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Daily Environment Report

Afternoon Briefing - Your Preview of Today's News

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Ford Sued Over Chemicals Seeping Into Michigan Groundwater

Posted August 10, 2017, 01:45 P.M. ET

By [Alex Ebert](#)

More than 130 residents of Livonia, Mich. are suing Ford Motor Co. for alleged damages caused by the release of cleaning chemicals from a company plant.

The [complaint](#) alleges that Ford's release of vinyl chloride and trichloroethylene from the Livonia Transmission Plant endangers more than 90 households, which now have chemicals in their groundwater. The residents seek damages for loss of property value and loss of the use of personal wells (Tenniswood v. Ford Motor Co., Mich. Cir. Ct., No. 17-11941, 8/9/17).

The Aug. 9 lawsuit follows a July [consent decree](#) with the Michigan Department of Environmental Quality, under which Ford is responsible for chemical cleanup and monitoring. The release occurred between the 1950s and 1980s, but Ford discovered it in 2014, according to the state's [complaint](#).

Ford's Livonia plant, located in a Detroit suburb, employs about 1,740 people, according to the company's [website](#).

Shawn Collins, attorney for the residents, told Bloomberg BNA the state's lawsuit was prompted by his clients. The residents sent Ford [notice](#) in April that since the state had not acted on the pollution, they would sue in 90 days under the Resource Conservation and Recovery Act. The consent decree came 88 days later.

Ford spokesperson John Cangany told Bloomberg BNA in a statement that samples have shown no health risks to residents or drinking water.

"When we discovered the issue, we promptly alerted the MDEQ and the plant's neighbors," Cangany said. "Since then, we have actively worked with the MDEQ and investigated the potential for groundwater contamination, culminating in our settlement with the State of Michigan in July that includes plans for addressing the neighborhood and continued public outreach."

Collins said no confirmed cases of illness are related to the chemical release. However, his firm is investigating an unusually high prevalence of auto-immune diseases in the neighborhood.

Clock Starts Ticking to Keep Chemicals in Commerce

Posted August 10, 2017, 01:56 P.M. ET

By [Pat Rizzuto](#)

Chemical makers and importers will have six months to notify the EPA about chemicals they've made over the last 10 years if they want to continue to enjoy access to the U.S. market.

The Environmental Protection Agency will publish its final inventory notification [rule](#) (RIN:2070-AK24) on Aug. 11, which starts a 180-day clock for companies to provide that information. The rule, required by the Toxic Substances Control Act amendments of 2016, requires that the EPA establish two lists: an active inventory of chemicals that have been in commerce since June 21, 2006, and an inventory of chemicals that used to be in commerce but currently are dormant.

Only chemicals on the active inventory can continue to be made in, imported into, or used in the U.S. once the agency establishes the list. That means companies that use chemicals to make cars, airplanes, semiconductors, cleaners, and a myriad of other products may want to make sure the chemicals they need remain on the active list.

Chemicals on the inactive inventory could possibly be made and used once again, but only after notifying the agency ahead of time.

Chemical processors—companies that mix chemicals into products such as paint, wax, and kitchen cleaners—can choose to notify the agency about chemicals they use, but they aren't required to. They have up to 420 days after the rule is published to notify the agency if a chemical they use wasn't put on the active chemicals inventory.

Voting Quorum Restored at Federal Energy Regulator

Posted August 10, 2017, 12:38 P.M. ET

By [Rebecca Kern](#)

A quorum that the Federal Energy Regulatory Commission needs to vote on key infrastructure projects was restored today when Robert Powelson was sworn in as a commissioner.

Powelson joins Acting Chairman Cheryl LaFleur (D) and Commissioner Neil Chatterjee (R), who was sworn in on Aug. 8.

At least three commissioners are required for the agency to vote on key infrastructure filings and orders, including natural gas pipelines and liquefied natural gas pipelines, contested rate filings, and mergers and acquisitions. At least \$14 billion worth of natural gas pipeline infrastructure is awaiting FERC approval, according to the natural gas industry.

The Senate confirmed Powelson, former president of the National Association of Regulatory Utility Commissioners and a commissioner on the Pennsylvania Utility Commission, and Neil Chatterjee,

former energy staffer for Senate Majority Leader Mitch McConnell (R-Ky.), on Aug. 3.

FERC has been without a voting quorum since February, when former Chairman Norman Bay (D) left the agency.

President Donald Trump has nominated two other FERC commissioners—Kevin McIntyre, an attorney with Jones Day, and Richard Glick, Democratic general counsel for the Senate Energy and Natural Resources Committee. Their Senate confirmation hearing is Sept. 7.

\$900 Million New York Natural Gas Plant at Critical Juncture

Posted August 10, 2017, 02:39 P.M. ET

By *Gerald B. Silverman*

Competitive Power Ventures Inc. is at a critical juncture in its plan to operate a 680-megawatt natural gas power plant 75 miles northwest of New York City.

The \$900 million plant, scheduled to begin operations in February, is counting on the construction of a pipeline by Millennium Pipeline Co. LLC to supply the natural gas for operations. The state Department of Environmental Conservation is expected to decide by the end of August whether it will grant the permits needed for the pipeline.

The project has been a flash point in the larger battle between environmentalists and companies in the Northeast that contend that more pipelines are needed to meet the region's demand for natural gas.

Pramilla Malick, chairwoman of Protect Orange County, a leading opponent of the natural gas plant, told Bloomberg BNA Aug. 10 that Competitive Power Ventures put "the cart before the horse" by building the plant before the pipeline received the necessary permits.

She said the plant could not operate without the pipeline and should be "mothballed."

80 Percent Complete

But Chapin Fay, a spokesman for the company, said the plant will open in 2018, with or without the state's approval of the pipeline. He said the plant is about 80 percent complete.

"There is little to stop us from opening in February, when we can run on diesel," he told Bloomberg BNA in an Aug. 10 email. "The only real issue is the pipeline permit, which we believe we will get from [the Federal Energy Regulatory Commission], if not from DEC. It would mean we operate on diesel until we get approved and built."

The natural gas plant, which is backed by a coalition of business and labor groups, will generate \$1 billion in economic activity over 10 years, including lower energy costs and new jobs, according to the company.

A number of environmental groups oppose the plant and the pipeline because of its impact on greenhouse gas emissions, including methane and carbon dioxide. Malick said the plant will have carbon dioxide emissions of 4.7 million tons per year, which would raise total carbon emissions from the state's power sector by more than 10 percent.

Protect Orange County and other groups also oppose the plant because it will rely largely on natural gas transported from states that permit high-volume hydraulic fracturing, known as fracking. New York has banned fracking.

Federal Scientists Say Climate Change No Hoax, Refuting Trump

Posted August 10, 2017, 01:46 P.M. ET

By [Christopher Flavelle](#)

Less than a week after President Donald Trump notified the United Nations of his intent to exit from the Paris climate accord, his government's chief science agency released a report demonstrating that global warming is real and getting worse.

The report, prepared by almost 500 scientists from around the world, shows that last year's average global temperatures were the highest ever recorded. There were more major tropical cyclones than usual, longer droughts, and less snow cover. After years of increasing, Antarctic sea ice declined, undercutting an argument by those who dispute the science of global warming.

"The major indicators of climate change continued to reflect trends consistent with a warming planet," said the report, which was edited by Jessica Blunden and Derek S. Arndt of the National Oceanic and Atmospheric Administration.

Reports, such as the NOAA-supported one released Aug. 10 in the Bulletin of the American Meteorological Society, are "hard to dodge," according to David Schnare, who worked for a short time at the Environmental Protection Agency under Trump and wants the administration to abandon any efforts to tackle climate change. He said this and other federal reports documenting the severity of climate change could make it harder for the EPA to reverse its 2009 finding that carbon dioxide emissions pose a danger to the public.

Trump has labeled climate change a "hoax," and members of his administration have downplayed the impact that burning fossil fuels is having on the Earth and its changing weather patterns.

While Trump's administration seeks to unwind federal policies to address climate change, local governments are being forced to act. Nick Crossley, emergency management director for Ohio's Hamilton County, which includes Cincinnati, said his agency dealt with more flash flooding than usual last year.

"Some call it climate change; some call it something else," Crossley said in a phone interview. But whatever you call it, "it's putting a strain on local resources."

Crossley, who is also vice president of the International Association of Emergency Managers, said his counterparts around the country are dealing with similar problems. He said that while federal reports documenting the extent of climate change might not capture the public's attention, they can help persuade local officials to better prepare for future storms, floods, and other challenges.

Those steps can include building storm-resistant infrastructure, and helping people who live in vulnerable areas move someplace else.

One of the surest signals that local governments are taking climate change seriously is that they're

looking for new ways to pay for it. In South Florida, which is struggling with both rapid sea-level rise and an increase in flooding, the city of Coral Gables is looking for ways to start saving now for higher stormwater-managements costs.

“The earlier you do stuff, the easier it is to prepare,” said Abby Corbett, a lawyer who specializes in climate adaptation and is advising Coral Gables. She said that while cities in South Florida have long had to cope with flooding, climate change could cause people to leave, shrinking the city’s tax base.

“It may be that we have to struggle with revenues, just as costs are increasing,” Corbett said.

Local officials aren’t the only ones trying to cope with the effects of climate change. The accumulation of scientific data on global warming has put pressure on the U.S. coal industry, which is already suffering because of competition from cheap natural gas prices and renewable energy. It increasingly has to deal as well with the perception that coal is ruining the planet.

“I don’t think the public is in the dark” about the scientific consensus on climate change, said Luke Popovich, vice president of the National Mining Association, which represents coal companies. He asked why the U.S. should reduce its own coal use when other countries, chiefly China and India, continue to burn it. And he said that for most people, climate change remains low on their list of worries.

“No matter how much information comes out of NOAA, it is not going to help put more pressure on the U.S. to do more,” Popovich predicted. “We’ve got a hell of a lot of other problems to address.”

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Trump Is Said to Be ‘Really Interested’ in Payments for Coal Use

Posted August 10, 2017, 8:58 A.M. ET

By [Tim Loh](#)

West Virginia Governor Jim Justice said Donald Trump is “really interested” in his plan to prop up Appalachian mining by giving federal money to power plants that burn the region’s coal.

Justice, a coal and real estate mogul elected governor last year as a Democrat, announced at a West Virginia rally alongside President Trump last week that he’s becoming a Republican. Justice has recently spent a “goodly amount of time” meeting one-on-one with Trump and has liked the feedback to his pro-coal proposal. The plan calls for the Department of Homeland Security to send \$15 to eastern U.S. utilities for every ton of Appalachia coal they burn.

“He’s really interested. He likes the idea,” Justice said in a phone interview on Aug. 9 when asked about Trump’s reaction. “Naturally, he’s trying to vet the whole process. It’s a complicated idea.”

In Justice’s eyes, the coal payments will be necessary because Trump’s moves to roll back regulations on the Appalachian coal industry won’t be enough to preserve it. The Appalachian coal sector has been shrinking for years as companies are forced to spend more money to access harder-to-reach seams of the fossil fuel. Meanwhile, competitors in regions including the Illinois Basin and Powder River Basin of Wyoming and Montana have much thicker coal seams that are cheaper to get to.

Critics say such a proposal would be expensive and misguided. U.S. power plants burned at least 110 million short tons of Appalachian coal in 2016, according to Andrew Cosgrove, an analyst at Bloomberg Intelligence. A payment of \$15 for each of those tons would cost at least \$1.65 billion.

Justice said he's discussed the plan with, among others, Department of Energy Secretary Rick Perry, Vice President Mike Pence and Jared Kushner, Trump's senior adviser and son-in-law.

Asked whether Trump is considering Justice's plan to prop up the coal industry, White House spokeswoman Kelly Love said there's nothing to announce at this time.

Too Reliant

While Appalachian coal production is up this year, if there's another "downtick" it'll cause a spate of bankruptcies, mine closures, and layoffs that could be impossible to recover from, Justice said.

At the heart of his pitch, Justice argues that the country is becoming too reliant on natural gas for power and it's not enough to supplement that with coal from the Midwest and West.

Justice rejects the notion that his plan amounts to a "bailout" or "subsidy" for Appalachian coal. Rather, it's a matter of national security, he said, because terrorists could easily blow up important gas pipelines or derail freight trains shipping coal to the east, leaving large swaths of the country lacking power-plant fuel.

'Absolute Chaos'

"Can you imagine what would happen if we lost the power in the east for a month, or two months, or three months?" Justice said. "It would be like a nuclear blast went off. You would lose hundreds of thousands of people. It would be just absolute chaos beyond belief."

Justice insisted that renewables could one day be the primary source of U.S. electricity generation, but says he's not sure whether that'll come in 10, 20 or 30 years.

"This may very well be a temporary fix, a temporary security blanket," he said. "But today we don't have the renewables in place. And today, we cannot lose our eastern coal fields."

While it's legitimate to worry about the reliability of the U.S. power grid, the decline of the coal industry isn't raising much of a threat at a time of cheap and abundant gas and fast-growing wind and solar power, said Jason Bordoff, director of Columbia University's Center on Global Energy Policy.

It's "unfortunate and irresponsible" to float a policy idea like this, Bordoff said, when U.S. and global forces are causing a structural decline in the Appalachian coal sector and communities need to diversify local economies.

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Disclosing Monsanto Messages Could Cost Lawyers in Lawsuit

Posted August 10, 2017, 11:41 A.M. ET

By [Tiffany Stecker](#)

Lawyers for cancer victims suing Monsanto could be booted from the case after disclosing confidential documents detailing the pesticide manufacturer's communications with regulators and scientists.

U.S. District Court Judge Vince Chhabria [told](#) the lawyers Aug. 9 that posting 75 instances of emails and text messages allegedly showing Monsanto influencing scientists and regulators on the safety of their Roundup herbicide appears "to have violated the requirement that lawyers work with opposing counsel in good faith" ([In re Roundup Products Liability Litigation](#), N.D. Cal., No. 3:16-md-02741, 8/9/17).

The firm Baum, Hedlund, Aristei, and Goldman PC must now show by Aug. 14 why the firm should remain one of the leaders in coordinating the litigation, and why it shouldn't pay penalties. More than 1,000 people are suing the company in state and federal courts, saying Roundup exposure caused their non-Hodgkins lymphoma.

Baum Hedlund is one of the firms responsible for consolidating the cases in the U.S. District Court for the Northern District of California. Starting over with new attorneys would be a big setback for the plaintiffs.

The other plaintiffs' firms also must tell the court why they should not be replaced as a result of Baum Hedlund's actions. The court will hear arguments on the matter Aug. 24.

Baum Hedlund [posted](#) the correspondence on Aug. 1, saying that Monsanto missed a deadline to extend the protective order. The company disputes this, saying that plaintiffs did not have proper grounds to lift the confidentiality seal on the documents, and that the judge specifically denied that certain files be made public. The documents have been widely covered in media reports, and may remain online until at least Aug. 24.

"You can't unring the bell," Scott Partridge, vice president of global strategies for Monsanto, told Bloomberg BNA. "To repair the violation is impossible."

Managing partner Michael Baum said in a statement that the firm will respond to the court's order to show cause.

EPA Issues Checklist for State Coal Ash Permit Programs

Posted August 10, 2017, 11:20 A.M. ET

By [Emily McCormick](#) (Bloomberg) and [Sylvia Carignan](#) (Bloomberg BNA)

States and Indian tribes now have details on how to develop EPA-approved coal ash disposal programs.

States had long been aware that their coal ash disposal programs must be at least as protective as federal standards, but had received few additional details until the Environmental Protection Agency released [guidance](#) Aug. 10. The EPA announced in May it was developing a framework for those programs.

The guidance responds to inquiries about the provisions of Water Infrastructure Improvements of the Nation Act, enacted in December, to allow states to be chief regulators over coal ash through EPA-approved state permit programs.

To gain federal approval, states must be able to show they can determine whether coal ash storage owners and operators are complying with state requirements. States also must show they can monitor or test them for compliance, and can enter sites for inspections, sampling or to review operation records.

According to the interim guidance, the EPA generally expects states to develop permit programs before seeking federal approval, but has not set deadlines for any of those actions. The agency expects to update the guidance document as it receives feedback from states.

The 2016 Water Infrastructure Improvement for the Nation Act delegates coal ash disposal permits to states. EPA has 180 days to act on a state's application for approval and must provide an opportunity for public comment.

The EPA promised states a "swift" review of their programs in May.

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World's Biggest Coal Shipper Talks a Lot About Electric Cars

Posted August 10, 2017, 7:40 A.M. ET

By Thomas Biesheuvel

Glencore Plc might be the world's biggest exporter of coal, the dirtiest fuel, but the mining giant is increasingly excited about electric cars.

"It looks like it's going to be the big growth area, no doubt," Ivan Glasenberg, Glencore's chief executive officer, said on a call with reporters August 10. "It's an area people definitely have to get into."

Battery-powered cars and gasoline hybrids are poised to grow so fast that by 2040 they'll make up more than half of vehicles sold globally, according to estimates from Bloomberg New Energy Finance.

Electric cars contain about three times more copper than a regular vehicle, according to Glencore. Even more is needed for charging stations, with Exane BNP Paribas predicting infrastructure will add about 5 percent to demand by 2025. Lithium, cobalt, graphite and manganese used in batteries will also see additional demand.

The battery in an electric car contains about 38 kilograms of copper (84 pounds), 11 kilograms of cobalt and 11 kilograms of nickel, according to Glencore.

The outlook for greener transportation got a boost this year after the U.K., France and Norway said they would ban sales of fossil-fuel cars in coming decades. Volvo AB has also announced plans to abandon the combustion engine and Tesla Inc. will soon sell its cheaper Model 3.

Glencore, a major producer of cobalt, copper and nickel, is not the only miner lining up to take advantage of the growth. The world's biggest miner, BHP Billiton Ltd., is looking to boost nickel supply.

"From the tough period we've just been through, people don't have big plans for new greenfield operations and this bodes well for the prices in these commodities," Glasenberg said. "It's going to be hard to grow in these areas."

At the same time, Glencore is also increasing its coal bet. The company recently agreed to pay \$1.1 billion plus royalties for a large stake in an Australian coal mine.

Its pursuit of coal contrasts with other major miners such as Rio Tinto Group, who have moved away from the most polluting fuel. Glencore has consistently said that coal is essential to the needs of the developing world in the long term, especially in Asia.

Still, Glasenberg sees electric vehicles and coal as a win-win situation.

"You have to power these electric vehicles from the grid," Glasenberg said. "The amount of power that you have to throw into these electric vehicles when you're charging them, we definitely need more power supply."

Peter Grauer, the chairman of Bloomberg LP, is a senior independent non-executive director at Glencore.

--With assistance from Mark Burton.

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America's Power Plant Jobs, Ignored by Politicians, Are Dying

Posted August 10, 2017, 7:59 A.M. ET

By [Naureen S. Malik](#) and [Tim Loh](#)

A couple months ago, Donald Trump was cheering a new coal mine in Pennsylvania that will put 70 people to work—good news for a president whose pledge to revive the industry helped get him elected. But a bigger group of coal workers has already suffered sweeping job cuts, and it's bracing for more.

Coal-fired power plants employ more people than mines, and they're shutting down all over the country. Cheap natural gas, the rise of renewables backed by tax credits, and subsidies for nuclear energy will likely combine to keep the trend going—and leave more people like Lynnette Faje out of work.

Faje had spent more than a quarter century at an Illinois-based power company that's owned today by NRG Energy Inc. She had survived two buyouts and had spent her final three years at the company as a laborer on the plant floor after her office position was cut. She found out her \$23.50-an-hour job was being eliminated entirely while taking minutes one day at a local union meeting.

"Pretty much everything I've worked for my whole life is pretty much gone," Faje, 51, said. She voted for Trump, and wants to go back to work at a coal plant, but sees little chance of that

happening. Contractors have been hired to do her old job now and she's found work on the overnight shift at a candy factory, earning 28 percent less an hour than she did at NRG to watch Baby Ruth bars roll by on the conveyor belt.

'Going to Zero'

Coal-fired plants employed 86,035 people in the U.S. last year. That may not seem like a huge amount in a country of some 150 million workers but it's 16 percent more than the number employed at mines, according to the U.S. government. It's also a younger and more diverse workforce, with women making up more than a third of it, and ethnic minorities about a quarter.

Curiously, they haven't gotten nearly as much attention as the miners -- even though their numbers are shrinking fast. And coal comebacks like the one Trump hailed in Pennsylvania won't help them. Corsa Coal Corp.'s venture there is digging up metallurgical coal, which is used in steelmaking and often exported.

Under Trump, the Environmental Protection Agency is making efforts to save some of the coal-plant jobs by scaling back emissions regulations. But most experts expect more plants to shutter as new gas-fired units come online and costs keep plunging for solar and wind power. Some coal plants are being converted to gas, which still involves layoffs because gas generators typically employ about half as many people.

"All the power market people that I know, we all think coal is going to zero," said Alex Elsik, chief executive officer of Geosol Capital LLC, a Houston-based hedge fund. In the power market that the Chicago plants are part of, the cost of generation with coal is about 50 percent higher than with gas, he said.

If there's a sliver of hope for the industry, it may lie in a burgeoning debate among regulators and grid operators about the need to preserve fuel diversity.

Polar Vortex

The International Brotherhood of Electrical Workers has been pushing that case in Washington, according to Donnie Colston, director of its utilities department. A much-cited example is the polar vortex that froze the U.S. in early 2014. Gas prices surged to record highs in New York, and the PJM Interconnection grid—serving a fifth of the country's population, from the Midwest to the mid-Atlantic—lost 22 percent of its generation assets. Keeping some coal capacity can mitigate such risks.

Coal plants are "life-limited over time, but for the present, coal plants will continue to be needed for reliability and fuel diversity," David Gaier, a spokesman for NRG, said by email.

Still, last month saw a string of announcements that's left a growing group of coal-power workers uncertain about their future.

Faje's former employer, NRG, plans to overhaul its entire business to slash debt and costs, with about 4 percent of savings coming from plant payroll, though it didn't say how many jobs would be cut. American Electric Power Co. is closing almost all of its coal plants in Ohio and is exploring strategic alternatives for the last two. It's already cut about 670 jobs, more than a fifth of the coal-plant workforce, since 2015.

Deep Discounts

The Texas power market is so depressed that all but two of the state's 15 coal generators are losing money, according to energy-focused investment firm Tudor Pickering Holt & Co. Houston-based Calpine Corp. may be on the verge of a buyout by a private-equity firm, a process that's kept plants alive in other states, but one that typically leads to staffing cuts. In a sign of how desperate some power companies are to get rid of their beleaguered coal units, they are being offered up at less than 10 percent of replacement cost.

Coal-plant shutdowns ripple across many other industries too, starting, of course, with the miners. Power generators accounted for 87 percent of U.S. demand for coal last year, according to analyst Wood Mackenzie Ltd. Temporary jobs in plant maintenance will be lost too. Generators need regular overhauls, and even small outages require hundreds of workers.

The big ones that take place every three to four years can involve a team of thousands. By contrast, gas-fired plants have few outages.

Faje says she's hearing a growing number of the personal stories that lie behind some of these numbers.

She recently found out that a former colleague had died after a battle with depression, and wrote a Facebook post in his memory. Others stepped forward with their own anxieties, about losing their homes, working longer hours and toiling under increasingly dangerous conditions as the industry's cost-cutting measures strain workers.

NRG's Waukegan plant north of Chicago had its own recent scare. One day in June, powdered coal ignited, triggering an explosion. No one was hurt but workers were spooked, according to an employee who asked not to be identified for fear of retaliation.

Later that month, a celebration was held at the Waukegan plant to commemorate 314 injury-free days. Bakers Square pies were spread across the lunchroom -- apple and cherry and blueberry. The staff wasn't in the mood, though, the worker said. The explosion was still on everyone's mind, and most of the pies were left untouched.

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Brazilian Bank Issues Record Grant Money to Guard Amazon

Posted August 10, 2017, 11:10 A.M. ET

By [Michael Kepp](#)

Brazil's Development Bank issued a public call Aug. 9 for projects eligible to receive an unprecedented 150 million reais (US \$47.5 million) in grants from a fund dedicated to preserving the Amazon rainforest.

The bank (BNDES) is doubling its efforts to solicit environmental projects, after the bank awarded a combined \$42.8 million in grants to 15 projects in 2012 and 2015.

It's the latest public call is the largest award to projects since the bank set up the Amazon Fund in 2008, Juliana Santiago, the BNDES director of the Amazon Fund, told Bloomberg BNA Aug. 9.

The bank's solicitation comes at a time when Norway—the biggest contributor to the Amazon Fund's \$1.135 billion supply— is reducing its contributions after the country's Ministry of Climate and Environment announced in June that Brazil's commitment to environmental protection "might be in retreat."

Germany has contributed \$28 million to the fund. Norway will contribute a maximum of \$35 million in 2017—only about one-third of its yearly average—because of a spike in Brazilian Amazon deforestation rates, the ministry said.

Projects eligible for grants must focus on the conservation and sustainable use of the Amazon, and will be awarded in April 2018 with grants of \$3.6 million to \$9.5 million.

The BNDES has committed \$565 million worth of Amazon Fund grants, around half the \$1.135 billion in donations it has received, and has disbursed most of it. But only \$90.3 million in grants have been awarded based on public calls for project submission proposals.

Enforcement

Around \$475 million of the \$565 million has been for larger projects outside of the bank's calls for projects, mainly for enforcement of Amazon protection efforts.

In November 2016 the BNDES agreed to give IBAMA, the enforcement arm of the Environment Ministry, \$17.8 million from the fund to pay for leasing helicopters and four-wheel drive vehicles, the second such award to IBAMA, which normally operates with government funds.

The BNDES will soon issue another public call for Amazon Fund projects to reforest the rainforest, eligible for an additional \$47.6 million, Santiago told Bloomberg BNA.

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