

**To:** Jackson, Ryan[jackson.ryan@epa.gov]  
**From:** Bloomberg Environment  
**Sent:** Tue 12/5/2017 12:11:51 PM  
**Subject:** First Move: 'Devastating' Tax Provision • Arctic Refuge's Oil Potential • Speeding Up Gas Exports

What you need to know to start your day.

## 'Devastating' Tax Provision • Arctic Refuge's Oil Potential • Speeding Up Gas Exports

By [Chuck McCutcheon](#)

Now that the Senate has passed its tax overhaul, the renewable energy industry is beseeching tax writers—who are negotiating with the House—to fix a provision it warns could cripple that sector.

The Senate-approved proposal preserved some of the tax credits that have led to great growth in the wind and solar industries. But the bill threatens a key source of wind and solar financing from big companies, including JPMorgan Chase & Co. and Bank of America Corp.

In tax-equity deals, renewable-energy developers sell portions of their projects' tax credits to corporations—often banks and some insurance companies—that can apply the credits to their own tax bills. The Senate version includes a provision that imposes a minimum tax on these companies' foreign transactions. If they have to pay a minimum tax, they may no longer have any need for the credits acquired through tax-equity deals.

"The impacts are potentially devastating," American Council on Renewable Energy President Gregory Wetstone told Bloomberg News.

Meanwhile, industries such as coal and nuclear that didn't get provisions into the tax overhaul may get a second chance before the end of the year. Tens of billions of dollars in expiring tax incentives could be attached to must-pass government funding legislation.

**The Senate's tax overhaul** also includes language to open Alaska's Arctic National Wildlife Refuge to oil leasing. That swath of land is thought to hold greater potential for new oil discoveries than any other U.S. onshore area, [Alan Kovski](#) explains in a story being published this week.

The U.S. Geological Survey doesn't expect super-giant oil fields like Prudhoe Bay will be found in ANWR, but there is thought to be a good chance of finding large

fields—holding hundreds of millions of barrels each—that are on a scale similar to discoveries announced in recent years on the North Slope in state onshore and offshore areas and in the National Petroleum Reserve-Alaska.

**The Senate Energy and Natural Resources Committee’s** panel on energy is talking about seven bills at a hearing today, including a measure addressing one of the Trump administration’s energy goals: speeding up exports of liquefied natural gas to other countries.

The bill by Republican Sens. Bill Cassidy of Louisiana and Marco Rubio of Florida aims to codify into law an Energy Department proposed rule that is intended to expedite the approval of small-scale LNG exports to the Caribbean, Central America, and South America. The bill would cover exports equal to or less than 51.1 billion cubic feet per year.

The Energy Department’s rulemaking is in response to a Trump administration executive order requiring federal agencies to find ways to lift restrictions to “unleash” more domestic energy resources.

[Rebecca Kern](#) will cover the hearing.

## Other Stories We’re Covering

- The independent, quasi-judicial U.S. International Trade Commission [will vote today](#) on whether to pave the way for anti-subsidy duties on biodiesel from Argentina and Indonesia. A decision in favor of duties would be a victory for the National Biodiesel Board Fair Trade Coalition, which argues the fuel is unfairly subsidized and being dumped in the U.S. at prices below production costs.
- Trump’s [decision to shrink](#) two Utah national monuments will be followed by decisions on other national monuments. A report on the decisions—originating with recommendations from Interior Secretary Ryan Zinke—will be released this week, the White House said.
- The Senate energy committee [considers nominations](#) of Timothy Petty to run Interior’s U.S. Geological Survey and Bureau of Reclamation and Linda Capuano to be the head of the Energy Department’s research arm. [Rebecca Kern](#) is covering.
- The German Marshall Fund is [hosting a forum](#) on U.S. climate action, including looking at cities’ and regions’ roles in implementing international climate policy. [Dean Scott](#) is monitoring.

A tugboat on London’s Thames River in heavy smog in 1952.

Photo by Fox Photos/Hulton Archive/Getty Images

## Around the Web

- Sixty-five years ago this week, London's [Great Smog](#) was the worst air-pollution crisis in European history, killing as many as 12,000 people. It led to restrictions on coal burning in urban areas.
- An English grocery chain [says it's selling](#) products up to a month past their "best by" dates to try to reduce food waste.
- Researchers are [starting to understand](#) why some glaciers swing between extremes of stagnation and crushing ice flow.

### Quote of the Day

"How would we all feel if 5 percent of trucks didn't have to stop for a school bus or abide by the speed limit?"

—Robert Nuss of Nuss Truck & Equipment, [criticizing an EPA proposal](#) to exempt glider kits from Obama-era greenhouse gas standards for heavy-duty trucks. Glider kits are new truck chassis and cab assemblies built for the installation of a used engine and transmission. They make up about 5 percent of the heavy-duty fleet.

### Today's Events

- **All Day • Clean Water Act** • The American Law Institute-Continuing Legal Education and the Environmental Law Institute [are co-sponsoring](#) a webcasted Clean Water Act seminar at the Hunton & Williams LLP offices in Washington.
- **All Day • Electricity** • gridCONNEXt conference [brings together](#) business, utility, and policymakers to explore topics affecting the electricity grid at the national, regional, state, and local levels.

For all of today's Bloomberg Environment headlines, visit [Environment & Energy Report](#)

1801 South Bell Street, Arlington, VA 22202  
Copyright © 2017 [The Bureau of National Affairs, Inc.](#)

[Manage Your Subscriptions](#)

[Unsubscribe](#)

[Web Version](#)

[Contact Us](#)

[Privacy Policy](#)

[Terms of Service](#)