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House Subcommittee Passes Natural Gas Interstate Pipeline Bill

On July 9th, the House Energy and Commerce Committee's Energy and Power Subcommittee held a hearing on [H.R. 1900](#), Rep. Pompeo's (R-KS) Natural Gas Pipeline Permitting Reform Act. The bill would expedite federal permitting for natural gas pipelines by giving the Federal Energy Regulatory Commission (FERC) a 12-month deadline to determine the fate of a pipeline permit application. Other related agencies would have just 90 days to make their determination after FERC completes its environmental review.

The American Gas Association (AGA) has been actively supporting H.R. 1900 on the basis that it will give FERC the proper tools to streamline the process for siting and approving interstate natural gas pipeline projects. AGA would like to see the natural gas pipeline approval process implemented in a "timely and consistent manner" in order to attract the investment necessary to maintain and grow our nation's pipeline system. AGA believes FERC has proven itself to be diligent in processing applications for pipeline projects, but other Federal agencies fail to move as swiftly in providing the myriad approvals associated with siting and constructing interstate natural gas pipeline infrastructure.

The subcommittee passed the bill by a vote of 17 to 9; it now goes to the full committee for consideration. Additional background on the hearing and the bill can be found [here](#).

House Passes Scaled-Back Energy & Water Appropriations Bill

After returning from the July 4th recess, the House passed a controversial \$30.4 Billion Energy-Water Appropriations Bill by a 227 to 198 margin. Under the measure, government spending on renewables and efficiency would be cut in half and incandescent light bulbs removed from federal regulation. The \$30.4 billion would provide \$2.9 billion less than fiscal year 2013 appropriated levels and \$6.3 billion less than what was actually spent, including Hurricane Sandy relief.

Highlights of the bill include the following:

- \$4.9 billion for U.S. Army Corps of Engineers civil projects, \$104 million less than what was appropriated in fiscal year 2013. The bill would bar any new project starts in 2014.
- \$123.2 million for the Nuclear Regulatory Commission, matching the request and missing the fiscal year 2013 appropriation by \$4.2 million.
- Consolidation of the Office of Electricity Delivery and Energy Reliability and the Office of Energy Efficiency and Renewable Energy, providing a total of \$982.6 million in funding for a single account. That represents a 49.7 percent decrease as compared to funding for the two separate accounts in 2013.
- \$731.6 million or 51.1 percent less than provided in the fiscal year 2013 bill for research and development.
- Solar energy research specifically would be cut by 77.3 percent to \$65.3 million.

The Obama administration has issued a veto threat for the spending bill, saying it "drastically underfunds critical investments" in clean energy and emerging technologies.

Senate Finance Chair Pushes Comprehensive Tax Reform

In a recent letter sent to the full Senate, Finance Committee Chairman Max Baucus (D-MT) and Ranking Member Orrin Hatch (R-UT) outlined their next steps on the issue of "comprehensive" tax reform.

The letter indicates that tax reform efforts will start with a "blank slate" and that the committee will move forward "from an assumption that all special provisions are out unless there is clear evidence that they: (1) help grow the economy, (2) make the tax code fairer, or (3) effectively promote other important policy objectives."

Chairman Baucus and Sen. Hatch requested that Senators formally submit legislative language or detailed proposals by July 26 for what tax expenditures should be included in a reformed tax code that meet these criteria.

The press release and letter can be read [here](#).

House Committee Reviews Efficiency Contracts

On June 27th, the House Science Committee, Subcommittees on Energy and Oversight, held a joint hearing on performance contracting. The video of the hearing, as well as witness testimony, and statements from the Subcommittee Chairs can be found [here](#).

The hearing focused on green buildings and evaluating energy savings performance contracts (ESPCs). At its core, an energy savings performance contract is a "design-build" contract with some highly tailored specializations. The building owner uses the energy cost savings to reimburse the energy company and to pay off the loan that financed the energy conservation projects. Both utilities and energy services companies offer versions of these contracts.

Witnesses included the following:

- Dr. Kathleen Hogan, Deputy Assistant Secretary for Energy Efficiency, U.S. Department of Energy
- Dr. Woodrow Whitlow, Jr., Associate Administrator, Mission Support Directorate, National Aeronautics and Space Administration
- Ms. Jennifer Schafer-Soderman, Executive Director, Federal Performance Contracting Coalition
- Mr. Ron King, President Advisor, National Insulation Association

In opening statements, Chairpersons Broun and Lummis both praised ESPCs as job creators that provide benefits to the government while not burdening taxpayers. However, both emphasized that ESPCs should be implemented with maximum effectiveness.

Kathleen Hogan emphasized the importance of ESPCs in achieving energy and cost savings, especially in the current fiscal environment. Hogan referenced the following Federal energy milestones:

- Government has achieved over a 20% reduction in energy use per square foot as compared to fiscal year 2003.
- Renewable Energy sources provided 7.1% of the government's electricity usage, 5% ahead of target.
- Since the Department of Energy's (DOE) ESPC program began in 1998, there have been over 281 projects awarded with a total investment of \$2.7 billion.
- Historically, energy services companies have shown reported savings is on average 105% of guaranteed savings and a yield of \$7.5 billion/year.

In questioning, most members were supportive of energy savings contracts and felt the government should be taking advantage of alternative financing during this time of low interest rates and tight budgets.

Testimony and opening statements from the hearing can be found [here](#).

State

Moreland Commission Releases Final Report on Utility Storm Preparation and Response

The Moreland Commission released its final report on the responses of New York's Investor Owned Utilities (IOU) to recent extreme weather events such as Superstorm Sandy and Hurricane Irene. Governor Cuomo created the Commission after Superstorm Sandy to investigate and study storm response, the adequacy of the Public Service Commission's regulatory oversight, and the Long Island Power Authority (LIPA).

The report cites several issues with LIPA including questionable consultant billing practices, revolving door issues, and financial irregularities related to delivery overcharges. The report also makes recommendations relating to energy efficiency programs, enhancement of consumer representation in PSC proceedings, and the use of 18-a money for infrastructure improvements.

The complete report can be found [here](#).

NY SUN Awards

The New York State Energy & Research Development Authority (NYSERDA) recently awarded \$54 million under the NY SUN Initiative. The money will fund 79 large-scale projects across the State adding 64 MW to New York's solar capacity. Installations will be located at businesses, factories, municipal buildings, colleges and other larger commercial and industrial companies and institutions. According to the report, there are 15 potential project sites in New York City including Related Companies' Bronx Terminal Market and HUB Retail and Office Center in the Bronx, College Point in Queens and Gateway Center in Brooklyn; and a Sunlight Clinton Realty LLC/Sunshine Lighting project in Brooklyn.

More information about the awards can be found [here](#) in the Governor's press release. Additional information about the NY SUN Initiative can be found [here](#).

NYS Senate to Hold IPEC Contingency Plan Hearing

On July 22nd, the New York State Senate Committee on Energy & Telecommunications will hold a public hearing to examine and analyze the Indian Point Energy Center (IPEC) contingency plan and its potential impacts on the State.

The contingency plan is part of an ongoing proceeding at the Public Service Commission (PSC). Pursuant to the Governor's Energy Highway Blueprint, the PSC directed the New York Power Authority (NYPA) and Con Edison to develop a contingency plan that would ensure a sufficient and reliable supply of electricity is available if IPEC's federal licenses are not renewed and the power plant is forced to close. Lawmakers, including Senate Energy Chairman George Maziarz (R-Niagara), have expressed concerns with the contingency plan, arguing that the closure of Indian Point will raise energy prices in New York State.

The hearing notice can be found [here](#).

Governor Cuomo Convenes a Moreland Commission to Investigate "Public Corruption"

Governor Cuomo announced the creation of a Moreland Commission to "probe systemic public corruption and the appearance of such corruption in state government, political campaigns and elections in New York State."

The Commission will be tasked with reviewing the adequacy of existing state laws, regulations and procedures involving unethical and unlawful misconduct by public officials, as well as the electoral process and campaign finance laws. The Commission will also examine whether existing laws have been adequately enforced, as well as recent instances of reported misconduct by officials to determine causes and adequacy of enforcement tools.

Appointments to the Commission include former US Attorneys, District Attorneys from across the State, and election policy experts.

More information about the Commission can be found in the Governor's [press release](#).

Proposed RGGI Regulations Released

The Department of Environmental Conservation released proposed changes to the Regional Greenhouse Gas Initiative (RGGI). Under the RGGI program, emission allowances are sold to power plants at auction

with the intention of “capping” and reducing the outflow of carbon dioxide. The newly-proposed regulations would gradually reduce the “cap” through 2020.

According to the Governor’s press release, the revised regulations would enable New York to invest up to \$1.5 billion in RGGI proceeds through 2020, resulting in an additional \$5.8 billion in Gross State Product and nearly 3,000 additional jobs.

The proposed regulations are now subject to a 60-day public review and comment period. Additional information on the proposed changes can be found [here](#) in the Governor’s press release.