capacity by 2040.
- India's cumulative solar PV capacity rises from 10 gigawatts in 2016 to 670 gigawatts in 2040.
- Coal's share in India's total capacity mix falls from 59 percent in 2016 to 17 percent in 2040.
- From 2029, India's widespread use of renewables will decouple economic growth from emissions. Zero-carbon sources will provide more than half of India's electricity needs in 2040.
- India will become the Asia-Pacific's largest consumer of gas in 2038, reorienting liquefied

natural gas trade.

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Solar Power Will Kill Coal Sooner Than You Think

Posted June 15, 2017, 8:20 A.M. ET

By [Jess Shankleman](#) and [Hayley Warren](#)

Solar power, once so costly it only made economic sense in spaceships, is becoming cheap enough that it will push coal and even natural-gas plants out of business faster than previously forecast. That's the conclusion of a Bloomberg New Energy Finance outlook for how fuel and electricity markets will evolve by 2040. The research group estimated solar already rivals the cost of new coal power plants in Germany and the U.S. and by 2021 will do so in quick-growing markets such as China and India.

The scenario suggests green energy is taking root more quickly than most experts anticipate. It would mean that global carbon dioxide pollution from fossil fuels may decline after 2026, a contrast with the International Energy Agency's central forecast, which sees emissions rising steadily for decades to come. "Costs of new energy technologies are falling in a way that it's more a matter of when than if," said Seb Henbest, a researcher at BNEF in London and lead author of the report.

The report also found that through 2040:

- China and India represent the biggest markets for new power generation, drawing \$4 trillion, or about 39 percent all investment in the industry.
- The cost of offshore wind farms, until recently the most expensive mainstream renewable technology, will slide 71 percent, making turbines based at sea another competitive form of generation.
- At least \$239 billion will be invested in lithium-ion batteries, making energy storage devices a practical way to keep homes and power grids supplied efficiently and spreading the use of electric cars.
- Natural gas will reap \$804 billion, bringing 16 percent more generation capacity and making the fuel central to balancing a grid that's increasingly dependent on power flowing from intermittent sources, like wind and solar.

BNEF's conclusions about renewables and their impact on fossil fuels are most dramatic. Electricity from photovoltaic panels costs almost a quarter of what it did in 2009 and is likely to fall another 66 percent by 2040. Onshore wind, which has dropped 30 percent in price in the past eight years, will fall another 47 percent by the end of BNEF's forecast horizon.

That means even in places like China and India, which are rapidly installing coal plants, solar will start providing cheaper electricity as soon as the early 2020s.

"These tipping points are all happening earlier and we just can't deny that this technology is getting cheaper than we previously thought," said Henbest.

Coal will be the biggest victim, with 369 gigawatts of projects standing to be cancelled, according to BNEF. That's about the entire generation capacity of Germany and Brazil

combined.

Capacity of coal will plunge even in the U.S., where President Donald Trump is seeking to stimulate fossil fuels. BNEF expects the nation's coal-power capacity in 2040 will be about half of what it is now after older plants come offline and are replaced by cheaper and less-polluting sources such as gas and renewables.

In Europe, capacity will fall by 87 percent as environmental laws boost the cost of burning fossil fuels. BNEF expects the world's hunger for coal to abate starting around 2026 as governments work to reduce emissions in step with promises under the Paris Agreement on climate change.

"Beyond the term of a president, Donald Trump can't change the structure of the global energy sector single-handedly," said Henbest.

All told, the growth of zero-emission energy technologies means the industry will tackle pollution faster than generally accepted. While that will slow the pace of global warming, another \$5.3 trillion of investment would be needed to bring enough generation capacity to keep temperature increases by the end of the century to a manageable 2 degrees Celsius (3.6 degrees Fahrenheit), the report said.

The data suggest wind and solar are quickly becoming major sources of electricity, brushing aside perceptions that they're too expensive to rival traditional fuels.

By 2040, wind and solar will make up almost half of the world's installed generation capacity, up from just 12 percent now, and account for 34 percent of all the power generated, compared with 5 percent at the moment, BNEF concluded.

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