



Issue Alert

PRESIDENT REAFFIRMS SUPPORT FOR “ALL-OF-THE-ABOVE” ENERGY POLICY, ANNOUNCES INITIATIVE TO STREAMLINE ENERGY INFRASTRUCTURE PERMITTING

JANUARY 30, 2014

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In his sixth State of the Union Address, President Obama reaffirmed his support for an “all-of-the-above” energy strategy to achieve U.S. energy independence and announced that he would use his authority under existing law to expedite federal permitting of energy infrastructure, impose limits on greenhouse gas emissions from power plants, and take other actions to support his energy policy. The full text of the President’s speech is available here: <http://www.whitehouse.gov/the-press-office/2014/01/28/president-barack-obamas-state-union-address>. This alert will focus on important elements of the President’s energy and environmental message that will be of interest to clients in the electricity, natural gas, oil, transportation, renewable energy, and natural resources sectors of our economy.

Support for Natural Gas

The President touted the success of his Administration’s “all-of-the-above” energy strategy. According to the President, this approach has brought America “closer to energy independence than we’ve been in decades.” Even as he emphasized the role of the energy sector in producing jobs, the President made a point of highlighting the role of natural gas, which the President called “the bridge fuel that can power our economy with less of the carbon pollution that causes climate change” if extracted “safely.”

The President promised to “keep working with the [natural gas] industry to sustain production and job growth,” but also expressed support for strengthening environmental regulations and protecting public lands. (For more information on developments relating to natural gas infrastructure, see our [Regulatory and Policy Outlook for 2014](#).)

Finally, the President called on Congress to “help by putting people to work building fueling stations that shift more cars and trucks from foreign oil to American natural gas”—an indication that the Administration may be more focused in the next two years on promoting the use of natural gas-powered vehicles.

Support for Renewables and Vehicle Efficiency

The President also highlighted the rapid growth of rooftop solar in the U.S., and called on Congress to phase out tax subsidies to fossil fuels in favor of support for the “fuels of the future.” He noted the Administration’s recent updates to the fuel efficiency standards for cars and announced that the Administration would soon set new, more aggressive fuel efficiency standards for trucks.

Commitment to Addressing Climate Change

In closing his remarks on energy and environmental policy, the President reiterated the Administration’s commitment to using authority under the Clean Air Act to require reductions in greenhouse gas emissions from power plants. Citing the need to act more urgently on

climate change, the President highlighted his June 2013 directive to EPA to issue carbon dioxide performance standards for new, modified, and existing power plants. (For more on this issue, see our [June 27, 2013 Alert](#).)

The President's Vision Regarding the Nation's Fuel Mix

The President's statements of support for natural gas and solar, in combination with his statements on climate change, indicate that the President's energy strategy for the remainder of his Administration likely will focus on continuing to promote natural gas-driven economic development while reducing the role of relatively higher-emitting energy sources in the power sector and increasing the efficiency of America's vehicle fleet.

Quadrennial Energy Review

The President recently established a Quadrennial Energy Review (QER) process. The initial focus for the QER "will be our Nation's infrastructure for transporting, transmitting, and delivering energy," and could support the expansion of oil and natural gas infrastructure as well as new high voltage transmission lines to alleviate congestion and enable renewable energy to reach market. (The QER was established by Presidential Memorandum earlier this month: <http://www.whitehouse.gov/the-press-office/2014/01/09/presidential-memorandum-establishing-quadrennial-energy-review>.)

The QER process, which will be chaired by the White House Director of the Office of Science and Technology Policy and the Director of the Domestic Policy Council, will be staffed by the Office of Energy Policy and Systems Analysis at the Department of Energy, with a final report on this first phase expected in January 2015.

The QER process will involve a rigorous analysis of all aspects of federal interaction with the development of new infrastructure projects. To inform this analysis, DOE is conducting stakeholder briefings, and stakeholders are encouraged to bring their ideas regarding the intersection of proposed infrastructure projects with federal permitting, prioritization, siting, and other processes to the Policy Office, where one-on-one meetings are possible. In addition, within the next few weeks, we expect the Administration to announce formal hearings around the country to encourage public input on key energy delivery infrastructure issues.

Infrastructure Permitting Initiative

Another Executive Branch initiative that the President announced in his State of the Union Address is an effort to reduce the permitting time required for priority infrastructure projects, which could include energy projects. This initiative will be led by the Department of Transportation (DOT). The interrelationship between the Quadrennial Energy Review and the DOT-led initiative is not yet clear. In the coming weeks and months, as more information becomes available about Executive Branch initiatives on energy, the environment and natural resources, Van Ness Feldman will bring this information to the attention of our clients and friends.

For more information on the Administration's Quadrennial Energy Review and priority infrastructure project initiatives, contact [Bob Szabo](#) or [Shelley Fidler](#).

For information on the EPA's forthcoming greenhouse gas regulations for new and existing power plants, contact [Kyle Danish](#), [Stephen Fotis](#), [Doug Smith](#), or [Britt Fleming](#).

For information on the Administration's fuel economy standards for heavy duty vehicles, contact [Richard Penna](#) or [Andrea Campbell](#).