

To: Jackson, Ryan[jackson.ryan@epa.gov]
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Subject: [SPAM] May 24 -- Energy and Climate Report - Afternoon Briefing



Energy and Climate Report

Afternoon Briefing - Your Preview of Today's News

The following news provides a snapshot of what Bloomberg BNA is working on today. Read the full version of all the stories in the final issue, published each night.

Westinghouse Exiting the Nuclear Plant Construction Business

Posted May 23, 2017, 09:20 P.M. ET

By [Rebecca Kern](#)

Westinghouse Electric Co. plans to exit the construction side of the nuclear business, following the company's bankruptcy filing, a company executive told Bloomberg BNA.

"Construction is not our forte, and we certainly have decided from a risk perspective, never to do that again," David Howell, Westinghouse's president of the Americas region, said in an interview May 23 on the sidelines of the Nuclear Energy Assembly annual meeting in Scottsdale, Ariz.

Westinghouse is planning for all of its global businesses to focus on engineering and procurement services, and not offer construction services, Howell said.

Westinghouse filed for Chapter 11 bankruptcy March 29 in the U.S. Bankruptcy Court for the Southern District of New York, following billions of construction cost overruns associated with the build of two nuclear reactors owned by Southern Co. in Georgia and two owned by SCANA Corp. in South Carolina. Westinghouse took over as engineering-procurement-construction contractor of the nuclear plants after it acquired the U.S. nuclear construction contractor CB&I-Stone & Webster in 2015.

Westinghouse is in the process of receiving an \$800 million loan from Apollo Global Management LLC, with approval from the bankruptcy court expected May 24. However, it is barred from using any of the credit for nuclear construction at the plants, Mark Marano, Westinghouse's chief operating officer, told Bloomberg BNA May 23.

Southern Co. has reached an interim agreement until June 3 with Westinghouse to continue construction of the Georgia reactors while the companies finalize and gain approval for a new service pact. Similarly, SCANA Corp. and Santee Cooper, South Carolina's state-owned utility, agreed to an extension of an interim agreement with Westinghouse ensure construction of the reactors through June 26.

Westinghouse expects to file a business plan in bankruptcy court and with a debtor-in-possession financing committee led by Apollo Global Management in July, Howell said. The company expects approval of the plan "some months after," he said.

Westinghouse to Emerge From Bankruptcy Stronger, CEO Says

Posted May 24, 2017, 12:22 P.M. ET

By [Rebecca Kern](#)

Westinghouse Electric Co., which has filed for Chapter 11 bankruptcy, will emerge “quickly, better, stronger,” CEO Jose Gutierrez said in his first public speech since the company’s filing in a U.S. bankruptcy court in March.

Westinghouse is working with Southern Co. and SCANA Corp., the owners of the Vogtle and V.C. Summer nuclear plants that are under construction in Georgia and South Carolina, respectively, “to find a long-term solution to complete those reactors,” Gutierrez said May 24 at the Nuclear Energy Assembly conference in Scottsdale, Ariz.

“We hope that those reactors get built. We hope they do a better job than we did,” Gutierrez said.

Westinghouse filed for Chapter 11 bankruptcy March 29 in the U.S. Bankruptcy Court for the Southern District of New York, after experiencing billions of dollars of construction cost overruns associated with the building of the four AP1000 nuclear reactors in Georgia and South Carolina. Westinghouse took over as engineering-procurement-construction contractor of the nuclear plants after it acquired the U.S. nuclear construction contractor CB&I Stone & Webster Inc. in 2015.

Westinghouse is in the process of receiving an \$800 million loan from Apollo Global Management LLC. However, it is barred from using any of the credit for nuclear construction at the plants, Mark Marano, Westinghouse’s chief operating officer, told Bloomberg BNA in a May 23 interview.

Southern Co. has reached an interim agreement with Westinghouse that extends to June 3 to continue construction of the Georgia reactors while the companies finalize and gain approval for a new service pact. Similarly, SCANA Corp. and Santee Cooper, South Carolina’s state-owned utility, agreed to an extension of an interim agreement with Westinghouse to ensure construction of the reactors through June 26.

World Bank Sees Batteries as ‘Next Frontier’ of Climate Spending

Posted May 24, 2017, 10:14 A.M. ET

By [Jessica Shankleman](#)

The World Bank expects stricter rules for clean-energy auctions to spur investment in batteries and other kinds of energy storage, making the industry segment the “next frontier” of climate finance.

Countries including India and Morocco are tightening parameters on renewable power developers to ensure wind and solar farms provide more predictable flows of electricity. That means the intermittent generators increasingly need to invest in energy storage, John Roome, senior director of climate change for the World Bank, said in an interview in London.

The Washington-based development bank sees energy storage as a key technology for its efforts to scale up finance targeted for environmental projects as it moves away from backing mainstream renewable technologies such as solar and wind that are attracting investment on their own, he said.

The World Bank has said its climate financing could increase to as much as \$29 billion a year by 2020, as part of a pledge to raise the share of spending on climate change mitigation and adaptation by one third.

Global battery-making capacity is set to more than double by 2021, reaching 278 gigawatt-hours, up from about 103 gigawatt-hours now, according to Bloomberg New Energy Finance.

Yet the higher costs for batteries now means bids for renewable projects with storage attached will be more expensive, said Roome. The World Bank would work with companies to offer transitional finance to help “blend down” the costs.

The government of Jordan is also considering requiring storage in its upcoming renewable energy auction, said Alzbeta Klein, director for climate business at the bank’s International Finance Corp. The battery storage market is still in early development stages, with richer countries such as the U.S. and South Korea, leading the market, she said.

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Pope Lends Weight to G-7 Push to Bind Trump to Climate Deal

Posted May 24, 2017, 7:30 A.M. ET

By [Margaret Talev](#) and [Lorenzo Totaro](#)

Pope Francis joined an international chorus urging Donald Trump to meet U.S. commitments on climate change in talks at the Vatican May 24.

Francis gave the U.S. president a copy of his 2015 encyclical calling for urgent, drastic cuts in fossil-fuel emissions after a half-hour meeting in his private study.

Francis’s choice of gift suggests he is adding his voice to those who are urging Trump not to renege on the Paris accord, which is the cornerstone of global efforts to limit climate change. The Vatican said in a statement that the talks focused on international affairs and the promotion of peace, with particular emphasis on health care, education and immigration.

“Thank you, thank you,” Trump told Francis as they shook hands after the meeting. “I won’t forget what you said.” Trump has said climate change might be a hoax perpetrated by the Chinese.

For his part, Trump gave Francis a special edition of the works of U.S. civil rights leader Martin Luther King.

Trump met with Italian Prime Minister Paolo Gentiloni later on May 24 before he travels to Brussels for a NATO meeting. He’ll be back in Italy again on May 26 for talks with Group of Seven leaders in Taormina, Sicily. The world’s biggest developed economies are expecting Trump to say whether he’ll keep the U.S. in the Paris climate accord during the summit, Germany’s environment minister Barbara Hendricks, said May 22.

French President Emmanuel Macron will push Trump over climate during the NATO meeting as part of a coordinated European effort to sway the president, a French government official said May 24, adding that he had expected the pope and Gentiloni also to raise the issue. The official said that the

questions over what the U.S. will decide have led to unprecedented uncertainty over what the G-7 will be able to say in its final communique.

Members of the Trump administration have been deadlocked over whether the U.S. should uphold the pact, brokered by nearly 200 nations in 2015. Leaders from Germany, China and other nations have pushed for America to stay.

Pressure has also come from business groups, including 280 investors representing more than \$17 trillion in assets who released a statement May 22 saying climate change must be an “urgent priority” for all G-20 nations. Executives have warned that Trump would put U.S. companies at a disadvantage if he pulled out of the pact.

As the richest nation and the second-largest polluter, U.S. efforts are central to keeping climate change from hitting an irreversible tipping point, unleashing catastrophic floods, droughts and storms, according to researchers. The U.S. has pledged to reduce its emissions by at least 26 percent from 2005 levels under the world’s broadest ever environmental agreement.

The meeting at the Vatican was the first between two leaders who have starkly differing views on a range of issues and was arranged at Trump’s request. Beyond their disagreements on the environment, Francis wants the world’s doors swung open to refugees, while Trump wants fewer of them in America. Income inequality is a serious concern for the pope -- the billionaire president plans to rewrite the U.S. tax code to make the wealthy even richer.

For the president, it’s an encounter that may confer some legitimacy as he grapples with a political crisis back home. For Francis, it’s a chance to influence a leader who, for all his stumbles, remains the most powerful person in the world.

“There’s a whole range of issues on which the pope and Trump differ, but the point of their meeting isn’t to forge agreement on them or to change each other’s minds,” papal biographer Austen Ivereigh said in a telephone interview. “The point is to establish a bond of trust, which they can both call on in the future to further their agendas.”

Symbol of Peace

Francis arrived at the courtyard of the Apostolic Palace in a Ford Focus and entered the building through a side entrance. Ten minutes later, the president’s motorcade was greeted by Swiss Guards who stood to attention with their halberds and ostrich-plumed helmets. The pope welcomed Trump upstairs in the Sala del Tronetto before the two leaders retired to his private study for a half-hour conversation.

“It was an honor to be with the pope,” Trump told reporters later in the morning. “We had a fantastic meeting,” he added, without addressing a shouted question on whether they discussed climate change.

As well as the text on environmental protection, which Francis said he’s sent to all Roman Catholics, the pope also gave Trump books on family and the joy of the gospel.

“I’ll be reading them,” the president told him.

He also gave Trump a medal made by a Roman artist depicting an olive. The pope told Trump the olive is a symbol of peace.

“That’s so beautiful,” the president said. “We can use peace.”

—With assistance from John Follain, Alessandra Migliaccio and Helene Fouquet.

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U.S. Government Launches Probe into Cheap Imported Solar Cells

Posted May 24, 2017, 10:00 A.M. ET

By Joe Ryan

The U.S. government opened an investigation into whether American solar-panel manufacturers are being hobbled by cheap imports, marking the first step in a probe that may lead to import tariffs on photovoltaic components.

The [U.S. International Trade Commission](#) is instituting the probe at the request of Suniva Inc., a bankrupt Georgia-based manufacturer that said it was unable to compete with low-cost solar cells made predominately in China. Officials will conclude by Sept. 22 whether the company had suffered damages, the ITC said in a May 23 notice.

“We are pleased that the Commission has taken this next step and initiated the investigation of this case,” Matt Card, a Suniva executive, said in a statement.

Suniva requested import duties of 40 cents per watt for solar cells produced outside the U.S. and a floor price of 78 cents per watt for panels. The International Trade Commission will do the initial analysis of the complaint; the final decision on whether to back Suniva rests with President Donald Trump.

The case, filed by Suniva in April, has rattled the solar industry. The duties Suniva is requesting are forecast to double the price of panels and may imperil 260,000 jobs, according the Solar Energy Industries Association.

Suniva’s majority owner, Shunfeng International Clean Energy Ltd. of China, has also objected, saying the move is “not in the best interests” of clean energy markets.

“The International Trade Commission’s decision to consider Suniva’s petition for a lifeline could be bad news for hundreds of thousands of American workers in the solar industry and may jeopardize billions of dollars in investment in communities across the country,” SEIA chief executive Abigail Ross Hopper said in a statement. Tariffs and floor prices are “a blunt instrument that would cripple one of the brightest spots in America’s economy.”

Solar installations in the U.S. have soared in recent years, largely because of low-cost panels made in China. Suniva’s largest creditor, SQN Capital Management, required the manufacturer file the trade case as a condition of its Chapter 11 bankruptcy financing.

The ITC said it would take longer than normal to investigate the case, saying it was “extraordinarily complicated.” The agency plans to send a report with its recommendations to the president by Nov. 13.

--With assistance from Jennifer A. Dlouhy.

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