

To: Ryan Sutherland[rrsutherland@blm.gov]; blm_elt@blm.gov[blm_elt@blm.gov]; blm_field_comm@blm.gov[blm_field_comm@blm.gov]; BLM_All_Managers@blm.gov[BLM_All_Managers@blm.gov]; BLM_WO_100@blm.gov[BLM_WO_100@blm.gov]; Lesli Ellis-Wouters[lellis@blm.gov]; Amber Cargile[acargile@blm.gov]; Martha Maciel[mmaciell@blm.gov]; Donna Hummel[dhummel@blm.gov]; Ronald (Rudy) Evenson[revenson@blm.gov]; Jody Weil[jweil@blm.gov]; Megan Crandall[mcrandal@blm.gov]; Kristen Lenhardt[klenhard@blm.gov]; BLM_WO_610[BLM_WO_610@blm.gov]; Peter Mali[p mali@blm.gov]; Stephen Clutter[sclutter@blm.gov]; Wilkinson, Patrick[p2wilkin@blm.gov]; Jill Ralston[jralston@blm.gov]; Lola Bird[lbird@blm.gov]; Marjorie Chiles[mdchiles@blm.gov]
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Published: Wednesday, October 11, 2017

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<http://bit.ly/2xz2k2Gy>

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<http://bit.ly/2fZK27A>

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4. Carbon rule or not, wind energy continues to squeeze coal

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Even as President Trump repeals his predecessor's landmark climate rule, a collision of policy and market forces is putting the squeeze on aging coal and nuclear plants.

<http://bit.ly/2hBHwVv>

5. Bloomberg puts up another \$64M for 'war on coal'

Dylan Brown, E&E News reporter

Published: Wednesday, October 11, 2017

Billionaire businessman and environmental activist Michael Bloomberg pledged another \$64 million today to preserve what he called the "war on coal" that President Trump has declared "over."

<http://bit.ly/2ygwHS6>

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Meredith C. Black
U.S. Department of the Interior
Division of Public Affairs, Washington Office
Bureau of Land Management
M Street Southeast Washington, D.C.
20003

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1. Bishop says bill will 'appeal to everybody' as Dems slam it

Jennifer Yachnin, E&E News reporter

Published: Wednesday, October 11, 2017

House Natural Resources Chairman Rob Bishop (R-Utah) today defended his proposed overhaul of the Antiquities Act, asserting that his legislation represents a "middle-of-the-road approach" rather than the more aggressive reductions he has previously sought.

Bishop is set to preside this afternoon over a full committee markup of the legislation, **H.R. 3990**, the "National Monument Creation and Protection Act."

The legislation would sharply reduce the president's authority to designate national monuments under the Antiquities Act of 1906, including new limitations on the size and purpose of national monuments, and institute requirements for those sites to be reviewed under the National Environmental Policy Act (*E&E Daily*, Oct. 10).

Democrats and conservation groups immediately slammed the proposals, arguing that the prohibitions would have curtailed the creation of monuments that later became popular national parks, including Utah's Arches and Bryce Canyon (*E&E Daily*, Oct. 11).

But in a press call with reporters, Bishop defended his proposal as an attempt to meet Democratic demands for more transparency in the Trump administration's proposed cuts to monuments as well as Republican demands for local and state involvement in future monument designations.

"In the past we've always talked about, 'Let's do away with the Antiquities Act.' That's the reputation I have. ... But that's not what we're doing," Bishop said. "What we're doing now is saying, 'There's a flawed act that allows presidents to act indiscriminately and at whim and all their deliberations have to be done in secret. ... Instead of doing away with the act, let's fix it.'"

He later added: "I think what we are doing here is a more moderate, middle-of-the-road approach, which has to appeal to everybody because all it does is establish a process and procedure."

Bishop also argued that "needs have changed" since the original Antiquities Act was enacted in 1906.

At that time, Congress was focused on curbing "pot hunters," or museums, researchers and collectors who were looting archaeological sites in the early 1900s (*Greenwire*, Aug. 11).

But Congress gave presidents the ability to set aside any public land with historic, cultural or scientific interest, and President Theodore Roosevelt's first use of the law — to establish the nearly 1,200-acre Devils Tower National Monument in Wyoming — was focused on a site with geologic interest rather than relics.

Bishop said that the outcome of the law — he has previously criticized both President Clinton's designation of Grand Staircase-Escalante National Monument and President Obama's creation of Bears Ears National Monument in his home state — should be a lesson for Congress.

"We need to be precise. We need to tighten statutory construction. When we pass vague open-ended language, you open the door to controversy, legal challenges and a legacy of unintended consequences," Bishop said. "It's my belief that in passing this one-page, ambiguous statute, Congress unintentionally granted broad discretion to the presidency. That power has been abused by both parties."

Arizona Rep. Paul Gosar (R), who leads the Congressional Western Caucus, pointed to Obama's use of the act to designate more than 550 million acres of federal land with 29 separate designations.

"No one person should be able to unilaterally lock up millions of acres of public land for multiple use with the stroke of a pen," Gosar said.

Bishop argued that new restrictions, which would limit designations to areas with relics, cultural artifacts and fossils and eliminate use of the law to protect "geographic features" and submerged lands and waters, will also "strengthen the original intent of the act."

"We're not getting rid of anything," Bishop said. "All we're doing is establishing a process that will be clear and consistent."

Bishop said existing legislation in the Senate could serve as a companion measure to his bill with modifications.

He did not offer specifics, but Senate Energy and Natural Resources Chairwoman Lisa Murkowski (R-Alaska) and Idaho Sen. Mike Crapo (R) each introduced legislation earlier this year that would require state and congressional approvals and NEPA compliance for any new monuments.

Bishop added that he had not reached out to the White House for support of his reform, even as President Trump considers recommendations from Interior Secretary Ryan Zinke to slash the boundaries of a half-dozen monuments and alter management plans at a handful.

Bishop also noted that he has not been informed whether Trump will act on those recommendations — which include cuts to both the Bears Ears and Grand Staircase-Escalante monuments — anytime soon.

"You're going to have to go to the source and ask them when they're actually going to do that," Bishop said.

Fight over transparency

Arizona Rep. Raúl Grijalva, the top Democrat on the Natural Resources panel, dismissed Bishop's claims of bipartisanship, arguing that the Antiquities Act does not need reforms.

"The Antiquities Act as it is now is fine," Grijalva told E&E News. "The changes that Bishop is recommending destroys it. And it makes it an either/or choice right now. There were no negotiations to create this bill. I don't think there are going to be negotiations to make it palatable."

Grijalva also questioned whether the measure would find support in the Senate and said it would "meet a lot of resistance here in the House, too."

The Natural Resources panel will take up a resolution sponsored by Grijalva that aims to force the Trump administration to disclose greater detail about Zinke's recent review of more than two dozen national monuments.

"We're going to get a chance to speak to the fact that since June we've been trying to communicate to Zinke to get us this information," Grijalva said. "The whole talk of transparency — which is the reason for the Antiquities Act, according to Mr. Bishop — it's flushed down the toilet when we've not been able to get any of the other information."

Although Zinke's recommendations to Trump were leaked to the media last month, neither Interior nor the White House has commented on the document's contents (*Greenwire*, Sept. 18).

Bishop, who has previously dismissed Democratic complaints over the review, likewise disparaged Grijalva's bill as a narrowly tailored effort, noting that it does not force disclosure for the creation of future monuments.

"While the minority seeks greater transparency when it comes to the review of the national monument process, they seem entirely content to leave the monument creation process hidden behind closed doors, out of the public eye," Bishop said.

'A manifesto'

Conservation, sportsmen and environmental groups have roundly criticized Bishop's proposed alterations to the Antiquities Act since their introduction Monday.

"Had Congressman Bishop's guidelines been in effect during the 20th century, nearly all of the nation's most iconic national parks and monuments would not have been able to be protected for future generations," said Dan Hartinger, the Wilderness Society's deputy director of parks and public lands defense.

Similarly, Center for Western Priorities Executive Director Jennifer Rokala said: "This is not a serious piece of legislation; it's a manifesto put forward by one of the most anti-conservation members of Congress in history."

But green organizations have also used the legislation to bolster their arguments that Trump lacks the authority to reduce the boundaries of any existing monuments.

Bishop's legislation would allow presidents to reduce any monument by 85,000 acres or less. For any reductions greater than that, the president would need approval from the county government, state legislature and state governor where the site is located, as well as a valid NEPA review.

Although presidents have reduced the size of some monuments — President Kennedy was the last to do so when he modified the Bandelier National Monument in New Mexico — none has done so since Congress authored the Federal Land Policy and Management Act of 1976.

Bishop, along with conservative scholars at the Pacific Legal Foundation, has previously said that the president retains the authority to alter monuments.

The lawmaker said today that his bill does not counter his earlier statements: "That's a power [presidents] have."

He later added: "This is no new power. The president can do that, and they have done it."

But National Parks Conservation Association Director of Legislation and Policy Ani Kame'enui countered Bishop's argument.

"The legislation includes language that grants the president the authority to reduce the size of our country's national monuments, all but admitting the administration's current interest in doing this is unlawful. At least we can agree on that," she said.

<http://bit.ly/2xzk2Gy>

2. Dems slam Bishop bill as 'rushed mess'

Jennifer Yachnin, E&E News reporter

Published: Wednesday, October 11, 2017

Arizona Rep. Raúl Grijalva, the top Democrat on the House Natural Resources Committee, slammed new efforts to overhaul the Antiquities Act as a "hastily rushed mess" as the panel prepares to mark up the bill this afternoon.

Committee Chairman Rob Bishop (R-Utah) introduced [H.R. 3990](#), the "National Monument Creation and Protection Act," on Monday. The measure would significantly curtail future use of the Antiquities Act by limiting the size and scope of new national monuments ([E&E Daily](#), Oct. 10).

Bishop's bill would prohibit presidents from establishing new monuments greater than 640 acres without additional review under the National Environmental Policy Act. The act would cap new monuments at 85,000 acres and would mandate support from county officials and state legislators, as well as the state's governor.

The measure would also starkly limit that focus of the Antiquities Act to relics, cultural artifacts and fossils, eliminating "geographic features" and submerged lands and waters.

"This is no different than Republicans' endless attempts to repeal the Affordable Care Act," Grijalva said in a statement to E&E News, referring to efforts by the GOP to roll back health care reform laws.

"They spend years making threats and repeating industry talking points, and when it's time to produce something all they have is a hastily rushed mess with no real debate. If years of Republican planning produced nothing greater than this bill, we welcome this debate," he added.

The bill marks Bishop's latest attempt to rein in the 111-year old law that allows presidents to set aside public lands as monuments to preserve areas of cultural, scientific or historic importance.

In an op-ed published yesterday in the *Washington Examiner*, Bishop complained that the Antiquities Act is a "flagrant violation" of the rule of law, asserting that monuments are often larger than what the law's authors had intended and should not include "vast swaths of land."

"Compare the language of the law and the historically obvious intent of the Congress that passed it — at the time it was even debated whether the law should limit designations to 320 or 640 acres — with its abuse over the last half-century," Bishop wrote. "Presidents have repeatedly flouted the rule of law and usurped the powers of Congress to arbitrarily cordon off millions of acres of land."

Bishop asserted that recent occupants of the White House — including President Obama, who created the 1.35-million-acre Bears Ears National Monument in Utah — have "distorted" the act "beyond recognition."

"To vest one man with the unfettered power to make these decisions with no congressional check or local input would have been repugnant to the Founders," Bishop wrote.

But the Supreme Court has previously rejected such arguments, including a 1920 case that challenged President Theodore Roosevelt's earlier designation of the then-808,000-acre Grand Canyon National Monument.

Although Congress may have intended the Antiquities Act to guard against "pot hunters" or museums and researchers who were looting archaeological sites in the early 1900s, the Supreme Court reaffirmed a president's authority under the law to set aside large swaths for protection.

"The defendants insist that the monument reserve should be disregarded on the ground that there was no authority for its creation. To this we cannot assent," Justice Willis Van Devanter wrote in *Cameron v. United States* (*Greenwire*, Aug. 25).

In 1976, Chief Justice Warren Burger likewise defended a president's ability to designate objects of historic and scientific interest in *Cappaert v. United States*, a case that involved Devils Hole, a unit of what is now Death Valley National Park.

"However, the language of the Act, which authorizes the President to proclaim as national monuments 'historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government,' is not so limited," Burger wrote.

It's been an uphill battle before

Even with Republicans in control of both the White House and Congress, Bishop could still face an uphill battle in his bid to rewrite the antiquities law.

According to congressional records, of the 165 pieces of legislation that have been written since 1979 and contain the phrase "Antiquities Act," only 17 have been signed into law. Since 1950, only two measures have been adopted that significantly amended the 1906 statute.

Those successful efforts included a 1950 measure that mandated Congress approved any future monuments in Wyoming and a 1980 bill that required Congress' consent for any monuments greater than 5,000 acres in Alaska.

Many of the bills did not aim to overhaul the law, however, but instead to alter sites created under the act.

More recently, Bishop succeeded in passing H.R. 1459 through the House in 2013 to subject monument designations to the National Environmental Policy Act and allow each president to make only one designation per state per four-year term unless Congress approved an exception (*E&E Daily*, March 27, 2014).

That bill passed the chamber largely along party lines, although a trio of Democrats defected to back the measure. The legislation stalled in the Senate and would not have gotten past President Obama.

The House also agreed to a rider sponsored by then-Rep. Crescent Hardy (R-Nev.) to the fiscal 2016 Interior Department appropriations bill that would have prohibited the use of federal funds for monuments where "there is significant local opposition." Negotiators eventually killed the language.

North Carolina Rep. Virginia Foxx (R) succeeded in 2010 in attaching an Antiquities Act amendment to a sportsmen's bill that later stalled in the Senate. That amendment would have required state legislatures and governors to approve any new monuments.

In the wake of President Clinton's controversial designation of the Grand Staircase-Escalante National Monument in southwestern Utah in 1996, the House similarly attempted to roll back the Antiquities Act.

The chamber approved a measure sponsored by then-Rep. Jim Hansen (R-Utah) in 1997 that would have curtailed the president's authority by limiting monuments to 50,000 acres per state per year and would have required congressional approval within two years to make a monument's status permanent. The measure stalled in the Senate.

Hansen's next version of the bill in 1999 met a similar fate despite less stringent changes. That measure would have mandated that a president seek input from state officials and public comment, though not explicit approval, and would have required NEPA compliance (*E&E Daily*, Feb. 8, 1999).

Most measures have failed to make it beyond mere introduction or hearings in a subcommittee. Among those lackluster efforts were bills that aimed to curb the president's authority or require local or congressional consent to new monuments.

They included variations by Rep. Devin Nunes (R-Calif.) and then-Rep. Jason Chaffetz (R-Utah) in 2013; then-Rep. Wally Herger (R-Calif.) in 2011; Rep. Mike Simpson (R-Idaho) in 2000 and 2003; then-Rep. John Doolittle (R-Calif.), and a trio from then-Rep. Bill Orton (D-Utah), as well as Hansen in 1996.

Even a sense of Congress resolution, which would not have changed the law but merely urged the president to consider "input from all stakeholders" failed to succeed in 2000 when then-Rep. George Radanovich (R-Calif.) introduced it.

While most of the legislation has originated in the House, a handful of Senate bills aiming to alter the Antiquities Act have also stagnated on Capitol Hill.

Utah Sen. Orrin Hatch (R) introduced the "National Monument Fairness Act" in 1997, but records show it never made it to the floor for a vote.

Neither Hatch nor Utah Sen. Mike Lee's offices responded to requests about whether they would introduce companion legislation to Bishop's bill.

<http://bit.ly/2fZK27A>

3. BLM will no longer collect a critical drilling data set

Pamela King, E&E News reporter

Published: Wednesday, October 11, 2017

Federal regulators have refreshed their information on oil and gas production on public lands — save for one high-profile data set.

Fiscal 2015 is "more than likely the last" update on the number of applications for permit to drill (APDs) that the Bureau of Land Management had approved but that industry has not used, said BLM spokeswoman Megan Crandall.

These data have been used by conservation groups that contend oil companies scoop up BLM permits and hold onto public land for years without drilling, barring the land from other uses. Information about permit applications has been useful to the oil industry, too, which has argued that the government is too slow to permit drilling on public land.

The data set on unused permits to drill is being retired as part of "streamlining" efforts within the agency, Crandall said. "We need to really re-evaluate how our sweat equity is being used."

BLM is not under any statutory obligations to publicize leasing and permitting data, but the agency has been taken to task by the Government Accountability Office (GAO) for keeping incomplete records of its energy activities.

"In our work, collecting less data on APDs would be a step backward as we have fielded questions from the Hill about APDs — how long do they take and why, particularly," said Frank Rusco, director of GAO's natural resources and environment team.

Data on unused permits were first collected under President Obama, after the administration fielded criticism for being slow to update traditional data sets, such as the number of producing leases and wells spud. Before BLM started collecting data on unused APDs, green groups had to rely on lawmakers to formally request the information from the agency.

"Now we see that there's no longer a willingness to fulfill their requests either," said Nada Culver, senior counsel and director of the Wilderness Society's BLM Action Center.

If the data are no longer available on BLM's website, the Wilderness Society and other groups will return to urging lawmakers to submit questions for the record.

Earlier this year, those efforts were successful. In response to questioning from Rep. Alan Lowenthal (D-Calif.) this summer, Katharine MacGregor, the Interior Department's deputy assistant secretary for land and minerals management, revealed that there were 7,950 APDs approved but not yet drilled (*Energywire*, July 12).

That was an increase from 7,532 as of fiscal 2015, the last time the data were updated on BLM's oil and gas statistics webpage.

But keeping those data off BLM's website fuels suspicions that the agency is favoring industry interests too heavily, said Raúl Grijalva of Arizona, the top Democrat on the House Natural Resources Committee.

"The Trump administration is unparalleled when it comes to hiding information from the public, and they certainly won't advertise these facts that disprove the need for their drill-everywhere agenda," Grijalva said. "It's no surprise that BLM is now using these same tactics to try to paint a false narrative that more drilling and faster permitting is needed on our public lands."

APD backlog

Data showing a significant number of unused drilling permits have served as a counterpoint to industry arguments that a backlog of permit applications at BLM restrains U.S. oil and gas production.

The backlog landed on BLM's list of "priority work" under the Trump administration and inspired a secretarial order directing Interior to expedite permit processing. On April 30, BLM had 2,955 APDs pending — about one-third of the number of applications approved but unused by industry (*Energywire*, May 17).

"I think you need to look at the other end of that equation," said Culver of the Wilderness Society.

But it's not a one-to-one comparison, said Dan Naatz, vice president of federal resources and regulatory affairs for the Independent Petroleum Association of America.

"Oftentimes in Washington, there is a rush to judgment without considering the bigger picture around permitting and leases," he said. "Meaning that, while BLM may have issued a company a permit, there may be different types of approvals at the state and other levels that the company is still waiting to secure. That means permits may sit idle while those other elements are secured."

Financial factors could also be at play, Naatz added. A company could wait months or years for a permit — average processing times stood at 257 days in 2016, according to BLM's newly updated data — only to find that by the time the approval goes through, it is no longer economical to work the tract.

"No matter what the reason, federal permit delays of hundreds of days is unacceptable and needs to be corrected and streamlined," Naatz said.

Career staff at BLM hesitate to characterize the pileup of APDs as a "backlog."

During remarks to Interior's Royalty Policy Committee last week, BLM acting Director Mike Nedd said that if the bureau had 3,000 applications in January, staff may have processed 2,800 permit packages by now but received the same number of new applications in the same time period.

"There's always a pending category," said Nedd, who has served 26 years at BLM.

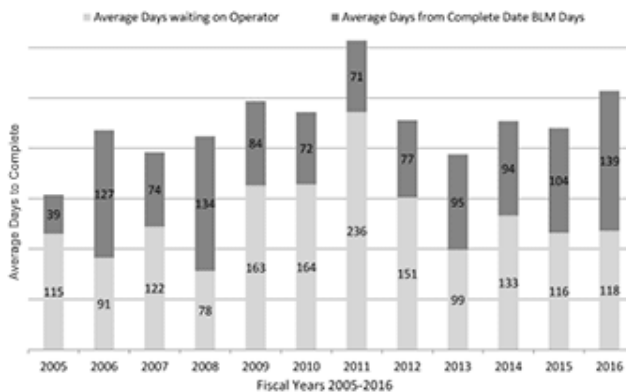
Permit processing times

Nedd also announced last week that new electronic systems have helped cut permit processing times by more than half.

"Yes, we are under 100 days," he said to representatives from industry, academia, state governments and public interest groups gathered at Interior headquarters.

In fiscal 2016, it took BLM an average of 257 days to process an APD. Nearly half that time — 118 days — was spent waiting on the operator (*see bar graph*).

BLM typically contributes to less than half of the waiting period, according to the data, which date back to fiscal 2005. The bureau reported a peak average wait time of 307 days in 2011. BLM attributed less than a quarter of that time — 71 days — to itself.



[+] BLM

Average APD processing time has not been under 100 days during the years for which BLM reported data.

Naatz said operators are highly motivated to move their applications along as quickly as possible.

"The BLM permitting backlog negatively affects many independent oil and natural gas producers," he said. "They are reinvesting as much as 150 percent of their cash flow back into the American economy to discover and produce more energy in the most efficient ways, strengthening our nation's energy future while employing thousands of men and women across the nation."

GAO has recommended that BLM offer even more robust data on APD processing.

"Without complete data on approved APDs, GAO could not perform a comprehensive assessment of the amount of time it took BLM to process APDs from their date of receipt to date of approval," GAO wrote. "Without accurate data on the amount of time it takes to process APDs, BLM does not have the information it needs to make adjustments that could improve its operations."

Calls for more data

In the same report, GAO suggested that more detailed APD data could also help BLM improve safety.

"BLM's environmental inspection prioritization process may not identify oil and gas wells that pose the greatest environmental risk because the agency's central oil and gas database does not include data on the environmental inspection history of many wells, and environmental inspection history is not one of the criteria that BLM staff use in prioritizing inspections," GAO wrote.

The time may be ripe to re-evaluate BLM's data collection practices, said Luke Johnson, policy director at Brownstein Hyatt Farber Schreck LLP and a former bureau official under President George W. Bush.

"I think there is probably some room for dialogue about whether the existing data sets remain the best ones or whether it is perhaps time to add or modify what is collected," he said.

The first 10 tables on BLM's oil and gas statistics page contain data the bureau has traditionally collected. The spreadsheets scroll back to fiscal 1988.

Farther down the page are newer tables including information on protests and acreage offered at competitive lease sales. The latter, like unused APDs, has not been updated to reflect data collected in 2016.

If there is appetite to do so, Johnson said, BLM could also consider adding data on the accessibility of oil and gas resources in each basin — what's there and how accessible it is.

Access might be blocked by statute, executive action or land-use restrictions.

The Wilderness Society has criticized BLM for exaggerating the impact of land-use planning on the sequestration of oil and gas resources.

More rigorous tracking of public lands practices could shed new light on the question, Johnson said.

"Everyone can draw their own conclusions about the data, but consistency is more likely to convey an accurate picture to Congress and interested parties about what is actually occurring within the program," he said.

<http://bit.ly/2hCemFt>

4. Carbon rule or not, wind energy continues to squeeze coal

Jeffrey Tomich, E&E News reporter

Published: Wednesday, October 11, 2017

Even as President Trump repeals his predecessor's landmark climate rule, a collision of policy and market forces is putting the squeeze on aging coal and nuclear plants.

Those forces, as noted in the Department of Energy's recent grid study, include cheap shale gas, slack electricity demand and increasing penetration of renewable energy. In the Midwest, especially, falling wind energy costs are putting increasing pressure on King Coal.

In the nation's wind corridor, power purchase agreements are being signed for less than 2 cents a kilowatt-hour. Even adding transmission costs, wind energy is undercutting competition from existing coal and nuclear plants.

Clean energy advocates and research analysts pointed out the trend in recent reports. A Moody's Investors Service report this spring estimated that 56 gigawatts of coal capacity in the Great Plains is "at risk" from cheaper wind energy. Yesterday, the Union of Concerned Scientists identified 57 GW of coal generation that is uneconomical compared with gas-fired generation.

Utilities are backing it up with their own numbers. Last month, Ameren Missouri, a coal-dependent utility with 1.2 million customers, filed a long-range plan with state regulators that showed the leveled cost of energy from new wind projects, including the federal production tax credit, was below the cost of energy from the company's existing coal and nuclear plants.

The data in the utility's integrated resource plan support the decision to add 700 megawatts of wind energy by the end of the decade (*Energywire*, Sept. 26). Ameren does not, however, plan to accelerate retirement of any coal plants.

The announcement is just one in a long list of new wind additions by utilities from West Texas to the Dakotas.

In nearly every instance, utility decisions to invest in new wind farms are driven by low costs and the ability to add generation and hedge fuel costs without raising customer bills.

Take Minneapolis-based Xcel Energy Inc. The company already operates 4 GW of wind energy and will increase that to more than 10 GW after announced projects are completed.

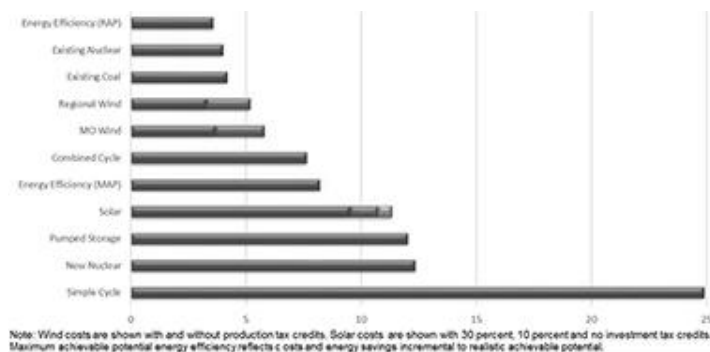
"None of that is being driven based on [environmental] compliance," said Jonathan Adelman, Xcel's area vice president of strategic resource and business planning. "Economics are driving it."

The price is right

Xcel is seeing a range of levelized costs for wind energy from \$15 to \$25 per megawatt-hour, including the PTC, Adelman said.

Bigger, cheaper turbines have reduced costs and improved performance, which ultimately gets reflected in the cost of energy produced.

"It's been remarkable," he said. "Not only have they driven their costs down, but they've driven their capacity factors up."



[+] St. Louis based Ameren Missouri's integrated resource plan submitted to state regulators last month shows wind is the Midwest utility's cheapest source of energy on a levelized cost basis if federal production tax credits are included (as shown by the green bars). Ameren Missouri

Adelman said Xcel's wind projects benefit from geography. The utility's service area in the northern Plains, Colorado, New Mexico and West Texas overlaps or is near the nation's best wind resources.

The PTC is another factor, though he notes that Xcel's most recent project — the 300-MW Dakota Range I and II project announced late last month — is the first to advance under the PTC step down to 80 percent.

As Xcel is bulking up its wind portfolio and adding solar energy, the company is accelerating the retirement of some remaining coal plants. The "Steel for Fuel" initiative is at the center of Xcel's plan to slash carbon emissions 60 percent by 2030.

In Minnesota, Xcel last year got approval from regulators to shut two units representing 1,300 MW at its largest coal plant, the Sherburne County (Sherco) plant outside the Twin Cities, in 2023 and 2026, respectively. More recently, Xcel's Colorado utility filed plans to shut two units totaling 660 MW at its Comanche coal-fired plant in Pueblo by 2025.

To be sure, the addition of thousands of megawatts of new wind and accelerated retirement of coal plants isn't a one-for-one trade-off. But the decisions aren't unrelated.

Any utility's long-range resource decision is a complex financial and engineering equation.

First, wind is considered an energy resource and not a replacement for generation that can be called on at any hour to meet load. There are also costs associated with integrating wind into the grid.

In Xcel's case, the decision to add more wind was aided by the fact that it already had ample capacity, in part because of eroding demand related to energy efficiency. The utility also plans to build new gas-fired generation at the Sherco site in Minnesota during the next decade.

Time to refinance?

Perhaps the biggest barrier to turning the page on old coal plants is financial. In rate-regulated states — a category that includes most Great Plains states — utilities recover the capital costs of their power plants from ratepayers over the plants' useful lives and earn a return on equity on those amounts.

Utilities aren't eager to abandon assets they're still paying for (and earning on) in the same way that homeowners wouldn't want to walk away from a home for which they're still paying the mortgage. In addition, there are significant costs associated with shutting down a power plant.

"It's hard to take a write-down," said Eric Gimon, a senior fellow at Energy Innovation, a Berkeley, Calif.-based think tank working to speed up the clean energy transition. "And as long as the regulators don't give them trouble about it, they don't have incentive to move."

However, there may be a solution — one that's been proposed in Colorado — that could allow utilities to more quickly transition to cleaner fuels, recover their coal plant investments, and do so while maintaining, or even reducing, consumer bills.

The idea that's the centerpiece of the "Colorado Energy Impact Assistance Act" hinges on the ability to securitize, or refinance, old coal plant debt. The bill passed the state House this spring but stalled in the Senate.

Specifically, ratepayer-backed bonds would be sold and proceeds used to pay off the old coal-fired power plant. Utilities could then invest in new lower-cost wind or natural gas-fired generation. And a portion of proceeds could then also be used to provide economic assistance to communities affected by coal plant closures.

"The utility comes out ahead because the anchor around their necks is off their backs and they've got this wind farm they can rate-base," Gimon said.

Ron Lehr, a clean energy consultant and former Colorado Public Utilities Commission chairman who helped craft the bill, said he believes utilities in vertically integrated states will continue to confront the issue of how to manage the transition away from aging coal plants.

"It is the case that in restructured states, the markets are revealing the costs of the coal plants pretty clearly," he said. "It's pretty strong evidence that the new stuff is coming in cheaper than the old stuff can run."

Yesterday's Union of Concerned Scientists report provided more anecdotal evidence that aging coal plants are losing ground.

The report compared operating and fuel costs with the average cost of a new natural gas plant in the same region to identify coal units under economic stress. Most of those identified are in the Southeast.

"There is a huge opportunity to start to replace that older coal generation," said Jeremy Richardson, a senior energy analyst at UCS and a co-author of the report.

<http://bit.ly/2hBHwVv>

5. Bloomberg puts up another \$64M for 'war on coal'

Dylan Brown, E&E News reporter

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Billionaire businessman and environmental activist Michael Bloomberg pledged another \$64 million today to preserve what he called the "war on coal" that President Trump has declared "over."

The former New York City mayor renewed his commitment to the Sierra Club's Beyond Coal campaign. And this time around, he topped the \$50 million he gave the group in 2011 to help boost its crusade.

In total, Bloomberg has invested \$168 million in an effort the Sierra Club credits with putting half of the nation's coal plants on the path to retirement.

The announcement at the club's headquarters in Washington, D.C., came a day after U.S. EPA unveiled his plan to rescind President Obama's restrictions on power plant emissions, the Clean Power Plan.

"The Trump administration has yet to realize that the war on coal was never led by Washington — and Washington cannot end it," Bloomberg said in a statement.

Since 2011, 259 coal plants have been retired. Even though the Sierra Club helped fight many of those operations, the advent of cheap natural gas and the growth in renewables have been crippling to coal.

"All of this and we're just getting started," Sierra Club Executive Director Michael Brune said in a statement. "Our movement is growing and our momentum is unstoppable."

The Bloomberg money will fund not only the Sierra Club but also a host of other environmental groups and their anti-coal efforts at the grass-roots level nationwide.

"Aggressive state and local action to remove the barriers that block a clean energy future can help the U.S. move far closer to our goals," League of Conservation Voters board Chairwoman Carol Browner said in a statement.

<http://bit.ly/2ygwHS6>