

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Energy
Sent: Tue 6/27/2017 2:06:51 PM
Subject: POLITICO's Morning Energy, presented by Exelon: What's new for Energy Week? — Zinke takes Montana — Pruitt returns to Capitol Hill

By Ben Lefebvre | 06/27/2017 10:00 AM EDT

With help from Darius Dixon Alex Guillen and Eric Wolff

ENERGY WEEK ROLLS ON: We've heard the rah-rah but ME is still wondering if and when something substantive may come. So far it's been hinted that Interior Secretary may have something new to say when he speaks in Montana today (more below), but at first blush Energy Week may shape up to be old hydrocarbons in new barrels.

Enticing India with LNG: Following a meeting at the White House with Indian Prime Minister Narendra Modi on Monday, Trump played up the possibility of selling more liquefied natural gas to India, which is trying to bring electricity to more of its population, Pro Trade's Doug Palmer [reports](#). Trump said oil and gas contracts are "right now being negotiated and we will sign them. We're trying to get the price up a little bit." But India has been in the market for U.S. gas at least since 2011, when its state-owned gas company, GAIL India, was among the first customers to [sign a 20-year contract](#) with then-fledgling Cheniere Energy. India has said it will increase its oil and gas purchases from the U.S., but the country is notorious for being price-sensitive. GAIL earlier this year reached a [deal](#) with Swiss trading company Guvnor to save on shipping costs by swapping some of its Cheniere cargoes for closer supplies.

Wait 'til tax reform: When it comes to questions of new policy, Energy Secretary Rick Perry mostly sidestepped questions when he briefed reporters on energy week plans earlier Monday. But he said answers would likely come in the president's tax plan. "I don't think the administration is going to be wildly supportive of government subsidies for sectors of the energy industry," Perry said when asked whether to expect continued federal support for renewable energy research. He then added: "Whenever we get this healthcare bill passed and we get into tax reform, at that particular point in time we'll have a good healthy conversation on the energy sector and tax subsidies."

Nuclear happens: Perry did say the White House is keenly aware that nuclear power operators are facing an increased threat of bankruptcy because of competition from cheap natural gas and renewables. "There's a lot of reasons we need to have the conversation about keeping our nuclear industry viable...whether it's Gen 4 plant or modular reactors," he said. Perry did not weigh in on specific issues such as the fate of a nuclear energy tax credit extension being debated in Congress or programs aimed at propping up existing reactors in states like New York and Illinois, but he warned that the U.S. risked losing ground to competitors like China and Russia in developing the next generation of nuclear technology. "Most Americans will say nuclear energy will occur," Perry continued. "Who controls it and is most supportive, I'm sure that will be America."

If you'd like to hear more from Perry, he's up for the keynote address at the 8:30 a.m. plenary

session today at [EIA's Energy Conference](#) at the Washington Hilton. He also is tentatively scheduled to talk at 9:45 a.m. today with Piyush Goyal, of India's ministry of power, coal, new and renewable energy and mines at [U.S.-India Business Council's 42nd Annual Leadership Summit](#).

Going local: One possible new avenue the administration may follow may come when President Donald Trump will meet tribal leaders on Wednesday to discuss local energy. This is in line with the administration's line that wouldn't mind for Native American tribes to get in on the oil boom. Energy and Interior department officials [met with tribes](#) in May to discuss energy development, and the topic popped up in Senate subcommittee hearings on Interior's budget.

GOOD MORNING, MORNING ENERGY! I'm your host, Ben Lefebvre, filling in for Anthony Adragna, who is away on matrimony. No applause - just throw tips and comments to blefebvre@politico.com, please. Anthony will be back Wednesday. You can find him at aadragna@politico.com, or follow us on Twitter [@bjlefebvre](#), [@aadragna](#), [@Morning_Energy](#) and [@POLITICOPro](#).

THE DOI ABIDES: Zinke is slated to speak at the Western Governors' Association today in Whitefish, Mont., his old stomping grounds. While there, he'll make a "bigly onshore energy announcement," a department source tells ME. The WGA, which is giving the secretary of the Interior [twin billing](#) with actor and hometown hero Jeff Bridges, will not stream Zinke's speech. They do promise to live-Tweet it at #WGA17.

Say what you want about the tenets of national monuments: Whatever Zinke may have his sleeve, it's his Trump-ordered review of national monuments that seems to be getting the most attention from locals in Whitefish, where Zinke served as state lawmaker from 2009 to 2011 (he also tried to [open](#) a bed and breakfast and brewery there around the same time). Whitefish Mayor John Muhlfeld has joined environmentalists and sportsmen in the area calling on Zinke to resist the urge to eliminate or shrink national monuments under his review. "As a friend of Ryan Zinke, I urge him to respect and protect America's public lands, in Montana and across the country," Muhlfeld says in a press release sent by the Center for Western Priorities.

PILT paychecks: Zinke was in Nevada Monday, where he announced that nearly \$465 million is headed to local governments as part of the Payments in Lieu of Taxes program. PILT payments compensate jurisdictions that are home to large swaths of federal land they cannot tax. Details on who's getting how much [here](#).

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ROUND 2 FOR PRUITT ON BUDGET: EPA Administrator Scott Pruitt is on the Hill today to testify for the second time on the administration's proposal to massively slash his agency's funding, and if his [first hearing](#) is any guide, Pruitt is in for some tough questions from both parties.

What to expect today: Sen. [Lisa Murkowski](#), who chairs the Senate's Interior-EPA spending panel, is already on the record as not being a big fan of EPA's proposed cuts. She's noted before that recent years have already seen Congress significantly reduce EPA's budget and personnel, and she's likely to raise objections to the administration's proposal to zero out a water infrastructure program aimed at Alaska Native villages. Expect one or more senators, including possibly [Steve Daines](#), to complain about the proposed Superfund cuts. The hearing starts at 9:30 a.m. in Dirksen 124.

Hands across the Capitol: The Sierra Club, Union for Concerned Scientists and more than a dozen other environmental groups plan to protest the 31 percent cut to the EPA that Trump's budget calls for. They'll meet at Lower Senate Park ahead of the hearing.

Coincidentally: Today marks the end of the 60-day stay on the Clean Power Plan lawsuits put in place in April by the D.C. Circuit Court of Appeals. The court took comment on whether to remand the rule to EPA (as environmentalists wanted) or keep the lawsuit in abeyance indefinitely while EPA works on its review, as advocated for by the agency and the rule's challengers. Click for a [refresher](#) on who wanted what and why. It's not clear what exactly might happen today, if anything; the court could decide on the remand-versus-abeyance issue today, or extend its stay and decide later.

SCIENTIST SPEAKS UP: Look for Pruitt to also face questions today about his agency's treatment of independent science advisers, especially in the wake of Monday night's [New York Times report](#) that his chief of staff pressured one of them to alter her testimony to a separate congressional committee last month. EPA Chief of Staff Ryan Jackson asked Deborah Swackhamer, who chairs EPA's Board of Scientific Counselors, to stick to the agency's "talking points" about why board members were not being reappointed before she testified to the House Science Committee, according to the paper, which cited emails she had shared with committee Democrats. Science Chairman Lamar Smith told the Times that Democrats are "politicizing" an attempt by EPA to make sure her testimony was accurate. Swackhamer was testifying as a private citizen and not on behalf of EPA, and it does not appear that she changed her [written testimony](#). In it, she warns that changes to the board "may lead to the perception that science is being politicized and marginalized within EPA."

NATURE ABHORS A VACUUM AND RGGI FILLS A SPOTLIGHT: The nine-state Regional Greenhouse Gas Initiative meets today to discuss whether to modify its carbon cap, whether and how to link with other cap programs, and how to manage new participants. Emissions reductions from the northeastern states have gone faster than expected, and green groups hope to see some carbon cap tightening from the meeting. If you go: It's at 1 p.m. at Jerome Greene Hall Room 701, Columbia Law School, in New York. You can also stream it [here](#).

Be! Aggressive! B! E! Aggressive!: Emissions reductions have come faster than expected, so green groups are looking for deeper reduction requirements. The Natural Resources Defense Council and 50 other green groups have [asked](#) the program to set caps lower to push for more carbon reductions, and to raise the price floor so as to ensure that there's a cost to emissions.

ON HER WAY OUT: FERC Commissioner Colette Honorable plans to leave the agency Friday, Pro's Darius Dixon reports. She will formally announce the news today when she speaks to the EIA conference. That will leave acting Chairwoman Cheryl LaFleur as the only remaining commissioner, meaning both of Trump's pending nominees will have to be confirmed before FERC can conduct any major business again. Honorable tells ME she doesn't have a job lined up but "I have some irons in the fire."

THE ROAD TO RECLAIM: The RECLAIM Act is going before the House Natural Resources Committee for markup today. The bill as currently written would take money from the Abandoned Mine Land Fund to pay laid-off coal miners to work cleaning up abandoned mines.

EPW HEARING ON HOLD: A Senate EPW subcommittee meeting that had been scheduled for 2:45 p.m. today on clean energy technologies has been postponed. A committee spokeswoman tells us no new date planned yet.

NOMS ON PARADE: Two more former George W. Bush appointees are in line to return to the Interior Department, the White House said Monday. Trump plans to nominate Brenda Burman as commissioner of reclamation. She was the deputy commissioner for reclamation and assistant secretary for water and science under Bush; now she is the director of water strategy at the Salt River Project. Douglas W. Domenech, a senior adviser to Zinke, will be nominated as assistant Interior secretary for insular affairs. His positions in the Bush administration included deputy assistant Interior secretary for insular affairs and White House liaison.

SVINICKI SECURES SENATE NOD: The Senate voted 88-9 Monday to confirm Nuclear Regulatory Commission Chairwoman Kristine Svinicki to a third term at the agency, just days before her tenure had been set to expire. Nevada Sen. Dean Heller was the only Republican to vote against Svinicki; fellow dissenters included Sens. Catherine Cortez Masto, Kirsten Gillibrand, Cory Booker, Elizabeth Warren and Bernie Sanders, among others.

CALLING CARTER PAGE: The FBI interviewed Carter Page, an energy consultant who traveled to Moscow last year while advising the Trump campaign, Pro's Austin Wright reports. The interviews occurred in May and were part of the FBI's investigation into Russia's meddling in the 2016 Presidential election, Page said in a statement.

WATCHDOG TAKES NATIONAL PARK SERVICE OFF THE HOOK: The unlikely spat between the National Park Service and Trump may have broken toward the NPS, POLITICO's Matthew Nussbaum reports. Interior's Inspector General said Monday that NPS employees did not alter crowd size records, which Trump complained had low-balled the number of people attending his inauguration. The IG also said NPS wasn't the one who leaked info about a phone call in which Trump allegedly ordered the acting NPS director to release additional photos of the crowd. Will this end the feud? ME will keep an eye on a certain Twitter account in the coming days.

CRUDE HACK: Those "dipping donkey" pump jacks that dot the Texas and Oklahoma oil field landscape are a great entryway for hackers looking to disrupt America's fuel production, Deloitte

says in a new study. Cyber-attacks on oil and gas companies are growing in frequency, sophistication, and impact, the study finds, and the production part of the business is the most vulnerable to attack and the most potentially damaging if exploited. "Thus, the consequence of a cyber-attack on oil and gas production could be severe, promptly affecting both the top and bottom lines," Deloitte says in its [report](#).

COUNTDOWN FOR KEYSTONE: A judge in the U.S. District Court in Montana will hear arguments on Aug. 31 whether to dismiss the case the Northern Plains Resource Council and other environmental groups brought against the Keystone XL pipeline, according to a new court filing. White House lawyers argued earlier that the case should be thrown out as the plaintiffs don't have standing to challenge the executive branch's authority in granting permits for pipeline border crossings.

SUNIVA DISPUTES GTM'S SOLAR IMPACT REPORT: Suniva is disputing GTM Research's findings Monday that the trade tariffs the company seeks for imported solar panels and cells could wipe out nearly two-thirds of U.S. solar projects slated to be built by 2022. "GTM's conclusions are based on faulty and unsupported assumptions, and demonstrate a fundamental misunderstanding" of what Suniva seeks, the company said in a press release.

MOVER/SHAKER: Washington lawyer Dennis Lee Forsgren has been named EPA's deputy assistant administrator in the Office of Water, a job that does not require Senate confirmation but gives him a significant role in the agency's efforts to rewind the Waters of the U.S. rule and other key regulations. Forsgren's appointment was revealed in a [blog post](#) from the Association of State Drinking Water Administrators. Forsgren most recently was a lawyer at HBW Resources, where his lobbying clients since 2011 have included GE and a subsidiary of the nuclear company Babcock & Wilcox.

QUICK HITS:

- Federal agencies greenlight proposed delta tunnel project, [Los Angeles Times](#).
- Trump's Anti-Nafta Stance Is on a Collision Course with Natural Gas, [The New York Times](#).
- Trump Has China to Thank for Recent Coal Industry Spike, [Time](#).
- Swearengin prepares for campaign fight against Manchin, [MetroNews](#).
- Microbe Mystery Solved: What Happened to the Deepwater Horizon Oil Plume, [Berkley Lab](#).

THAT'S ALL FOR ME! I'll be back tomorrow, after which Anthony will take charge.

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