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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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EPA Opens Door to Cutting Biodiesel, Renewable Fuel Quotas

Posted September 26, 2017, 03:27 P.M. ET

By Jennifer A. Dlouhy

The EPA wants public input on potential reductions in annual renewable fuel quotas, including mandates for biomass-based diesel in 2018 and 2019.

The Environmental Protection Agency issued a notice Sept. 26 providing historical data on imports of renewable fuel and possible strategies for using its statutory authority to waive annual targets established by Congress. It includes options for reductions in the biomass-based diesel, advanced biofuel and total renewable fuel volumes beyond what the EPA proposed in July in its 2018 renewable fuel standard rule.

The EPA cites a provision allowing it to reduce annual biomass-based diesel requirements as much as 15 percent for up to 60 days, with extensions allowed, if there's a renewable feedstock disruption or other market circumstance that would make its price jump. But "waiving the standard for 60 days" without adjusting the annual requirement "would provide no relief," the EPA said.

The agency asked in the notice whether it would be appropriate to reduce the annual standard by as much as 15 percent or, alternatively, allow refiners and importers to reduce individual quotas by an amount pegged to production and import levels within a specific 60-day period.

The notice follows the Commerce Department's decision to slap duties on biodiesel from Indonesia and Argentina, amid heavy lobbying by oil companies and trade groups asking the EPA to lower annual biofuel targets.

Bob Dinneen, president and CEO of the Renewable Fuels Association, said in a statement that there was no rationale for further lowering the 2018 advanced biofuel or total renewable fuel volume requirements.

California Mulls Following China With Combustion-Engine Car Ban

Posted September 26, 2017, 9:03 A.M. ET

By Ryan Beene and John Lippert

The internal combustion engine's days may be numbered in California, where officials are mulling whether a ban on sales of polluting autos is needed to achieve long-term targets for cleaner air.

Gov. Jerry Brown (D) has expressed an interest in barring the sale of vehicles powered by internal-combustion engines, Mary Nichols, chairman of the California Air Resources Board, said in an interview Friday at Bloomberg headquarters in New York. Brown, one of the most outspoken elected official in the U.S. about the need for policies to combat climate change, would be replicating similar moves by China, France and the U.K.

"I've gotten messages from the governor asking, 'Why haven't we done something already?'" Nichols said, referring to China's planned phase-out of fossil-fuel vehicle sales. "The governor has certainly indicated an interest in why China can do this and not California."

Embracing such a policy would send shockwaves through the global car industry due to the heft of California's auto market. More than 2 million new passenger vehicles were registered in the state last year, topping France, Italy or Spain. If a ban were implemented, automakers from General Motors Co. to Toyota Motor Corp. would be under new pressure to make electric vehicles the standard for personal transportation in the most populous U.S. state, casting fresh doubts on the future of gasoline- and diesel-powered autos elsewhere.

California has set a goal to cut carbon dioxide emissions by 80 percent from 1990 levels by 2050. Rising emissions from on-road transportation has undercut the state's efforts to reduce pollution, a San Francisco-based non-profit said last month.

"To reach the ambitious levels of reduction in greenhouse gas emissions, we have to pretty much replace all combustion with some form of renewable energy by 2040 or 2050," Nichols said. "We're looking at that as a method of moving this discussion forward."

Legal Means

California has the authority to write its own pollution rules, which dates back to the 1970 Clean Air Act. Those rules are underpinned by waivers granted by the U.S. EPA.

Nichols said the state would likely take a different legal route to enable a possible ban rather than use an EPA waiver, since the Trump administration would be unlikely to approve one. For example, California could use vehicle registration rules or control the vehicles that can access state highways, she said.

"We certainly wouldn't expect to get a waiver for that from EPA," Nichols said. "I think we would be looking at using some of our other authorities to get to that result."

China will likely order an end to sales of all polluting vehicles by 2030, the chairman of electric-car maker BYD Co. said Thursday. France and the U.K. have announced 2040 as their end date for sales of fossil fuel-powered cars.

A ban for California could also still be decades away from implementation, and just how far out remains to be seen, Nichols said.

"There are people who believe, including who work for me, that you could stop all sales of new internal-combustion cars by 2030. Some people say 2035, some people say 2040," she said. "It's awfully hard to predict any of that with precision, but it doesn't appear to be out of the question."

Puerto Rico May Be Grid Innovation Testing Ground: Energy Nominee

Posted September 26, 2017, 02:53 P.M. ET

By Rebecca Kern

Puerto Rico has the potential to be a testing ground for new electricity delivery technologies from U.S. national labs as the Caribbean island looks to rebuild its electric grid, an Energy Department nominee told senators today.

Senate Energy and Natural Resources Committee members asked Bruce Walker about what can be done to improve the U.S. territory's resilience against future hurricanes, after Hurricane Maria knocked out Puerto Rico's entire electric grid, leaving its 3.4 million residents without power.

Walker said he sees a "tremendous opportunity" to use Puerto Rico to deploy projects developed at Energy Department national laboratories "to introduce new concepts and perhaps new architectural construction."

Walker discussed the potential for a more "collapsible" electric grid system in Puerto Rico that can come down in a hurricane with high winds—but be restored quickly.

"I think that, plus with new innovation with new technologies, will allow for the redevelopment and reconstruction of the actual overall system in Puerto Rico," he said.

If confirmed, Walker would head the Energy Department's Office of Electricity Delivery and Energy Reliability, which works to ensure the U.S. energy delivery system is secure, resilient and reliable and helps develop new technologies to improve electricity infrastructure.

Coal Export Terminal Permit Rejected in Washington

Posted September 26, 2017, 01:51 P.M. ET

By Paul Shukovsky

Building the largest coal export terminal in North America would have "too many unavoidable" consequences, the Washington Department of Ecology said this morning when it denied the proposed Millennium Bulk Terminals a necessary water permit.

The denial effectively kills the proposed terminal, but the company could still appeal the decision.

"There are simply too many unavoidable and negative environmental impacts for the project to move forward," Ecology Director Maia Bellon said in a statement.

Millennium, owned by Lighthouse Resources Inc., would have shipped up to 44 million metric tons of coal a year to Asia. It was the last hope in the near-term for a Northwest terminal allowing for export of U.S. coal from the Powder River Basin in Wyoming and Montana and the Uinta Basin in Utah and Colorado to markets such as South Korea, Japan, and Taiwan. Regulators have blocked other proposals in the region.

Scana Says S.C. Is Seeking Criminal Probe of Nuclear Project

Posted September 26, 2017, 02:30 P.M. ET

By Jim Polson and Mark Chediak

South Carolina's attorney general called for a criminal probe into Scana Corp.'s handling of the canceled V.C. Summer nuclear expansion project, adding that it may not be entitled to charge customers for the plant.

Attorney General Alan Wilson was joined by state legislators in calling on the South Carolina Law Enforcement Division to open a probe, Scana said in a Sept. 26 filing. Separately, Wilson questioned the state law that allows utilities to recover the costs of unfinished or abandoned power plants. Scana said it will fully cooperate "with any potential government investigation."

Scana and its partner, state-owned utility Santee Cooper, halted construction on two new reactors at the Summer plant after costs ballooned to over $20 billion, a decision that leaves Southern Co. as the only utility building a nuclear plant in the U.S. Scana had asked utility regulators for permission to recover $4.9 billion in expenses for the project before withdrawing the request in August to give officials more time for review.

"Our citizens have paid billions of dollars and got absolutely nothing from it but a money pit," Wilson said in an emailed statement. The law "at the heart of the failed nuclear reactors" is "constitutionally suspect."

The announcements follow the disclosure last week that the U.S. Attorney's office in South Carolina is carrying out a grand jury probe of Santee Cooper. Scana said last week it had received a subpoena from the U.S. Attorney seeking information about the project.

South Carolina Governor Henry McMaster (R) was among those opposed to scrapping the project, saying that the reactors are still worth finishing.

"The politics has reached a fever pitch," Paul Patterson, a New York-based utility analyst for Glenrock Associates LLC, said. "The operative word is 'uncertainty.'"

Syngenta Said to Pay More Than $1.4 Billion in Corn Accord

Posted September 26, 2017, 02:16 P.M. ET

By Jef Feeley and Margaret Cronin Fisk

Syngenta AG agreed to pay more than $1.4 billion to U.S. farmers who complained that the marketing of the company's genetically modified corn seeds shut them out of the Chinese market, according to people familiar with the deal.

The settlement with more than 100,000 farmers was announced Sept. 26 in a Minnesota class-action trial. It resolves all farmers' litigation in the U.S. but doesn't include Canadian lawsuits, according to Paul Minehart, a Syngenta spokesman. Minehart wouldn't confirm the amount of the settlement, saying the terms will be made public when the deal is presented to a judge.

The pact resulted from months of negotiations between a four-lawyer team representing farmers and Syngenta's attorneys, according to the people familiar with the meetings, who said they weren't authorized to speak publicly about the settlement.

Syngenta halted the trial involving about 22,000 Minnesota farmers to announce the settlement. Those farmers were seeking more than $400 million in damages over their corn losses.

The settlement comes three months after Syngenta lost a $218 million jury verdict to a class of Kansas farmers, in the first trial over the corn-contamination claims. Several other trials were pending as lawyers pursued suits on behalf of hundreds of thousands of corn growers claiming as much as $13 billion in losses. The farmers alleged Syngenta caused five years of depressed corn prices.

Minnesota Lawsuit

The Minnesota farmers claimed Syngenta, the Swiss agrochemical giant, rushed its GMO seed to market before getting import approval from China. In 2013, China stopped taking shipments from the U.S., calling the corn contaminated. The farmers said Syngenta misled them on when the Chinese would approve the seed.

Corn prices dived and didn't recover because China found other sources, the farmers said.

Syngenta had denied causing harm or damages. Two droughts in years leading up to the launch of the company's Viptera seed elevated prices, Syngenta lawyer Mike Brock told jurors at the Minnesota trial. When Viptera was released, heavy rains set off a bumper crop in the U.S.

"It rained, and when that happened, the bottom dropped out of the price of corn," he said.

The Minnesota case is In re Syngenta Litigation, 27-cv-15-3785, District Court, Hennepin County, Minnesota (Minneapolis).

—With assistance from Todd Melby.

Europe's Gas Industry Gathers and Asks Whether It Should Exist

Posted September 26, 2017, 02:16 P.M. ET

By Kelly Gilblom

Ask about this winter, and European natural gas executives question if there's enough supply. Ask about life in a few decades, and the same people wonder whether their business will exist.

“Society now requires more from us than to promote our own product,” said Annie Krist, chief executive officer of GasTerra, a natural gas wholesale venture between Royal Dutch Shell Plc, Exxon Mobil Corp. and the Dutch State, at a gathering of gas executives in Rotterdam. “We should be asking: are you prepared to put your business model up for discussion? Are the good times over?”

Krist’s comments at the Platts European Gas Summit reflect the sort of existential questions industry executives increasingly face. While striving to position gas as an alternative to dirtier coal in a worldwide effort to reduce carbon-dioxide emissions and stem global warming, they realize that cleaner and cheaper renewable fuels may be sounding the death knell for gas.

Listen to Kirst, who runs the largest gas buyer in the Netherlands, where people have proposed ripping gas grids out of the ground to force a switch to greener fuels, and you hear that gas is an endangered species. Others are more circumspect.

Jason Tate, chief operating officer of European gas and power at BP Plc, said gas is now the cornerstone of their business and will be an expanding part of their portfolio for years as they move away from oil. Pierre Vergerio, the chief operating officer at Edison SpA, the Italian natural gas distributor, said he believed gas has a bright future.

At the other extreme, Sergei Komlev, head of contract structuring at the export arm of Gazprom PJSC, Europe’s biggest supplier, warned of “eco-jihadists” that could end civilization by eliminating the use of natural gas and fossil fuels too quickly. He also believes the way gas has been priced for decades, in long-term bilateral contracts linked to the price of crude, works just fine, even as the company opens up a new office in St. Petersburg that relies on trading hubs.

“We are decarbonizing the economy, we at the same time are providing a guarantee that just in case something happens, gas will always be there,” he said. “By the way, the theory of global warming is based on what? On models? Manmade models that could be mistaken.”

At least over the next few months, the work of the gas industry will be critical to Europe. The continent is heavily reliant on imports of the heating and power fuel as its largest onshore field in the Netherlands faces mandatory output cuts.

Its two largest pipelines suppliers, Russia and Norway, already say they’ll send record volumes of the fuel. To supplement those volumes in case of a severe cold snap, EU countries need to attract liquefied natural gas away from Asia. They’ll also need to look very carefully at coal prices, which may dip below gas prices and crater demand for its use in power generation, or vice versa.

Other key takeaways from day one of the Platts Gas Summit:

• Who’s to blame for the move against gas in the Netherlands? It may well be Napoleon, Gasterra’s Kirst said. After all, he’s the one that decided mineral wealth should go to the state instead of to individual landowners, who only suffer from activity on their property. “We’re not Texas,” she said.

• Centrica Plc isn’t worried about the closure of its Rough gas storage facility, the U.K.’s largest. Gautam Mukherjee, head of gas, liquids and economic analysis at Centrica, said Britain has many other sources it can pull from. “At some point that will matter, but it’s just not something that’s sort of impacting the market today.”

• Edison’s Vergerio said he isn’t worried that a big breakthrough in battery technology will lead to a massive uptake in the use of wind and solar for power, which now struggle with intermittency issues. Gas will always be needed for its reliability. “Do we need gas in the long-run? I’m convinced of that.”

Britain’s Grid to Share Clean Energy Data After Green Summer

Posted September 26, 2017, 7:47 A.M. ET

By Mathew Carr

As low-carbon energy met more than half of the U.K.’s power use this summer, the nation’s power grid operator plans to debut a program that will make it easier for households to benefit from cheap solar and wind generation.

The London-based network manager is working on publishing data that will help consumers switch on appliances at times when it’s cheapest to do so, National Grid Plc said by email. Clean-energy sources including wind, solar and nuclear met a record 52 percent of power use in the three months through Sept. 22, compared with 35 percent four years ago, it said.

“Clear and concise information that can tell you in advance when’s best to turn on the washing machine, load the dishwasher or charge your car, for example, is a step in the right direction toward a low-carbon future,” said Duncan Burt, director of the grid’s system operator.

Software will combine grid data with that from the U.K.’s Met Office, which forecasts weather, in order to estimate the share of renewable and non-renewable energy on the network during the next 48 hours. The plan will relieve pressure on the system during peak times, reduce the need for back-up fossil-fuel plants, and potentially cut household bills, National Grid said.

In March, the grid operator said it may pay big energy consumers to use more electricity on sunny weekends when solar energy is plentiful and demand is low. This eases the need for other grid balancing measures such as calling on power producers to reduce output.

Under the plan to provide additional data:

• The project’s information system will be available so developers can create consumer apps

• National Grid is also working with environment groups WWF and Environmental Defense Fund Europe on the project

• Other nations could use the model to help meet emission-reduction goals, said Bryony Worthington, executive director of Environmental Defense Fund Europe

Corporate Demand Growing for Clean Energy Certificates in Brazil

Posted September 26, 2017, 11:04 A.M. ET

By Michael Kepp

Corporate demand in Brazil is growing for renewable energy certificates, signaling that companies are using more renewable power from certified producers.

Brazilian companies and local offices of multinationals, including Procter & Gamble, Johnson & Johnson, GE Global Research, and Nivea, the Germany-based personal-care brand, have bought 137,160 internationally registered renewable energy certificates (RECs) from 19 certified renewable power plants—50,000 in 2016 and 87,160 in the first eight months of 2017, Fernando Lopes, a partner at Instituto Totum, which certifies and issues RECs, told Bloomberg BNA.

“Demand for RECs is growing quickly in Brazil, where 80 percent of the electricity matrix comes from renewable sources, and we expect 100 companies to have bought these seals in the next two years,” said Lopes. “Companies in Brazil buy RECs from certified renewable power plants to prove that some of the energy they consume is renewable and to improve their corporate image as being sustainable.”

Igor Oliveira, sustainability manager for Nivea in Brazil , which bought 815 RECs from an Instituto Totum-certified small hydropower plant for its new Sao Paulo headquarters, told Bloomberg BNA that the company bought the seals because “applied sustainability can help construct a better world.”

Each certificate represents 1 megawatt-hour of renewable power and is sold for between 1 to 5 Brazilian reais (32 cents to $1.60).

Marketing Tool

The three mainstream systems for documenting, tracking, and registering certified use of renewable energy are the REC system in the U.S. and Canada, Guarantee of Origin system in Europe, and International-REC (I-REC) system in Brazil and 15 other countries.

“I-REC launched in Brazil in 2016, a time when there weren’t any other international certifications system here and when we believed there would be a demand for them, which is on the rise here,” Oliver Crouch, a member of the I-REC Standard Advisory Group, told Bloomberg BNA.

Many companies buy renewable energy certificates in Brazil to help qualify their facilities to receive a Leadership in Energy and Environmental Design (LEED) certification for sustainable buildings, awarded by the U.S. Green Building Council.

The Clube Atletico Paranaense soccer team in southern Parana state bought 2,600 RECs in March from an Instituto Totum-certified small hydropower plant so that its stadium, now under renovation, could get LEED certification, which it expects to receive by December.

“The LEED certification of our stadium will show that our soccer club is committed to sustainability,” Luiz Volpato, a club architect coordinating the stadium’s renovation, told Bloomberg BNA. “Once we get the LEED seal we can use it for marketing purposes.”

Taking the LEED

GE Global Research, the research and development arm of General Electric, bought 4,100 renewable energy certificates from a small hydropower plant in Brazil in July 2016 to get LEED certification for three buildings in Rio de Janeiro.

“Buying those RECs to help us get LEED certification helps us create a more sustainable corporate image, which is good for business,” Cleber Barbosa, a manager of GE Global Research in Brazil, told Bloomberg BNA.

Proctor & Gamble, the U.S. consumer goods corporation, bought them in 2016 to help get LEED certification for a manufacturing plant it built just outside Rio de Janeiro, Annette Amadin, an engineering leader for P&G in Latin America, told Bloomberg BNA.

“P&G also bought those RECs to help make our corporation more sustainable and to meet our long-term sustainability targets, one being the goal of running our manufacturing on 100 percent renewable power,” said Amadin.

Voluntary Reductions Platform

Other companies buy RECs to prove and register their greenhouse gas emissions reductions on voluntary emissions reductions platforms, like Brazil’s GHG Protocol or Carbon Disclosure Project, or to qualify to join the RE100, a global initiative of businesses committed to using 100 percent renewable electricity, said Lopes of Instituto Totum.

“I expect future demand for RECs to grow from companies for a variety of reasons, one being to help make them eligible for listing on the Corporate Sustainability Index of Brazil’s stock exchange, set up to help environmentally and socially conscious investors build sustainable stock portfolio,” he said.

Laura Albuquerque, technical adviser for the Brazilian Business Council for Sustainable Development, said, “These certificates are new to Brazil but we foresee a growing demand for them by companies that need to show transparency in their sustainable activities.”

Companies currently account of 10,000 of the 20,000 terawatt-hours of global demand for renewable power, with households accounting for the rest, said Crouch. And 2,500 terawatt-hours of that corporate demand comes from renewable energy.

Brazil’s Courtship with Big Oil Tested at Temer’s First Auction

Posted September 26, 2017, 11:31 A.M. ET

By Sabrina Valle

President Michel Temer’s efforts to repair Brazil’s strained relationship with the world’s biggest oil companies will be put to the test Sept. 27 when his government auctions 287 exploration blocks.

Temer, who became president last year following the impeachment of his predecessor, swiftly pushed through business-friendly regulations and expanded resource access to woo producers including Royal Dutch Shell Plc, Total SA and Exxon Mobil Corp. Brazil’s most recent oil round in 2015 flopped at a time when the terms were less attractive to foreign operators.

Brazil is also selling power plants, its main utility and even the national mint to accelerate its slow climb from the deepest recession on record. It opened the country’s most prized offshore oil region to foreign control and scaled back buy-in-Brazil requirements for goods and services to address long-standing complaints from drillers. Officials are predicting robust turnout at Wednesday’s sale, which will serve as a gauge of investor confidence in Brazil’s recovery.

“The success of the auctions will be measured by the quality of the companies that bid,” Decio Oddone, the head of the National Petroleum Agency, said Sept. 21. “If rounds this year are successful, they will bring Brazil side by side with the biggest oil producers in the world.”

The Temer government is planning a total of nine oil auctions that it expects to bring in as much as $80 billion in investments during the life of the projects. Brazil has two more auctions planned for October for areas in the offshore pre-salt region that holds Brazil’s most productive oil fields.

Thirty-two companies including Shell, Total, BP Plc, Exxon, as well as state-controlled Petroleo Brasileiro SA, have signed up to compete in the so-called 14th round that has a combined minimum signing bonus of 1.7 billion reais ($540 million).

The most recent round in 2015 was considered a failure due to the low number of competitors and areas sold. It was the first round ever without participation from Rio de Janeiro-based Petrobras, which was grappling with a massive graft scandal and high leverage at the time. It raised less than 500 million reais in signing bonuses and investments, one of the worst results since Brazil ended Petrobras’ monopoly on exploration and production two decades ago.

Offshore blocks in the Campos, Santos, and Sergipe-Alagoas basins, where large discoveries have already been made, are expected to draw the most attention from oil majors. They include six blocks in a section known as SC-AP3 where there is evidence of pre-salt formations, while located outside the official pre-salt polygon that has a special development model.

The block with the most expensive minimum bid, SEAL-M-501, is in deep waters of the Sergipe-Alagoas basin where Petrobras has announced large discoveries.

“Brazil’s geological potential is unquestionable, but there is an enormous global competition for resources and investments,” Flavio Ofugi, Shell’s government relations representative in Brazil, said Sept. 15. “Brazil can’t lose this window of opportunity.”

Brazil’s Temer Backs Down Again From Amazon Mining Plans

Posted September 26, 2017, 8:34 A.M. ET

By David Biller

Brazil’s government has backed down from its proposal to allow mining activities in a reserve within the Amazon rainforest after it sparked outcry from opposition lawmakers, environmental organizations and supermodel Gisele Bundchen.

In a statement issued Sept. 25, the Mines and Energy Ministry said it had asked President Michel Temer to revoke a decree that, if approved by Congress, would have stripped protections from an area known as Renca, short for National Reserve of Copper and Associates, that’s larger than Switzerland. It said that wider debate is needed over the future of the area.

“The Ministry of Mines and Energy clarifies that the reasons that led to the adoption of the decree ordering the extinction of the reserve are still valid,” the ministry said. “The country needs to grow and generate jobs, attract investment for the mining sector and explore the region’s economic potential." Temer will revoke the decree on Tuesday in the nation's official gazette, according to the statement.

For a deeply unpopular politician who has repeatedly stated his indifference to his single-digit approval ratings, Temer has appeared sensitive to criticism over his proposed policies in the Amazon. This is despite his dependence on congressional support from lawmakers linked to agribusiness and mining, some of whom regard environment protections in the rain forest as a brake on development. The Sept. 25 announcement follows an earlier government climb down on the Renca, as well as backtracking on a separate proposal to downgrade environmental protections for another national park in Amazonia, known as Jamanxim.

For Thiago de Aragao, the director of strategy for Arko Advice, a political consultancy, international pressure played a role. "This particular issue regarding the Amazon received a lot of criticism from outside of Brazil," he said. "For the image of the country, not the image of the government, the decision to stop this outweighed the decision to continue."

In June Temer tweeted to Gisele Bundchen his decision to veto two bills that would have drastically reduced the area of Jamanxim under conservation. The supermodel responded that she would "continue watching" developments closely. The president subsequently submitted a new bill which would downgrade a slightly smaller area.

Last week, Bundchen took to the stage at a nationally televised rock concert in Rio de Janeiro to give a speech calling for greater protections for the Amazon.

Even before Temer assumed power in May 2016, the Amazon was well on its way toward its worst deforestation in eight years. In the year through mid-2016, 7,900 square kilometers (3,050 square miles) of Amazon forest was chopped down, according to data from the National Institute for Space Research, or INPE, released last month. That's bigger than the size of Delaware, and up 29 percent from the prior year.

—With assistance from R.T. Watson.

Israel Air Pollution Rises as Pipeline Repair Halts Gas Use

Posted September 26, 2017, 12:01 P.M. ET

By Matthew Kalman

Sulfur dioxide concentrations in the air around Ashdod in Israel rose after the country's sole natural gas pipeline was shut down, forcing power stations to fall back on coal, fuel oil and other dirtier fossil fuels, the Environmental Protection Ministry said.

Monitors near the Eshkol power station in Ashdod recorded a 12 percent increase in sulfur dioxide during the past two days, compared to days with similar meteorological conditions, the ministry said in a statement Sept. 25. Sulfur dioxide produced by coal-burning power plants has been linked with higher rates of cardiovascular and pulmonary diseases.

Repairs to a crack in the pipeline were expected to be completed and gas supplies restored early Sept. 27, the partnership that owns the license of the offshore Tamar field announced in a statement to the Tel Aviv Stock Exchange Sept. 24. The gas supplies to Israel were halted on Sept. 21 after the crack was found in an emission pipe used to release natural gas and pressure from a platform during a scheduled upgrade, the Tamar partnership said.

The operator, Noble Energy Inc., informed the partners that “there is no safety and environmental exposure,” the partners said, but the ministry said it was closely monitoring pollutant levels after the Israel Electric Corp. announced it was switching to other fossil fuels.

“The use of fuels other than natural gas increases the emission of pollutants into the air,” the ministry said. “The production of electricity with fuel oil causes the emission of sulfur dioxide at a rate that is 100 times higher than the emission when generating electricity with natural gas.”

Israel Electric said in a stock exchange filing on Sept. 24 that it was prepared for the scheduled maintenance and could switch to power stations using primarily coal, liquefied natural gas, diesel, and fuel oil. Costs of those fuels are significantly higher than gas, it said.