



»» **Clean Air Act/Section 111(d) Rulemaking**

The Environmental Protection Agency is expected to release a rule in June 2014 as part of President Obama’s Climate Action Plan requiring states to develop implementation plans to regulate greenhouse gas emissions from existing power plants under section 111 (d) of the Clean Air Act. This significant undertaking, which normally takes state agencies several years to develop, must be completed and submitted to the EPA in less than two years. This requirement poses a substantial challenge since states have never been required to regulate carbon emissions under these implementation plans and the amount of carbon emissions dwarfs the levels of pollutants currently regulated under federal law. States with large coal fleets and many Midwestern manufacturing states likely will pay close attention to this upcoming rule, especially when the guidance is issued. Questions remain regarding whether states will be required to reduce emissions at each power plant site or on a systemwide basis. States also don’t know if their existing efforts to promote renewable energy and reduce greenhouse gas emissions will count toward the pending requirements.

»» **Cooling Water Intake Rule**

The EPA proposed a rule in 2011 that would require at least 650 older power plants to install closed-cycle cooling intakes when building new units at existing facilities in order to reduce the harm to fish and other aquatic organisms. The impact of the new rules is more problematic for plants utilizing open-loop cooling systems, which draw in water to generate steam to move turbines, and then discharge the water back into the source. Closed-cycle systems differ by reusing water through cooling towers that dissipate heat generated by the boilers through evaporation and convection. According to the Business Roundtable, about 43 percent of the country’s electric power plants use open-loop cooling water systems. The final rule, due in January 2014, has been postponed several times and is very contentious between industry and environmental groups, many of whom believe it gives state regulators too much leeway in deciding if closed-cycle systems should be installed for all existing facilities.

»» **Crude Oil Transportation**

The tragic train derailment in the small Quebec town of Lac Megantic, Canada, focused public attention on the significant increase of crude oil being shipped by rail. According to the Association of American Railroads, U.S. railroads carried just 5,912 car loads of crude oil in 2007; that number escalated to 234,000 car loads in 2012. The incredible growth is attributable to a lack of pipeline capacity in areas of booming oil production as a result of hydraulic fracturing. Expect to see greater scrutiny from federal and state regulators and increased oversight activities on crude oil transportation safety.

»» **Net Metering**

The rate disputes around the country in 2013 are a preview of things to come. More than 40 states have programs incentivizing the use of net metering—most commonly through rooftop solar panels—which has become increasingly popular because it allows homeowners to sell excess renewable power to the utility after meeting their own energy needs. Utilities and solar groups have sparred over implementing higher fees power companies say are necessary for recovering the true costs of providing distribution service when these homes have to reconnect to the grid. Opponents of the fees have argued that it will limit customer options and dampen public enthusiasm for expanding solar power to more homes.

»» **Lingering Drought and Water Infrastructure**

States like California, New Mexico and Texas grappled with persistent ongoing drought in 2013. Many Western states may face additional challenges meeting the demand for water with expected dry conditions. Texas voters in November 2013 overwhelmingly approved a measure to create a \$2 billion revolving loan fund that could be leveraged to pay for water infrastructure projects in the state’s 50-year plan. The most recent drought predictions from the National Oceanic and Atmospheric Administration call for continuing precipitation shortfalls well into 2014.

**For more information on these topics and for additional resources on energy and environmental policy, see » [www.csg.org/top5in2014](http://www.csg.org/top5in2014)**

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## BRYDON ROSS



THE COUNCIL OF STATE GOVERNMENTS

Brydon Ross joined CSG in January 2012 as the director of Energy and Environmental Policy after nearly 11 years in Washington, D.C. He worked for the Senate Committee on Environment and Public Works, as well as several U.S. senators across the Southeast on energy, natural resource development, environment, wetlands and agricultural policy issues. Most recently, he served as the director of Government Relations for the Association of Oil Pipe Lines.

Ross earned a master's degree in national security and strategic studies from the U.S. Naval War College and a bachelor's degree in history from Centre College in Danville, Ky.

### GET INVOLVED »

CSG provides state leaders a variety of regional and national opportunities to actively engage on issues of importance to their jurisdictions and constituents. CSG's regional and national committees and task forces are designed to encourage multi-state problem solving, the sharing of best practices, and networking among state officials and between the public and private sectors.

CSG's Energy and Environmental Policy Task Force is co-chaired this year by Assemblyman Upendra Chivukula, New Jersey, and Rep. Chuck Martin, Georgia. Teresa Marks, Director of the Arkansas Department of Environmental Quality, serves as vice chair. Over the past two years, the task force has focused on several key issues, including responsibly developing our nation's natural resources, electricity transmission line siting and energy efficiency.

The committee will hold its next meeting as part of the combined CSG National & CSG West 2014 Annual Conference, August 9-13 in Anchorage, Alaska.

### CSG RESOURCES»



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