

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: POLITICO Pro Energy
Sent: Mon 8/14/2017 9:46:04 AM
Subject: Morning Energy: Pruitt's commitment to transparency questioned — N.Y. mulls carbon price options — Manchin-to-DOE trial balloon rises again

By Anthony Adragna | 08/14/2017 05:43 AM EDT

With help from Darius Dixon

A NEW CA-vs.-EPA SHOWDOWN: California Attorney General Xavier Becerra is the latest Democratic official from the Golden State to take on EPA Administrator Scott Pruitt — this time with a public records [lawsuit](#) alleging he has failed to promptly hand over documents related to his ethics arrangements. Becerra filed the suit Friday, Pro's Alex Guillén [reports](#). Pruitt, a prolific litigant challenging the Obama-era EPA, has agreed to stay away from lawsuits over the various rules he challenged in court, such as the Clean Power Plan or Waters of the U.S., although he says he is not barred from working to roll back the rules themselves. Becerra asked for documents outlining Pruitt's "compliance with federal ethics regulations and obligations" as well as agency "policies and procedures for determining who (if anyone) can assume the powers of the Administrator if he is recused or disqualified from participating in a matter."

EPA spokeswoman Liz Bowman said agency staff had reached out twice to Becerra's office to say they were working on a response. "It's unfortunate that California is suing the Agency, draining resources that could be better spent protecting human health and the environment — rather than working with EPA's career staff, as they can gather all the information requested," she said in a statement.

A few hours after Becerra filed his suit, the New York Times dropped a big [report](#) documenting limits on access to EPA — for both the public, press and even agency staff. Citing interviews with 20 current and former staffers, the Times reported that EPA employees now must leave their cellphones before meeting with Pruitt and must have an escort to see the administrator, who is accompanied by his armed security staff even at agency headquarters. ("None of this is true," Bowman told the Times. "It's all rumors.")

Pruitt's tactics aren't just controversial at agency headquarters. He's frequently met with tightly-screened industry groups and opted for interviews with friendly media figures. It was three such closed events in North Dakota that earned Pruitt a rebuke from Republican Sen. [John Hoeven](#). "I think (meetings) should be open," he said, according to [The Bismarck Tribune](#). "I guess I saw no reason not to have it open," he said.

But Pruitt isn't shifting approaches either. He leaned into a brewing controversy over a major federal climate change report blaming human activity for climate change, promising he and his staff would gauge the "accuracy" of its findings. It's a bizarre promise, Pro's Emily Holden [reports](#), given Pruitt's concern over so-called politicization of science and the fact the report has already undergone "rigorous" peer-review by a 14-person committee at the National Academies with 132 pages of suggestions from the reviewers already incorporated into the final version. "It's a much more extensive process than a usual peer review, which does not typically come out

as a paperback book," said Bob Kopp, a lead report author and climate scientist at Rutgers University.

The administrator also dismissed the discussion over the role of human activity in climate change during a Texas radio show last week as "political" and a "wedge issue." "Why aren't we celebrating what we're achieving with respect to CO2 ... why do we continue to engage in this political football?" he said. Multiple science organizations have sought meetings with Pruitt to discuss why he doesn't acknowledge the scientific consensus that human activity is driving climate change.

WELCOME TO MONDAY AND HAPPY AUGUST EVERYONE! I'm your host Anthony Adragna, and hope everyone had a lovely start to August. Thank you to Pro's Alex Guillén, Darius Dixon, Annie Snider and Esther Whieldon for keeping this warm for me while I was away on my honeymoon! Geronimo Energy's Jenny Monson-Miller was first to correctly identify Marguerite Higgins on Friday as the Pulitzer Prize-winning female journalist buried at Arlington Cemetery. For today, in honor of the amazing performance of "42nd Street" I just saw in London: What play holds the record for the longest initial run in history (at over 26,000 and counting)? 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).

NEW YORK'S 'MAJOR STEP' TOWARD CARBON PRICE: New York's grid operator released a hotly-anticipated report Friday finding that the state could support its clean energy goals with minimum costs to consumers by incorporating the social cost of carbon emissions into the its electricity prices, POLITICO New York's Marie J. French reports. NYISO CEO Brad Jones and Public Service Commission Chairman John Rhodes said the document's release marked the first step in a collaborative process to further consider what a carbon price would look like and how it could be implemented. Setting a price on carbon would help incentivize greater investments in renewable energy and more efficient combined-cycle fossil fuel-powered generators while pushing out less-efficient technologies, the report argues.

SECOND TIME'S THE CHARM? White House officials are again titillated by the possibility of luring West Virginia Democratic Sen. Joe Manchin to serve as Energy secretary, a role still currently occupied by Rick Perry, Bloomberg reports. There's high interest because Manchin's seat would be filled by newly-minted GOP Gov. Jim Justice, potentially opening the possibility the Republican-led Senate might be able to pass some form of healthcare reform. ME readers likely remember Manchin interviewed for the slot that went to Perry during the transition though there's some thought Perry could jump the vacant Homeland Security job formerly held by White House Chief of Staff John Kelly. A spokesman for Manchin, for what it's worth, said "Senator Manchin has not had any recent conversations with the Administration about the Secretary of Energy position."

PERRY GOES WEST! Far from the Washington rumor mill, Perry is out in Eastern Oregon later today where he'll tour the Army Corps-operated McNary Lock and Dam in Umatilla. That'll be followed Tuesday by visits to the Pacific Northwest National Laboratory and DOE's Hanford Site. Joining Perry at various points of his trip are Senate Energy ranking member Maria Cantwell, Rep. Dan Newhouse and House Energy and Commerce Chairman Greg Walden.

QUE TAL CON LA VENEZUELA? Vice President Mike Pence is visiting Colombia, Argentina, Chile and Panama during a South American swing this week and senior administration officials expect Venezuela to dominate their talks. One official told reporters on Friday to expect discussion of "economic options, diplomatic options — every tool that's available" to amplify pressure on Venezuelan President Nicolás Maduro. One option that's been avoided to date would be placing sanctions on Venezuelan oil imports, something four Republican senators warned last week doing would harm Gulf Coast oil refiners.

All of this comes as Trump himself refused to rule out the U.S. pursuing "a military option" against Venezuela, though Pence downplayed such talk during a press conference Sunday night with Colombian President Juan Manuel Santos. "President Santos and I discussed in some detail additional measure that could be taken to further pressure the regime in Venezuela, economically," Pence said. "We'll continue on this trip and beyond to bring diplomatic pressure to bear." Santos in his remarks stressed any talk of military intervention "shouldn't even be considered."

AND THE BEAT GOES ON: Jeff Holmstead, the former EPA air chief during the George W. Bush administrations whose name briefly popped up as a potential number two at the agency, attended an OMB meeting last week on EPA's proposed Clean Power Plan repeal on behalf of the Electric Reliability Coordinating Council, according records posted by the White House, Pro's Alex Guillén reports in Energy Regulation Watch. Holmstead wasn't available for comment, but his Bracewell colleague Scott Segal said they discussed possible replacements rules, including implementation and enforcement issues, with administration officials who "seemed interested and engaged."

THIS IS... UNUSUAL: The family of West Virginia Republican Gov. Jim Justice has filed a lawsuit against two top Kentucky environmental regulators themselves — not the state of Kentucky for which they work — because they blame the officials for their company's failure to meet reclamation deadlines, the Courier-Journal reports. The lawsuits, filed on behalf of the Kentucky Fuel Corporation, allege the actions of Kentucky Department for Natural Resources Commissioner Allen Luttrell and Deputy Commissioner John D. Small could have cost the company up to \$4.5 million in fines.

STEYER THROWS HIS WEIGHT AROUND: Billionaire environmentalist and Democratic mega-donor Tom Steyer said Saturday he and his organization NextGen America would only support pro-choice candidates for office, POLITICO's Gabriel Debenedetti reports. He also pointedly refused to rule out a run for office — whether that be the presidency or a statewide role in California. "Look, I promise: There is nothing that I would not do in order to have the most impact," he said in an interview on the sidelines of the progressive Netroots Nation conference in Atlanta.

MONIZ PLUCKS DOE STAFFER FOR NEW GROUP: Former Energy Secretary Ernest Moniz has hired Jeanette Pablo away from the Energy Department as the general counsel for his nascent Energy Futures Initiatives. Pablo, who will also be a senior associate with EFI, has spent more than 20 years working in the energy world, including a long stretch with the Tennessee

Valley Authority as well as positions with PNM Resources and American Water Co.. Up until last week she was the acting deputy director for energy systems with DOE's Office of Energy Policy and Systems Analysis.

NEW GIG FOR SCHRODER: Russia's largest oil company, Rosneft, has added former German Chancellor Gerhard Schröder as an "independent director" on its board, POLITICO Europe's Emmet Livingstone [reports](#), citing an official government statement. Chancellor Angela Merkel's predecessor already chairs the shareholders' committee of Nord Stream AG, a gas-pipeline consortium set up to transport Russian gas across the Baltic Sea and into Germany.

MAIL CALL! HOUSE ENTERS SUNIVA FRACAS TOO: Hot on the heels of their Senate colleagues, a bipartisan group of 53 congressmen, led by Reps. [Mark Sanford](#), [Mike Thompson](#), [Pat Meehan](#) and [Matt Cartwright](#), sent a [letter](#) Friday to the International Trade Commission urging it not to grant petitions from Suniva and SolarWorld Americas that would impose solar trade import tariffs. The lawmakers are throwing their weight around ahead of the first public hearing on the petitions Tuesday at which hundreds of solar workers are expected to testify about the impacts the tariffs would have on their jobs.

MOVER, SHAKER: Ciaran Clayton will soon be joining the Nature Conservancy as director of global media relations; she's been working with the Center for American Progress and was previously director for communications with NOAA.

QUICK HITS

- A Legacy of Environmental Racism. [The Intercept](#).
- In Egypt, A Rising Sea — And Growing Worries About Climate Change's Effects. [NPR](#).
- ConocoPhillips launches drilling at a North Slope oil field. [Alaska Dispatch News](#).
- Kuwait to Finish Cleaning Up Oil Spill This Week. [Reuters](#).
- Is Houston Missing the Next Energy Wave? [Houston Chronicle](#).

HAPPENING THIS WEEK

MONDAY

9:00 a.m. — Sierra Club and AFL-CIO roundtable on NAFTA, Sierra Club Legislative Office, 50 F Street NW, Eighth Floor

TUESDAY

9:30 a.m. — U.S. International Trade Commission holds [public hearing](#) on Suniva trade petition, 500 E Street SW

10:00 a.m. — "[Addressing the Water-Energy Nexus in an Integrated and Proactive Way](#)," United States Energy Association, 1300 Pennsylvania Ave NW, Suite 550

THAT'S ALL FOR ME!

To view online:

<https://www.politicopro.com/tipsheets/morning-energy/2017/08/pruitts-commitment-to-transparency-questioned-024209>

Stories from POLITICO Pro

California sues EPA for Pruitt ethics docs [Back](#)

By Alex Guillén | 08/11/2017 04:45 PM EDT

California Attorney General Xavier Becerra today [sued](#) EPA for documents related to Administrator Scott Pruitt's ethics agreements.

EPA has not yet responded to a request Becerra made in April under the Freedom of Information Act for the documents, according to the suit. The case was filed in U.S. District Court for D.C.

Becerra specifically requested details about Pruitt's "compliance with federal ethics regulations and obligations." Pruitt has recused himself from working on a number of lawsuits related to rules he sued over, including the Clean Power Plan and Waters of the U.S., although Pruitt said he is not barred from working on regulatory rollbacks or replacements of those rules.

Becerra also asked for the agency's "policies and procedures for determining who (if anyone) can assume the powers of the Administrator if he is recused or disqualified from participating in a matter."

WHAT'S NEXT: Becerra asked the court to force EPA to reply to his April public records request. The court will give EPA a chance to respond.

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Pruitt: EPA will review 'politicized' climate science report [Back](#)

By Emily Holden | 08/11/2017 05:32 PM EDT

Environmental Protection Agency chief Scott Pruitt said his staff will gauge the "accuracy" of a major federal science report that blames human activity for climate change — just days after researchers [voiced their fears](#) to The New York Times that the Trump administration would alter or suppress its findings.

"Frankly this report ought to be subjected to peer-reviewed, objective-reviewed methodology and evaluation," Pruitt told a [Texas radio show](#) Thursday. "Science should not be politicized. Science is not something that should be just thrown about to try to dictate policy in Washington, D.C."

Pruitt, who has [expressed doubts](#) about carbon dioxide's role as a major driver of climate change, also dismissed the discussions in Washington about manmade carbon emissions, calling them "political."

Scientists called his remarks troubling, especially because the report — part of a broader, congressionally mandated National Climate Assessment — has already undergone "rigorous" peer-review by a 14-person committee at the National Academies. The reviewing scientists backed the report's conclusion from researchers at 13 federal agencies that humans are causing climate change by putting more greenhouse gases in the atmosphere, leading to a clear increase in global temperatures.

The report's authors implemented the 132 pages of suggestions from the reviewers, and now the Trump administration has one last opportunity to review the document before publication. Agencies are supposed to sign off by Aug. 18 and send their comments to the authors.

"It's a much more extensive process than a usual peer review, which does not typically come out as a paperback book," said Bob Kopp, a lead report author and climate scientist at Rutgers University.

Kopp said he has "no idea" what to expect after hearing Pruitt's comments. Staffers at EPA had already signed off on an earlier draft.

Eric Davidson, president of the American Geophysical Union, said the report has undergone "a very rigorous peer-review" and is "built on 50-some years of published research, and each of those papers went through its own peer review."

He added that while fears of Pruitt suppressing the climate report might be more imagined than real right now, he didn't rule it out.

"Certainly it's a possibility, and if the administration doesn't understand that it's already peer-reviewed, that really is a sign of concern that he may not understand the process," Davidson said. "If he's continuing to question why CO₂ is a big deal, that's also very concerning, because CO₂ is a big deal. ... To see those quotes continue to come out is definitely disconcerting."

Several climate experts said they welcomed scrutiny of the report, but they also expressed concerns that political biases could color the process.

"The question is will it be reviewed by people who are scientific experts or will it be reviewed by people who have a political agenda?" said Kathy Jacobs, who oversaw the broader National Climate Assessment under the Obama administration and now heads the Center for Climate

Adaptation Science and Solutions at the University of Arizona.

"The implication of [Pruitt's statement] is that it hasn't been linked to the data," she said of the report. "That certainly is not true. This is built on a mountain of evidence."

Even as Pruitt said EPA would review the report for objectivity, he criticized the Times for saying scientists worry that the administration might interfere with its publication.

"The New York Times out there saying they had to release this report because it's going to be suppressed is just simply legendary," he said. "It's just made-up news trying to create a distraction from the real work that's being done in Washington, D.C."

His comments Thursday came the same day that the [National Oceanic and Atmospheric Administration](#) issued a separate report confirming that 2016 was the warmest year on record, surpassing the records set in each of the two previous years.

This week's dust-up over the 13-agency climate report is far from the first climate science dispute for Pruitt, who as Oklahoma's attorney general sued to block a series of major EPA regulations. He [drew criticism](#) after [announcing](#) in June that he wanted to conduct a "red team, blue team" debate of climate science, a move that his detractors said would put fringe views on the same plane as established, peer-reviewed research.

The EPA chief defended his "red team-blue team" strategy in the radio interview, saying that "this debate, this discussion, I think it's good and healthy for the country."

Pruitt told the Texas radio show that his agency would review the 13-agency report "like all other 12 agencies and evaluate the merits and demerits and the methodology and accuracy of the report."

But EPA already plays a role in reviewing that document. The U.S. Global Change Research Program, which coordinates the agencies involved in the review, lists EPA's point person as Andrew Miller, a longtime employee and an associate director of climate research.

"On the one hand, EPA has been a very productive contributor the entire process, including during this administration," Rutgers University's Kopp said. "On the other hand, Administrator Pruitt has said things in the past that contradict sort of mainstream climate science and the findings of the report. But the process has been operating quite well. I'm hopeful that it will continue to operate well."

Katharine Hayhoe, another report author from Texas Tech University, said she strongly agreed with Pruitt that science shouldn't be politicized and the report should be peer-reviewed.

"Thankfully, all of this has *already happened*," she said in a lengthy email responding to Pruitt's comments.

"Science should not be politicized, and I and my colleagues deplore the attempts of politicians to

do so, their attempts to pretend as if a thermometer gives us a different answer if we are Democrat or Republican," she continued. She noted that the report found no alternative explanations for why climate change is happening other than human influence.

Another expert familiar with the process of crafting the report said the standards exceeded the typical scientific process.

Typically, the president's science adviser signs off on the report, but Trump has yet to appoint one. The U.S. Global Change Research Program, which coordinates the report, lists Kimberly Miller at the White House Office of Management and Budget as the president's liaison.

Democrats and other critics contend that Pruitt has criticized climate change policies because he wants to run for the U.S. Senate from Oklahoma, where his stance might resonate with conservative voters. EPA did not comment on that issue.

David Doniger, director of the Natural Resources Defense Council's climate program, said addressing climate change would affect the fossil fuel industries, and Pruitt has "lined up his personal political fortunes" with the economic interests of oil, gas and coal companies.

Science organizations have asked to meet with Pruitt to discuss why he doesn't acknowledge a link between human action and climate change.

In the radio interview, Pruitt accused the Obama administration of using carbon dioxide as a "wedge issue."

"Why aren't we celebrating what we're achieving with respect to CO₂? ... Why do we continue to engage in this political football?" he said.

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Trump says he's not ruling out military option against Venezuela [Back](#)

By POLITICO Staff | 08/11/2017 06:38 PM EDT

President Donald Trump today said he would not rule out the U.S. pursuing "a military option" against Venezuela, which has come under increased pressure for its human rights abuses.

Speaking to reporters after meeting with Secretary of State Rex Tillerson and U.S. Ambassador to the U.N. Nikki Haley, Trump said he has "many options" for Venezuela, "including a possible military operation, if necessary."

The Treasury Department late last month [targeted](#) Venezuelan President Nicolás Maduro with sanctions, accusing him of widespread abuses of the Venezuelan people.

Treasury announced the sanctions following the election of an assembly to rewrite the South American country's constitution.

"By sanctioning Maduro, the United States makes clear our opposition to the policies of his regime and our support for the people of Venezuela who seek to return their country to a full and prosperous democracy," Treasury Secretary Steven Mnuchin said at the time.

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Megadonor Steyer vows to only back candidates that support abortion rights [Back](#)

By Gabriel Debenedetti | 08/12/2017 09:38 AM EDT

ATLANTA — Democratic mega-donor Tom Steyer said on Saturday that he and his NextGen America group do not intend to work on behalf of anti-abortion politicians, jumping into the Democratic Party's ongoing debate on the topic.

"We're pro-choice," the hedge fund manager-turned-activist told POLITICO on the sidelines of the progressive Netroots Nation conference here.

Asked if his group would help candidates or sitting lawmakers who don't support abortion rights, he said, "We do not work for a single candidate who is not pro-choice. I think people like to have litmus tests. We are explicitly pro-choice. We work a lot with Planned Parenthood, we work a lot with NARAL. We are absolutely committed to it."

Those comments put Steyer — the Democratic Party's single largest donor in recent cycles thanks largely to the money he's put in the NextGen super PAC — on the side of activists who have been dismayed by comments made recently by some party leaders like Sen. Bernie Sanders and Democratic Congressional Campaign Committee chairman Ben Ray Lujan.

They have suggested at times that the party need not have a litmus test on abortion, spurring considerable controversy about which candidates to fund ahead of 2018's midterm elections.

Now, the word of the party's biggest funder is likely to weigh heavily on the debate.

Steyer also pointedly refused to rule out a run for office — including the presidency or a statewide role in California — in the near future.

"Particularly subsequent to November 8, 2016, the idea of not being fully involved in this seems to me to be — I don't know how I would do that," he said. "The only question is not how to do the biggest thing, but have the most differential impact to what otherwise would happen."

After spending over \$165 million on Democrats in the 2014 and 2016 election cycles, he has long been considered a potential self-funding contender for 2018's gubernatorial race in California.

But as other candidates, including Lt. Gov. Gavin Newsom and former Los Angeles mayor Antonio Villaraigosa, have been running large-scale campaigns for months, Steyer has stayed away. He demurred when asked about getting into the race, choosing to heap praise on Gov. Jerry Brown instead when pressed on his feelings about the other candidates.

"The best thing I can say is people do not realize how good Jerry Brown is, full-stop," he said. "If you ask me about anyone else, it's sort of like: Do you know who hit third for the San Francisco Giants after Willie Mays retired? How'd it go for him?"

Asked about the potential for pursuing Sen. Dianne Feinstein's (D-Calif.) seat if she chooses to retire ahead of a 2018 re-election bid, he demurred again.

"I don't think Dianne's going to retire," he said. "Look, I promise: There is nothing that I would not do in order to have the most impact."

And, finally, pushed on the likelihood of his pursuing the White House, he replied: "I keep telling you I'm not ruling anything out."

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