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From: Bloomberg BNA
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Daily Environment Report

Afternoon Briefing - Your Preview of Today's News

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New Jersey Eyes Rejoining Northeast's Carbon Trading Program

Posted September 08, 2017, 8:39 A.M. ET

By Gerald B. Silverman

New Jersey is on the cusp of rejoining the Northeastern greenhouse gas trading program it spurned in 2011, which could be a boon for power companies such as Consolidated Edison Inc. and Public Service Enterprise Group Inc. that have utilities across the region.

The Garden State is expected to rejoin the Regional Greenhouse Gas Initiative sometime after electing a new governor in November. Both the Democratic candidate for governor, Phil Murphy, and the Republican candidate, Lt. Gov. Kim Guadagno, support rejoining the program that Gov. Chris Christie (R) abandoned six years ago.

New Jersey would be the third-largest source of carbon dioxide emissions in the trading program should it rejoin the initiative. That would mean a larger marketplace for power companies to buy and sell emissions allowances and give utilities more options for making the necessary emissions reductions, Marjorie B. Kaplan, associate director of the Rutgers Climate and Environmental Change Institute at Rutgers University, told Bloomberg BNA in an email.

"But perhaps even more importantly, it would send a signal to the RGGI states that New Jersey is serious about addressing carbon emissions and a signal outside of the region that the Northeast region is uniting on addressing carbon emissions," she said.

Electric power companies are expected to have a relatively smooth transition if New Jersey takes the expected step of rejoining the trading program. The state's electricity generators participated in 14 RGGI auctions between 2008 and 2011. There were 40 electricity generators required to purchase carbon allowances when the state exited the program, according to RGGI data.

The trading program requires power plants with 25 megawatts of capacity or more in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont to purchase one allowance for each short ton of carbon dioxide they emit. The allowances

are sold in quarterly auctions, with proceeds returned back to the states for use on renewable energy, energy efficiency and certain other program.

Utilities Back Rejoining

"We will support their decision and will work with the new administration to make sure that the transition back into RGGI goes smoothly," Paul Rosengren, a spokesman for PSEG, told Bloomberg BNA in an Aug. 31 email.

Mike Donovan, a spokesman for Orange & Rockland Utilities Inc., which provides transmission service in the northern part of New Jersey, said its parent company, Consolidated Edison, has been a supporter of RGGI.

The market could grow even larger if Virginia also joins the initiative. Virginia is considering joining RGGI, as part of Gov. Terry McAuliffe's (D) May directive that the commonwealth develop a trading-ready program to reduce carbon emissions.

Virginia, with a relatively large number of coal plants, would be second only to New York in terms of carbon dioxide emissions if it joined RGGI.

'Politically Motivated Tax Increase'

Christie withdrew his state from RGGI in 2011 and vetoed three bills from the Democratic legislature to rejoin the program. In his latest veto message July 13, he said the bill "is nothing more than an unnecessary, politically motivated tax increase."

But his own lieutenant governor has taken a more moderate position on RGGI and other issues in her bid to win election in the largely Democratic state. Ricky Diaz, a spokesman for Guadagno, declined to elaborate on her position, but confirmed that she supports rejoining RGGI.

Murphy, the Democratic candidate, plans to immediately rejoin RGGI if elected, according to his campaign's policy statement on climate change. He also supports developing a plan to eventually make New Jersey's power sector carbon-free.

"Gov. Christie's decision to pull out not only slowed progress on lowering emissions, but it also cost New Jerseyans tens of millions of dollars that should have been used to further reduce greenhouse gas emissions, increase energy efficiency, and improve air quality in urban communities," the policy statement said.

The New Jersey power sector produced 16.7 million metric tons of carbon dioxide emissions in 2014, while the nine current RGGI states had 78 million metric tons of emissions that year, according to Energy Information Administration data.

Carbon Price Boosts Nuclear, Renewables

Putting a price on carbon in the state would help recognize the value of nuclear generation in producing carbon-free electricity, according to Rosengren. About half the state's electricity comes from nuclear power, he said.

New Jersey also would benefit from a new sources of revenues for renewables and energy efficiency because RGGI auction proceeds are returned to states for those types of programs,

Rosengren said.

Though some utilities back rejoining the emissions trading program, other businesses fear the move will only drive up electricity bills.

"In order for businesses to remain competitive in our region, we need to control electric costs," Bob Considine, a spokesman for the New Jersey Business & Industry Association, told Bloomberg BNA in an email.

"About 24 percent of our electric bill is government-imposed taxes and fees," he said. "Increasing generation costs through cap-and-trade would only increase that portion on the ratepayers of New Jersey."

Carbon Allowance Prices Jump as Cap to Tighten in Northeast

Posted September 08, 2017, 12:40 P.M. ET

By Gerald B. Silverman

Power companies saw a 72 percent jump in the price of greenhouse gas emissions allowances in the first auction after the Northeast's trading program announced plans to ratchet down the emissions cap.

Carbon allowances for the Regional Greenhouse Gas Initiative sold for $4.35 each in the Sept. 8 auction, up from $2.53 in June, according to auction results announced today. Despite the increase, that's still slightly down from $4.54 in the September 2016 auction. The latest auction raised $62.5 million for the nine states in the program.

The price increase can be attributed to RGGI's recent proposal to tighten its emissions cap after 2020 and create mechanisms to control the oversupply of allowances.

Forest Management Bills Wander Through Political Woods

Posted September 08, 2017, 6:36 A.M. ET

By Alan Kovski

Wildfires scorching the West may put the heat on lawmakers to revamp management of federal forests and funding of wildfire suppression.

The omnibus funding bill this year or a farm bill in 2018 may be just the must-pass vehicles to advance that legislation, sponsors say.

"We'll just look for whatever moving vehicles are out there. A spending bill may be one—some kind of an omnibus, perhaps in December," Sen. Steve Daines (R-Mont.) told Bloomberg BNA. "Looks like they're looking for a short-term [continuing resolution], which says there'll be something bigger coming in December," he said.

The bills could make a very big difference to companies that harvest timber on federal lands, to the communities dependent on the harvests for jobs and revenues, and to homeowners vulnerable to wildfires. The bills also worry conservationists fearful of excess logging.

Daines would like to shepherd a forest management bill through the Senate Agriculture, Nutrition, and Forestry Committee with a mix of streamlined environmental regulations and litigation relief. He has the support of Sen. Pat Roberts (R-Kan.), chairman of the committee, who told Bloomberg BNA Daines "has some very good ideas."

Burning Motivation for Action

Wildfires have burned 6.85 million acres in the U.S. so far this year, a 50 percent increase over the same period of last year, according to the National Interagency Fire Center. "There are more than a million acres of land burning in the West," Sen. John Barrasso (R-Wyo.) said on the Senate floor Sept. 6.

"Yeah, Montanans are tired of it," Daines said later. "It's an environmental disaster. Economically, it's very harmful."

"Sometimes it takes a tragedy or crisis to drive action in Washington," Daines said. "This fire season may be the—excuse the metaphor—the spark to get something done."

Wildfire fighting routinely drains all available funds from the U.S. Forest Service and leads to disruptive borrowing from other programs, including programs intended to prevent fires.

To stop the borrowing, lawmakers have been looking for a better strategy to supplement funds when appropriations fall short. That effort has bogged down for several years over disagreements on which law to amend—the Balanced Budget and Emergency Deficit Control Act, which can allow budget adjustments, or the Stafford Act for disaster relief, which could be amended to provide wildfire funding as a form of disaster relief, much as hurricane recovery is funded.

Some lawmakers, including Sen. Lisa Murkowski (R-Alaska), chairman of the Senate Energy and Natural Resources Committee, also have argued that it is unwise to increase firefighting funds without also boosting the management strategies—including forest thinning, fire breaks, and prescribed burns—that might reduce the number and severity of fires.

The Energy and Natural Resources Committee is another possible avenue for advancement of a forestry bill, Daines said.

Funding Bills Offered

Rep. Mike Simpson (R-Idaho) has once again proposed a bill (H.R. 2862) to use budget cap adjustments to allow more funding of wildfire suppression. The bill was introduced in June, received bipartisan support, and was referred to three committees (on budget, natural resources, and agriculture), the committee jurisdictional being another complicating factor.

Sen. Mike Crapo (R-Idaho) introduced a bill (S. 1571) that would make wildfire suppression available for disaster relief funding through an amendment of the Stafford Act. His bill hitches the Stafford Act amendment to reauthorization of the National Flood Insurance Program.

The Trump administration has taken no position on the funding options, which may frustrate people wanting action. "We would hope the administration would support a particular approach to fire funding," Bill Imbergamo, executive director of the Federal Forest Resource Coalition, told Bloomberg BNA. His group is an association of federal timber buyers.

Westerman Modifies Strategy

Forest management is the more difficult forest legislation, because it becomes a debate over how much logging to allow, whether to restrain litigation, and how many exemptions to make, if any, to the environmental analysis obligations of the National Environmental Policy Act (NEPA).

The House passed legislation in 2015 to establish a set of exemptions from NEPA requirements and to discourage litigation. This year, Rep. Bruce Westerman (R-Ark.) introduced a modified version (H.R. 2936) of that legislation without the provisions to dampen litigation, but he has won no votes from Democrats yet.

Westerman's bill was approved in June by the House Natural Resources Committee on a party-line vote and awaits action by three other committees. The 2015 version of his bill was passed the House but went nowhere in the Senate.

Thune Tries for Farm Bill

"I think the big difference this time in the Senate is that the Agriculture Committee is actively working on its 2018 farm bill, Mike Anderson, a Seattle-based senior policy analyst at the Wilderness Society, told Bloomberg BNA. "It's must pass, and it probably will include a forestry title or some [forestry] provisions in it."

Roberts unsuccessfully tried to galvanize action with a forest management bill last year. This year, Sen. John Thune (R-S.D.), also on the Agriculture Committee, is giving it a try with his Forest Management Improvement Act of 2017 (S. 1731), introduced Aug. 2.

Thune said he wanted his legislation to become part of a 2018 farm bill, but it was referred to the Environment and Public Works Committee. The referral to that committee may have surprised Thune, Anderson said.

Thune's bill would establish categorical exclusions for projects of up to 10,000 acres for forest thinning, wildlife habitat improvement, creation of areas of new growth ("early serial habitat"), and salvage of dead or dying trees. Where environmental impact statements are needed, the alternatives studied would be limited to the proposed project and the alternative of no action.

"I think the farm bill is a really good vehicle," Imbergamo of the timber buyers group said. He wondered how much of the forestry legislation could be carried in such a bill, however.

The 2014 farm bill (Pub. L. No. 113-79) had a forestry title including some NEPA categorical exclusions, notably for timber harvests of up to 3,000 acres in areas of declining forest health because of insects or disease. A Good Neighbor Authority program, allowing state foresters to conduct projects on federal lands, was expanded to nationwide and permanent status.

"We're very concerned about the Westerman bill and Thune's bill," Anderson said. To the Wilderness Society, the NEPA exemptions are misguided, and Thune's provision for a pilot program of binding arbitration is another effort at litigation restraint opposed by Anderson's group.

Committee Actions Awaited

Barrasso, chairman of the Environment and Public Works Committee, can be expected to be

supportive of the Thune bill, but that does not necessarily mean movement. Behind the scenes, there has been no talk of action on such legislation, a source said Aug. 29.

Democrats on the Environment and Public Works Committee, led by Sen. Tom Carper (D-Del.), can be expected to oppose NEPA exemptions. The majority could still get the bill out of committee to the Senate floor, where it could be added to a farm bill.

Barrasso introduced his own forest management bill (S. 879) early this year. It was referred to the Senate Energy and Natural Resources Committee, like his 2015 version of the bill.

Murkowski and Sen. Maria Cantwell (D-Wash.), ranking member of Energy and Natural Resources Committee, have talked about forest legislation several years in a row, including this year, but have moved nothing yet.

Rounding out the circle of legislation is the Emergency Fuel Reduction Act of 2017 (S. 1752), introduced Aug. 3 by Sen. Dean Heller (R-Nev.) and referred to the Agriculture Committee.

Turf Battle Looms as House Energy Leaders Plan DOE Overhaul

Posted September 08, 2017, 7:41 A.M. ET

By Brian Dabbs

Plans by a key House Republican to retool the Energy Department's core functions are in for a turf battle.

Rep. Joe Barton (R-Texas), a top Energy and Commerce Committee member and former chairman of the panel, plans to float legislation by the end of the year to overhaul the department, he told Bloomberg BNA, confirming statements he's made in recent months.

But beyond the general deadlock on Capitol Hill, there's one big problem: Barton isn't looping in Republican colleagues on another committee that controls the lion's share of department's non-military policy. The leader of that committee, in fact, said he didn't even know about the plans.

"I haven't heard anything about that," Science Committee Chairman Lamar Smith (R-Texas) told Bloomberg BNA Sept. 6. "I haven't heard anything about Barton or E&C [Energy and Commerce] at all."

Reauthorizations are a way for lawmakers to update the missions of federal departments and agencies. Without input from the science committee, the retooling effort could sputter or degenerate into a jurisdictional fight.

The House Science, Space, and Technology Committee is tasked with directing department action on research and laboratories, which play a vital role in innovative energy technologies, some of which are commercialized in the private sector. That research, some of it under the Advanced Research Projects Agency-Energy, and the agency's loan programs are a critical asset to energy companies of all sizes. The loan programs also fall under the science committee.

The E&C Committee is a juggernaut on Capitol Hill, competing with only the Ways and Means Committee for the broadest policy influence. Members covet seats on the two committees, and each of the bodies is known to throw around its weight in jurisdictional battles.

Meanwhile, business representatives are pining for collaboration.

"Ultimately it would be extremely helpful for both committees to team up to get this done," Christopher Guith, senior vice president of the U.S. Chamber of Commerce's Global Energy Institute, told Bloomberg BNA. "Anytime you're going to do [Energy Department] reauthorization, you're going to have to go through multiple committees." Guith served served as deputy assistant secretary for nuclear energy at the department during the George W. Bush administration.

E&C Forges Ahead

Barton suggested the Energy and Commerce Committee is comfortably in the driver's seat.

"We are primary. Depending on how energetic we want to be, we could conceivably have the science committee and the Natural Resources Committee" contribute, he told Bloomberg BNA Sept. 6.

Energy Committee Chairman Greg Walden (R-Ore.) tapped Barton for the task earlier this year, and Walden is committed to seeing the process move forward.

"Chairman Walden wants the committee to take a strategic look at a broad range of Department of Energy activities and responsibilities," Dan Schneider, a spokesman for Walden, told Bloomberg BNA. "He wants to identify where mission and management reforms make the most sense, in light of today's energy landscape, energy security—including cybersecurity—challenges, and national security interests."

Barton didn't disclose details of his priorities for the overhaul, saying only that he'd "like to see a realignment of the [Environmental Protection Agency] and its interaction with the Department of Energy." A spokesman for Barton, Daniel Rhea, said the former chairman plans to release his framework for the overhaul later in September.

The department, created in 1977, has never been fully reauthorized. Congress regularly reauthorizes the Defense Department and Federal Aviation Administration.

Science Committee Headway Made

A partial reauthorization of the Energy Department, a bipartisan bill (H.R. 589) authored by Smith, soared through the House in January.

Smith's bill also gives arcane new directions to the department to administer its 17 national labs and extends the Commercializing Technology pilot program, which aims to ease negotiations between the labs and the private sector over technology transfer, through Sept. 30, 2019. And further, the legislation revises the department's policy on advanced nuclear research, directing, for instance, an assessment of the need for a reactor-based fast neutron source.

Nuclear proponents have praised that language.

"The new bill also includes important reforms allowing the national labs to work more closely with private industry, and establishes new research programs around solar fuels, exascale computing and electricity storage," said a statement from the conservative group ClearPath Foundation in January. "Altogether, this bill establishes research programs focused on several key areas of clean

energy development, while giving the national labs greater flexibility."

But the bill's supporters tout its reauthorization of the department's Office of Science as a major achievement, calling it the first comprehensive overhaul of the office to date. The Office of Science accounts for nearly a sixth of the department's budget in fiscal year 2017.

The House rules on committee jurisdiction, which offers succinct descriptions of those authorities within a sprawling document, show the science committee holds sway over nearly all department research.

E&C has jurisdiction over "energy policy generally," but is charged largely with regulations.

Much of the department's budget is dedicated to nuclear weapons and other military functions, and that authorization is controlled by the armed services committee in the House and Senate. Barton said he doesn't expect an overhaul to touch on the military side.

Committee Still in the Dark

Thea McDonald, a spokeswoman for Smith and the science committee, told Bloomberg BNA Barton will have to reach out to the committee if he wants to achieve a real overhaul.

"Any comprehensive [Energy Department] reauthorization would have to include significant input from the science committee, as upwards of one-third of DOE is under our jurisdiction," she said.

Barton also hasn't reached out to Democrats, who may be needed in striking a deal. Nor has he reached out to Senate Energy and Natural Resources Committee Chairman Lisa Murkowski (R-Alaska), who would take up the mantle on the Senate side, she told Bloomberg BNA Sept. 7.

Monsanto Seeks to Block Arkansas Pesticide Ban

Posted September 08, 2017, 02:52 P.M. ET

By Tiffany Stecker

Monsanto Co. called on the Arkansas governor to reject a recommendation to curb spraying of the herbicide dicamba during a key part of crop-growing season, saying the proposal is backed by "unsubstantiated" theories.

At issue is a proposal by state regulators to prohibit spraying of the herbicide next year after April 15, before the hot summer months begin. Arkansas this summer received an unprecedented number of complaints about crop damage linked to the herbicide, a decades-old chemical undergoing a resurgence as Monsanto, BASF Corp., and other companies sell new versions of the weedkiller.

While the Arkansas ban would affect BASF and Dupont, which have dicamba products used by Arkansas farmers, Monsanto is fighting both to get a new product approved for use in Arkansas, and to get the ban lifted for all companies.

Pesticide Drift

Dicamba products were developed to help farmers kill weeds that have developed resistance to

common herbicides. But scientists in Arkansas say the chemical is prone to evaporate and travel to fields thousands of feet away, causing damage to soybeans, trees, and other vegetation.

Monsanto sent a letter to Gov. Asa Hutchinson (R) and a petition for rulemaking to the Arkansas Plant Board Sept. 7 to oppose the cut-off date.

The company also asked the plant board to allow the use of Monsanto's XtendiMax dicamba herbicide, which is currently prohibited in Arkansas but allowed in other states.

The plant board did not permit XtendiMax this year because state university scientists were not given the opportunity to do independent tests on the herbicide before it came on the market.

BASF spokeswoman Odessa Hines declined to comment specifically on Monsanto's petition, but pointed to a recent statement in which the company opposed the April 15 cutoff date.

"Restricting the use of this proven technology is a major step backwards for Arkansas farmers who will be put at a competitive disadvantage to growers in neighboring states," the BASF statement said.

'Contradicted by Actual Scientific Data'

Monsanto rejects the conclusion that the new versions of dicamba are volatile and argued that the crop damage is probably due to farmers misusing the herbicide, rather than the result of a failure in the product's design.

The state regulators' proposal to limits the herbicide's use "is predicated on unsubstantiated product volatility theories that are not supported by empirical or modeled data, but are contradicted by actual scientific data the Task Force failed to consider," Monsanto's Chief Technology Officer Robb Fraley wrote Hutchinson.

The company has suggested the crop damage is more likely the result of contamination of dicamba with other herbicides; illegal use of older, more volatile formulations of dicamba; spraying in high wind speeds or during other adverse weather conditions; or applicator's misreading the label instructions on the new, lower-volatility dicamba.

The 19-person plant board in August agreed to a task force recommendation to set an April 15 cutoff date to prevent spraying during the hot summer months when volatility—when the herbicide turns from liquid to gas—is more likely to occur. The date also would preclude many farmers from using the products on soybeans, which are usually planted in May.

Integrity Of Scientists

Monsanto's petition also calls into question the integrity of the scientists who say the products are highly volatile. Ford Baldwin, a retired University of Arkansas weed scientist and Jason Norsworthy, a current scientist at the university, spoke at the task force meeting on Aug. 17 in favor of restrictions.

Baldwin is a paid consultant for Monsanto competitor Bayer CropScience and an expert witness in litigation against the company, Monsanto said in its petition.

Norsworthy was quoted in a promotional pamphlet for LibertyLink, Bayer's herbicide developed to

kill resistant weeds, the company said.

Neither Baldwin nor Norsworthy were immediately available to comment.

The nonprofit Center for Biological Diversity criticized Monsanto's efforts to deter the state from instituting a ban.

"Monsanto continues to deny the well-documented fact that dicamba is notoriously drift-prone and is now attempting to thwart common-sense measures to protect farmers from this dangerous pesticide," Nathan Donley, a senior scientist at the organization said in a statement. "Dicamba drift is now blamed in damage across an estimated 3 million U.S. acres yet Monsanto can think only of protecting its own profits."

EPA Chief Pledges to Secure Toxic Sites in Irma's Storm Path

Posted September 08, 2017, 12:44 P.M. ET

By Jennifer A. Dlouhy

The Trump administration is applying lessons from Hurricane Harvey's drenching of southeast Texas as it secures toxic waste sites in the path of Hurricane Irma, U.S. environmental chief Scott Pruitt said.

The Environmental Protection Agency's main goal is to make sure there are "enough people on the ground" to quickly assess the integrity of at-risk chemical sites and respond to needs as the monster storm moves through, Pruitt said. Technical staff already are working to secure about 80 Superfund sites in Irma's path from Miami to North Carolina, including a former pesticide plant, military base, and machine shop.

"Operationally, we've tried to make sure we apply the same type of approach we used in Texas," Pruitt, the EPA's administrator, said in a Sept. 7 interview. "Because of the area and the amount of population that's affected in Florida, we're trying to be even more aggressive."

The EPA faced some criticism for its response to Hurricane Harvey in Texas, as it was not able to immediately inspect some toxic Superfund sites that were flooded or inaccessible. After chemicals at one plant exploded, spewing fumes into the air, the agency said an initial analysis showed "no high levels of toxic chemicals." Earlier on Sept. 7, local police officers filed a lawsuit against the plant owners, Arkema SA, saying they were sickened by the fumes from the plant.

Nearly 200 EPA personnel were deployed in Texas. The agency has about 77 people working on Irma related efforts and another seven are on the way.

Back-to-back hurricanes hitting the U.S. threaten to strain the federal government's resources, prompting the Senate to pass a $15.25 billion relief bill Sept. 7, and renewing a debate about the size and scope of federal agencies. The Trump administration has proposed cutting nearly a third of the EPA's budget for the fiscal year that begins Oct. 1 and culling roughly 3,200 employees from the agency's 15,000-member workforce, a process that has already begun as hundreds of workers accept buyouts.

Pruitt stressed that the EPA has not been hit by budget reductions yet, as Congress weighs how much to spend on the agency. Both Republican and Democratic lawmakers have signaled that they

will refuse to make the steep budget cuts President Donald Trump is seeking for EPA.

"Congress is working through the budget as we speak, so there's been no impact in that regard," Pruitt said. "It's more of just simply allocating personnel and prioritizing personnel—making sure that at the end of the day it's the local officials and the state officials in partnership with the EPA."

Hurricane Irma's Chemical Fallout Could Be Worse Than Harvey's

Posted September 08, 2017, 10:28 A.M. ET

By Jack Kaskey, Ryan Collins and Bryan Gruley

Before flames and smoke leaped into the sky over the Arkema chemical plant in Crosby, Texas, last week, Jolyn Masters was hunkered down at home on a Hurricane Harvey-flooded street a mile away. Then came a knock. A National Guard evacuation boat was waiting because of what was expected at Arkema.

For the next three days, Masters called a company hot line for information about the nine trailers containing volatile chemicals on Arkema's property. "I was on a first-name basis with one of the ladies," Masters said.

By the time she returned home on Labor Day, the trailers had burned. Nobody had died. But Masters couldn't offer comfort to people living near chemical plants as Hurricane Irma bears down. "This wasn't anything foreseeable," she said. "So I wouldn't even know what to tell those people."

What happened in Crosby could happen in Florida, with more disastrous results. It could happen in Homestead, near a pair of nuclear generators; or at plants near Tallahassee that produce potentially explosive ammonia; or rural communities with an expanse of phosphate mines not far from the Gulf Coast.

While Crosby appears to have avoided serious tragedy, Arkema executives admitted they were unprepared. The potential dangers stored within chemical plants remain unclear because regulators have acquiesced to industry demands that such information be kept secret for fear of terrorism. And Environmental Protection Agency head Scott Pruitt delayed for two years Obama-era rules requiring companies to be more transparent about what's in plants and their plans to keep them safe.

"One of the best ways to better prepare for these emergencies is to know what you're dealing with," said Bill Hoyle, a former senior investigator with the U.S. Chemical Safety Board, an independent agency. "What are the chemicals? How much of the chemical is there and what's the potential impact? I am sure the people evacuated in Crosby had no idea they were in a vulnerability zone."

The incident at the 43-year-old plant owned by Arkema SA of Paris, France, provided some of Harvey's most dramatic pictures—and a fortunate anticlimax. But an analysis by the Center for Biological Diversity in Tucson, Ariz., showed that the Houston area's hundreds of refineries and petrochemical operations released almost 1 million pounds of air pollutants in Harvey-related spills and flares, including benzene, sulfur dioxide, toluene, and xylene. The effects might not be known for months.

Before Harvey, the American Chemistry Council industry group issued a statement saying,

“Chemical companies know well to avoid the dangers of being unprepared.” This week, spokeswoman Anne Kolton said in an email that the group’s members “are taking Hurricane Irma extremely seriously.“

Mishandling Hazards

The Arkema plant generates about $30 million in annual revenue, less than 1 percent of its parent’s total. It was among 55 Houston-area facilities named as potentially harmful in a 2015 Houston Chronicle investigation done with Texas A&M University. The Occupational Safety and Health Administration this year fined the plant $91,274 for 10 safety violations, including some that involved mishandling of hazardous materials.

As with Hurricane Katrina in 2005 and the Fukushima, Japan, nuclear disaster in 2011, water defied Arkema’s efforts to protect the facility in the town of 2,300 about 25 miles northeast of Houston. When reporters asked how the company prepared, Arkema president Richard Rennard said, “Certainly we didn’t anticipate having six feet of water in our plant.“

The big problem was 19.5 tons of organic peroxides, used as catalysts in plastics manufacturing, which must be kept cool or they will ignite. When Harvey cut power, Arkema turned to generators that flooded; as at Fukushima, they were below the level of the rising waters.

Arkema had shut down the plant as Harvey barreled into Texas. It moved the peroxides away from chemicals like sulfur dioxide to the nine trailers with their own cooling systems. When those failed, Arkema told the world that explosions would ensue.

The first blast came early Aug. 31. Emergency workers were overcome by fumes, with police officers vomiting and gasping for air, according to a lawsuit filed against Arkema Sept. 7 by seven first responders. After a second explosion the next day, Masters received a call from Arkema saying yet another was coming. A few minutes later: boom!

Rennard said, “I’m not sure what more we could have done to provide additional layers of security to provide power to the site.” He said no dangerous chemicals had been released.

“This is a fire,” he told reporters. “We are watching physics at work.“

Safety Cuts

The Chemical Safety Board—which was slated for elimination in a Trump administration budget proposal—said it would investigate. Masters and her neighbors returned to the evacuation zone. Residents were cautioned to drink bottled water and wear surgical masks. The EPA said aerial monitoring detected no high levels of toxins in the air.

Florida should be so fortunate. Its petrochemical footprint isn’t nearly as large as Houston’s, but a map prepared by the nonprofit group Environment Florida shows scores of plants, storage depots, refineries, wastewater treatment facilities and EPA Superfund sites that could release hazardous materials.

Port Tampa Bay alone handles ammonia, unleaded gasoline, sulfuric acid and ethanol. The port was operating Sept. 7, but will halt shipping if the Coast Guard forecasts gale-force winds of at least 39 miles per hour hitting within the 24 hours to come.

Jennifer Rubiello, state director for Environment Florida, said in an email that industrial sites are poorly regulated and "even well-regulated sites can and do fail." She said she couldn't pinpoint Florida's riskiest because operators aren't required to disclose emergency plans.

Florida Power & Light Co. operates two nuclear-power generators 25 miles south of Miami at the mainland's southernmost tip. They were built in the early 1970s, when engineers couldn't imagine how rising seas could increase storm surges, said Bill Newton, deputy director of the Florida Consumer Action Network.

Fukushima's nuclear plants melted down after tsunami's surge cut power to cooling pumps, and Irma could do the same at Florida Power's Turkey Point plants, Newton said. "You lose the cooling, you lose the whole thing," he said.

Peter Robbins, a spokesman for the utility, said that comparing Turkey Point to Fukushima is "irresponsible."

The Florida plant was built to withstand Category 5 storms, and absorbed a direct hit from Hurricane Andrew 25 years ago, Robbins said. Equipment to mitigate flooding was added after Fukushima, and the plant and backup generators are 20 feet above sea level. Operations will stop before any storm impact, he said.

Then, there are the mines. Central Florida contains the nation's largest deposits of phosphate, a key fertilizer ingredient. Mosaic Co. of Plymouth, Minn., digs the ore from 200,000 acres and breaks it down with sulfuric acid, creating a byproduct called phosphogypsum that contains small amounts of radioactive uranium and radium. Because the phosphogypsum market is tiny, about 1 billion tons is piled in more than 20 stacks around the mines, according to Florida Polytechnic University researchers.

Drinking-Water Threat

Runoff can contaminate drinking and fishing waters from stacks that are inadequately contained, said Jaclyn Lopez, director for the Center for Biological Diversity's Florida office. Spills precipitated by Hurricane Francis in 2004 killed marine animals. Last year, millions of gallons of contaminated water sluiced into an aquifer after a sinkhole opened beneath a Mosaic stack.

"It's hard to say what the implications of 15 to 20 inches of rain would be," Lopez said. "It opens new pathways into the environment."

Ben Pratt, a spokesman for Mosaic, said the company has begun hurricane preparations at the phosphate facilities and has not yet decided whether to shut down.

EPA Administrator Scott Pruitt said in an interview that staff are being dispatched to monitor Irma's impacts, and he's not stinting on manpower. "If someone needs 10 people, send them 20," he said. "If they need 20, send them 40."

Workers are evaluating about 80 Superfund sites from Miami to North Carolina, and the agency is working with owners to secure them, he said.

Back in Crosby, Masters said Arkema handled its problem as well as could be expected. Other locals aren't as positive, she said, but, "even the people that disagree are still both out there helping the neighbor pull carpet out of their house."

—With assistance from Ania Nussbaum and Jennifer A. Dlouhy.

Trump Taps Bush-Era Official to Lead EPA Air Office

Posted September 08, 2017, 12:55 P.M. ET

By Abby Smith

A President George W. Bush-era EPA official could once again be leading the agency's air pollution office.

Bill Wehrum, should he be confirmed to lead the Environmental Protection Agency Office of Air and Radiation, would be returning to the post, which he held in the acting position for two years during the Bush administration.

President Donald Trump announced his intent to nominate Wehrum late Sept. 7, and the White House sent his nomination to the Senate shortly after. Wehrum is currently an attorney with Hunton & Williams LLP, where he heads the firm's administrative law group.

As air chief, Wehrum would lead the EPA's work on air and climate regulation—meaning he would be directing Trump administration efforts to review, and potentially unravel, Obama-era rules. The EPA, under Administrator Scott Pruitt, has already committed to review several key Obama-era rules, including the Clean Power Plan, methane limits for the oil and gas methane industry, and more stringent ozone air pollution standards set in 2015.

Merkel Warned That Failure to Hit Climate Goal May Hurt Germany

Posted September 08, 2017, 10:50 A.M. ET

By Brian Parkin

Chancellor Angela Merkel's ambition to lead Europe's fight against global warming is at risk of backfiring and tarnishing Germany's climate credentials, according to researchers.

Germans will likely reduce their carbon dioxide emissions by about 30 percent in 2020 compared to 1990 levels, missing the 40 percent reduction goal set by the government in 2012, according to a report by Berlin-based climate researcher Agora Energiewende.

German emission reductions "won't be a near miss but a booming failure," Agora researchers wrote. They urged Germany to refocus on emission cuts after this month's federal election, in which Merkel is seeking a fourth term as chancellor.

Climate protection is getting short shrift in campaigning by Germany's biggest parties even though polls show it's important to voters. More than seven of 10 Germans worry about the impact of climate change, even more than the 65 percent of voters concerned with war, according to a July survey by Kantar Emnid.

The Environment Ministry in Berlin responded to the Agora report, rejecting its forecast for carbon

dioxide output to 2020 in a statement on Thursday. The ministry expects Germany to cut emissions by as much as 37 percent.

EPA Braces for Irma • Harvey Gives Agency Chance to Shine • Congress Looks for Wildfire Money

Posted September 08, 2017, 7:12 A.M. ET

By Stephen Lee

EPA Braces for Irma

The EPA is doing what it can to prep for Hurricane Irma as the demon storm barrels toward Florida.

Right now the agency is focused on buttoning up local Superfund sites. EPA staffers are checking on the 22 sites in south Florida, assessing vulnerabilities, and prioritizing sites that have to be looked at once the storm has passed. EPA people are going to rush in and check out the sites as soon as they can, the Environmental Protection Agency says.

It's a chance for the agency to redo its Hurricane Harvey Superfund response. That time, remember, the EPA got into a flame war with an Associated Press reporter who said the agency wasn't on the scene.

EPA boss Scott Pruitt, for one, is feeling confident this time around. He says the agency's "expert preparedness and ongoing response efforts" in Houston makes him feel sure that EPA staff in Florida can "replicate their efforts."

The Senate gaveled through $15 billion in FEMA disaster aid on Thursday.

Harvey Gives Agency Chance to Shine

Most people who've heard of the CSB figure it's either a high-powered, zillion-person bureaucracy or a TV network. Wrong on both counts: the Chemical Safety Board is a tiny agency that haunts a few rooms in D.C., can't issue rules or fines, and employs all of 40 people.

That's why most of the time the CSB stays out of the spotlight. But every once in a while something happens that gets it on the nightly news, and now that Arkema's chemical factory has blown up in Texas, the CSB is getting camera-ready again.

The truth is, if anyone in the government is going to figure out what happened at Arkema, it will be the CSB. No one else is going to bother because it doesn't look like Arkema broke any government rules.

But President Trump has said the CSB should be killed because it's redundant. The agency does have funding at least through next September, though, and it's already got people poking around the Arkema site. Perish the thought that anyone would get political with hurricane cleanup, but realistically, this could be the CSB's chance to prove its worth to the folks in the White House.

(By the way, first responders are now suing Arkema for exposing them to nasty chemicals.)

Congress Looks for Wildfire Money

Gigantic wildfires are raging in Montana, Washington, Oregon, and California, and now Congress is trying to find more money to put the flames out.

Funding bills in the House and Senate could find their way into a big spending package in December or a farm bill next year. Something like that would be huge for timber companies, farmers, and people who live near the fires.

It seems like a bit of a long shot, though. The same idea flopped last year and the year before, and Congress doesn't have a ton of time left this year. Still, lawmakers aren't giving up.

One big difference this time in the Senate is the Agriculture Committee is actively working on its 2018 farm bill, which is must-pass legislation and will likely include some forestry stuff, according to Mike Anderson, a policy analyst at the Wilderness Society.

Meanwhile, reports from Montana are terrifying: the Washington Post's Capital Weather Gang is describing "apocalypse-like" conditions that are "blotting out the noonday sun."

What Else?

• Shopkeepers in Houston are mopping up the water and trying to open their doors, but government agencies are making sure they don't just dump their pesticides, paints, and drugs down the toilet.

• The Senate just barely voted down a $750 million chip-in for the U.N. Climate Fund.

• President Trump's fiery rhetoric on trade might hurt big U.S. energy companies.

• The president's nominees for the Federal Energy Regulatory Commission told Congress the agency should be technology-neutral.

• The European Union is sticking to the Paris accord, with or without the U.S.

Today's Events

• 10 a.m. EDT • Hurricanes • The Union of Concerned Scientists hosts a conference call about the things that make disasters like Hurricanes Harvey and Irma happen.

• All day • Climate • The Catalysts of the Climate Economy National Innovation Summit wraps up in Burlington, Vt.

Quote of the Day

"The commission doesn't have the authority—nor should it—to prop up failing technologies."
—Richard Glick, FERC nominee, on legacy energy sources

From Our Inbox

• A new study in Climatic Change journal connects the dots between climate change and specific fossil fuel companies like ExxonMobil and Chevron.

• Chocolate bar maker Mars says it's spending $1 billion to reverse climate change.

• More than 650 facilities energy and industrial facilities were affected by Harvey.

• San Diego Gas & Electric is offering $1,000 electric car rebates to teachers and first responders.

All About: The Green Climate Fund

Thursday the Senate Appropriations Committee rebuffed Democrats' last hope of resurrecting U.S. funding for the UN Green Climate Fund. That's a victory for President Trump, who made the fledgling fund for developing nations the poster child for U.S. climate spending abroad that would be better spent here at home.

But what is the Green Climate Fund exactly, and how did it become such a contentious issue? Well, the U.S. was actually one of the early backers of the UN fund back in 2014, when 190-plus nations were still very far apart on a global climate deal.

Poorer developing nations essentially were asking: why should we agree to act on climate change when the problem was largely caused by richer developed nations, and why shouldn't we be able to use the same fossil fuels richer nations used to industrialize? The Green Climate Fund, essentially, was partly an answer to that question. The U.S. led the way in pledging $3 billion over four years to the GCF to help developing countries adapt to climate impacts and pursue low-carbon development. Pledges today total just over $10 billion from more than 40 nations, mostly from developed ones.

The Obama administration wasn't able to fully deliver on that $3 billion promise; it actually only made good on $1 billion by the time Obama left office in January. But even that was controversial, as Republicans in the House and Senate protested that Obama made payments even without a specific authorization from appropriators. Thursday's vote in the Senate Appropriations Committee against further funding signals the end for such funding, perhaps as long as Trump remains in the White House.

—by Dean Scott

Around the Web

• Donald Trump, hurricane narcissist? (New Republic)

• Employers in Houston are doing what they can to help the region get back on its feet. (Wall Street Journal)

• Do Republicans believe in federal disaster relief? (Slate)

• Now that the Arctic permafrost is melting, diseases long trapped in ice are being released. (Vox)

• How not to freak out about climate change. (Grist)