

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Energy
Sent: Wed 7/5/2017 2:07:28 PM
Subject: POLITICO's Morning Energy, presented by ExxonMobil: Climate confrontation awaits Trump in Europe — Court blocks delay of EPA's methane rule — Top EPA union official speaks out

By Anthony Adragna | 07/05/2017 10:00 AM EDT

With help from Esther Whieldon, Ben Lefebvre, Sara Stefanini and Alex Guillén

TRUMP FACES CLIMATE CONFRONTATION: President Donald Trump sets off today for Europe ahead of the G-20 summit in Hamburg later this week and it's clear climate change and Trump's decision to withdraw from the Paris accord will be a topic of significant contention. Trump held an "extensive" conversation with German Chancellor Angela Merkel on Monday about climate change, and Merkel warned last week one "cannot expect any easy conversations" about Paris during the gathering. The two leaders are expected to meet sometime on Thursday before the formal kick-off of the G-20 sessions. As POLITICO Europe's Matthew Karnitschnig notes, Merkel's reputation for careful preparation and delving into the smallest detail in negotiations offers a stark contrast with Trump's inclination to follow his gut based on his rudimentary grasp of issues like climate change.

But first up on the trip is friendlier turf for Trump in the form of Poland, whose leaders also harbor doubts about climate change and have long worked to protect the nation's coal mining operations, one of its major economic engines. The White House said last week Trump would deliver remarks on "energy security" at the Three Seas Conference and would highlight the first delivery of U.S. liquefied natural gas to Poland earlier this month. "We are committed to the energy security of our allies and partners, and to the diversification of energy sources, supplies and routes," National Security Adviser H.R. McMaster said ahead of the trip. POLITICO Europe's Micha?? Broniatowski with more on what awaits Trump in Poland.

Obama touts Paris' importance: Speaking in South Korea on Monday, former President Barack Obama touted the importance of the Paris climate accord even while lamenting Trump's decision to withdraw the U.S. from the deal. "The Paris agreement, even with the temporary absence of US leadership, will still be a critical factor in helping our children solve the enormous challenge in civilization," Obama said, according to CNN.

U.N. official says U.S. may hit targets anyways: United Nations chief Antonio Guterres told a conference in Lisbon, Portugal there's been a "global push" toward climate action since Trump's announcement and a "clear" commitment from key developing powers like China and India to address the problem. According to AFP, Guterres said Monday former New York Mayor and current U.N. climate envoy Mike Bloomberg "is convinced that the United States will be able to reach the targets it set itself under the Paris accord" through the efforts of cities and the business community.

WELCOME TO WEDNESDAY! I'm your host Anthony Adragna, and welcome back to a shortened July 4th week! Hope everyone enjoyed some grilling, fireworks and relaxation! Growth Energy's Chris Bliley was first up to identify Austin and Boston as the two state capitals

that share no vowels but rhyme nevertheless. For today: Which state capital shares its name with one of NASA's earliest space shuttles? Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning_Energy](https://twitter.com/Morning_Energy), and [@POLITICOPro](https://twitter.com/POLITICOPro).

METHANE STAY REBUFFED IN COURT: Environmental advocates won an early victory against EPA Administrator Scott Pruitt's deregulation efforts Monday when a federal appeals court reinstated the agency's methane emissions rule for future oil and gas wells, Pro's Alex Guillén reports. "[This] ruling makes clear that Scott Pruitt lacks the authority to slam the brakes on common-sense methane pollution rules that help protect the climate and communities living near oil and gas wells," Earthjustice attorney Tim Ballo said in a statement. The D.C. Circuit Court of Appeals' decision means that new oil and gas wells and those drilled since the methane rule was implemented last August must comply with all its requirements, though Pruitt continues to pursue separately suspending enforcement of the rule through 2019 in a move considered more likely to pass legal muster.

Oil production is unlikely to be affected much though the American Petroleum Institute said a new stay on the regulation was needed to reduce uncertainty for its members, Alex and Pro's Ben Lefebvre report. Few wells are likely to be shut even as Pruitt's broader deregulatory push largely remains on track. "Most large oil and gas companies have already worked to comply with the rule, either because they saw this coming or because they have shareholders who care" about wasting gas, Amy Myers Jaffe, executive director for energy and sustainability at University of California Davis, said.

ENERGY WEEK RETURNS! July 4th tweet at 3:55 p.m. from the president: "Gas prices are the lowest in the U.S. in over ten years! I would like to see them go even lower."

EPA'S TOP UNION OFFICIAL SPEAKS OUT: Alex is out this morning with an interview with John O'Grady, president of the American Federation of Government Employees Council 238. O'Grady thinks EPA will successfully get around 400 employees to take early retirement or buyout packages this summer (not the 1,200 Pruitt hopes for). He says agency workers are "pretty sick and tired of being beat up as federal employees" but that they are devoted to the agency's mission and busier than ever. "This idea that you can do more with less," O'Grady said. "Well excuse me - you can't. We're at the point where we're at bare bones, we can't do more for less."

O'Grady's takeaway on what's next for EPA: "The outlook is not good. The outlook is that I plan on being in a fight for the next four years. And why this administration cannot understand that EPA does good work for the American people, that the American people want it - it's just hurting the Republican party and this administration."

WHITE HOUSE RELEASES SALARY DATA: Information released late Friday with the full breakdown of White House salaries shows Mike Catanzaro, a top energy and environmental policy aide for Trump, is drawing an annual salary of \$115,000. George David Banks is taking home \$140,000, according to the document. Chief of Staff Reince Priebus, chief strategist and senior counselor Steve Bannon, press secretary Sean Spicer, counselor Kellyanne Conway,

spokeswoman Hope Hicks and social media director Dan Scavino are all earning \$179,700. POLITICO's Nolan D. McCaskill with more [here](#).

O REALLY? ORALLY? Pruitt only issued his "directive" to stop the practice called "sue and settle" orally rather than in writing, Pro's Alex Guillén [reports](#), citing EPA's response to a FOIA request. EPA did not say when Pruitt issued the oral directive to employees to avoid reaching settlements in lawsuits brought by environmental groups, which he and other Republicans have long criticized as a way for environmental groups to force new regulations.

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MAJOR ANNOUNCEMENT PLANNED: Interior Secretary Ryan Zinke today makes an announcement at 11:30 a.m. near the Antietam National Battlefield Visitor Center about what project Trump's donated presidential salary will support. You may remember the White House [announced in April](#) Trump would donate the first quarter of his annual salary - totaling \$78,333 - to the National Park Service. The Battle of Antietam was of course the site in September 1862 of the single bloodiest battle in U.S. history with some 23,000 soldiers killed, wounded or missing in just 12 hours of combat.

STUCK IN THE MIDDLE WITH YOU: For years the National Economic Council has been a sleepy home to wonks but it's taken center stage in a host of major policy battles during the Trump administration, especially among those who want Trump to moderate his positions on certain campaign promises, POLITICO's Nancy Cook and Andrew Restuccia [report](#). Led by director Gary Cohn, the NEC held a series of meetings with fossil fuel companies in hopes of building support for sticking with the Paris agreement but weakening U.S. domestic commitments. Cohn seemed more confident during May's G-7 meetings that Trump's was coming around on the issue, but the president ultimately was swayed by others that the accord was a bad deal for the U.S.

WELCOME TO THE POST-CRA WORLD! Months after Trump signed a Congressional Review Act resolution nullifying updated land-use planning and environmental review processes, BLM is accepting comments through July 24 in an [online questionnaire](#) on ways to speed up and decrease the costs of the processes, Pro's Esther Whieldon [reports](#). That feedback will in turn become a report for Zinke on possible approaches, though it's worth remembering use of the CRA bars the agency from writing another rule that is substantially the same.

THANKS OBAMA: Prior to the July 4 break, the Center for American Progress released a [new analysis](#) arguing policy actions taken during the Obama administration have fueled the rapid growth in the clean energy sector. It argues the approach taken by Trump's White House will decide whether the U.S. will "win the technology race to produce affordable, sustainable energy" globally.

GREENS HIT G-20 ON FOSSIL FINANCING: Oil Change International, Friends of the

Earth U.S., the Sierra Club and WWF European Policy Office are out with a [report](#) today finding the U.S. provides \$6 billion annually in fossil fuel public financing and G-20 nations spend nearly four times as much on fossil fuel public support than clean energy. Just 15 percent of financing from those G-20 nations is earmarked for clean energy projects, which the environmental groups argue goes against the goals of the Paris agreement. "Our research shows that the G-20 still hasn't put its money where its mouth is when it comes to the clean energy transition," Alex Doukas, senior campaigner at Oil Change International, said in a statement.

FRANCE EYES CARBON NEUTRALITY BY 2050: Prime Minister Edouard Philippe [said](#) in his general policy speech to the National Assembly on Tuesday. The government will equalize gasoline and diesel taxes by 2022, increase its existing carbon tax, halve the waste put into landfills and recycle all plastics by 2025.

SHAKING IT UP: The National Oceanic and Atmospheric Administration is extending by 15 days the public comment period on applications to conduct seismic surveys in federal waters off the Atlantic coast. Comments are now due by July 21, NOAA says in a [document](#) to be published in the federal register today. The proposed review of five companies' applications has caught criticism from governors of East Coast states and environmentalists, who worry that the surveys could harm marine animals and eventually lead to oil and gas drilling puncturing the region's tourist trade.

GRIJALVA SEEKS REPORT ON THREATS AGAINST FEDERAL EMPLOYEES: Ahead of a July 10 retrial for four officials in the 2014 Cliven Bundy ranch standoff, House Natural Resources Ranking Member [Raul Grijalva](#) asked GAO in a [letter](#) for a report on threats and attacks against federal land management officials and property.

TIME TO REANALYZE? DOE hinted Monday it may rewrite certain documents related to the agency's efficiency standards for air compressors issued at the end of the Obama administration, Pro's Darius Dixon reports. In a [request for information](#), DOE said small businesses had expressed "concern about the economic burden" of a final version of so-called test procedures for industrial and air compressor efficiency and pledged to collect information about compressors for 60 days.

BLM SEEKS COMMENT ON NEW MEXICO SOLAR STRATEGY: The Interior Department's Bureau of Land Management has taken another step toward eventually offering solar leases in southern New Mexico. BLM is [asking](#) for comments by July 21 on its landscape-scale review of the Afton Solar Energy Zone that covers about 30,000 acres. By creating "regional mitigation strategies" for solar zones before offering leases, BLM gives potential developers an idea of what they may be ordered to do under a lease to reduce, or make up for, their impact on such things as local plants and wildlife. The agency has completed strategies for eight SEZs in Arizona, Colorado and Nevada and is developing ones for three zones in Utah.

MOVER, SHAKER: Geoffrey Barnes, a veteran Squire Patton Boggs attorney who in recent years represented coal producer Murray Energy in various lawsuits against EPA, including the Clean Power Plan litigation, retired on Friday.

Chris Kelley has started on API's federal relations team as a director focused on international and corporate issues. He most recently was deputy chief of staff for Rep. Brad Ashford (D-Neb.) (h/t POLITICO Playbook).

QUICK HITS

- A dam could derail the Chesapeake Bay cleanup. [Washington Post](#).
- 'Babe' actor James Cromwell sentenced to jail for N.Y. plant protest. [AP](#).
- US nuclear inspection results now concealed. [AP](#).
- White House Denies Report That Part of Its Science And Technology Office Is Empty. [Huffington Post](#).
- New Florida law lets any resident challenge what's taught in science classes. [Washington Post](#).
- Dispute over Dakota Access handling of artifacts to linger. [AP](#).

THAT'S ALL FOR ME!

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