Top 5 Issues for 2016: Energy and Environment

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CSG Director of Energy and Environmental Policy Liz Edmondson outlines the top five issues for 2016, including the Clean Power Plan, the rise of U.S. natural gas production, water quality and quantity, the use of science-based decision making, and electricity transmission and grid reliability.

The Clean Power Plan
On Aug. 3, 2015, the U.S. Environmental Protection Agency finalized the Clean Power Plan, which is expected to cut carbon pollution from existing power plants by 32 percent below 2005 levels by 2030. The rule sets target emissions reductions for states, and states are responsible for designing their own plans to meet these emissions reductions targets. Emissions reductions targets vary by state and range from 7 to 47 percent. States must submit plans, or initial plans with a request for a two-year extension, by Sept. 6, 2016. As part of designing these plans, states will need to decide how to measure their emissions reductions, what methods they will use to comply with the emissions limits, and whether they will engage in a trading program to purchase compliance credits. Some states have indicated that they will refuse to comply with the rule, which would make those states subject to a federal plan designed by EPA. EPA expects to finalize its federal plan and model trading rules in 2016.

The Rise of U.S. Natural Gas Production
The use of hydraulic fracturing and horizontal drilling techniques to develop shale gas resources has contributed to a tremendous increase in natural gas production in the United States. States will face a variety of policy issues as natural gas production continues to increase and will look to balance the protection of the environment and public health with the economic benefits of the increased use of natural gas. The increase in natural gas production also impacts the country’s natural gas infrastructure and has and will continue to result in the
increased use of natural gas in electricity generation and in fuels for vehicles.

**Electricity Transmission, Ratemaking and Grid Reliability**
Recent technologies have resulted in new demands being placed on the nation’s electricity grid. From rooftop solar panels to smart grids that can digitally monitor electricity flow and batteries that store energy for use at more critical times, the ways that we produce and transmit electricity are changing dramatically. These technological advances also are changing the traditional relationships between consumers and utility companies, and policymakers will be involved in resolving some of these issues. For example, while most states have net metering policies in place, states increasingly are revisiting these policies in an effort to ensure grid reliability is maintained and the costs for maintaining and updating the grid are properly allocated. Technological innovations also are creating new issues involving cybersecurity, especially involving the security of the nation’s electric grid.

**Water Quality and Quantity**
States continue to deal with a variety of water quality and quantity issues. Aging wastewater and drinking water treatment infrastructure, nutrient runoff from farms and associated algal blooms, stormwater runoff, and industrial water pollution are all issues that will continue to impact access to safe drinking water and can contribute to other environmental problems. Another key issue is the EPA’s finalization of its Clean Water Rule, which will increase the waters subject to regulation under the Clean Water Act by 3 to 5 percent, according to EPA estimates. The rule is currently tied up in litigation and implementation of the rule has been stayed nationwide. In addition, several regions of the country have struggled with water shortages and policymakers will increasingly address, often on a multistate level, how water is used, allocated and discarded. These issues are key for policymakers as the demand for clean water continues to increase.

**The Use of Science-Based Decision Making**
What is “science” and how do legislators, regulators, judges and other officials determine when the science being presented is based on sound scientific principles? As the availability of data increases at a dramatic rate and the platforms by which we can receive data continue to expand, policymakers are bombarded with information often without the time or means to determine its accuracy. The use of science-based decision making will be an essential skill as data becomes more available and immediate.

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