

**To:** Jackson, Ryan[jackson.ryan@epa.gov]  
**From:** Morning Energy  
**Sent:** Wed 11/8/2017 3:02:43 PM  
**Subject:** POLITICO's Morning Energy, presented by ExxonMobil: Fireworks expected as White, Wheeler head to EPW — Democrats demand EPA officials testify — Reading the leaves on FERC comments

By Anthony Adragna | 11/08/2017 09:58 AM EDT

*With help from Alex Guillén, Esther Whieldon, Darius Dixon and Eric Wolff*

**EPW TAKES UP WHEELER, WHITE NOMS:** The Senate Environment and Public Works Committee will hear from two high-profile environmental nominees today: Andrew Wheeler for deputy EPA administrator and Kathleen Hartnett White to lead the White House's Council on Environmental Quality. White has a long history of controversial statements for Democrats to pull from, including her belief that "carbon dioxide is not a pollutant," her declaration that those who believe in climate change subscribe to a "kind of paganism" for "secular elites," and her 2014 blog post arguing fossil fuels helped end slavery in America.

**But White's biggest liability** may prove to be her position on the Renewable Fuel Standard. As ME wrote last week, Republican Sens. Deb Fischer and Joni Ernst are wary of White, who in 2013 called for repeal of the "counterproductive and ethically dubious" RFS. A single EPW defection could tank White's nomination, and Ernst proved last month with EPA air nominee William Wehrum that she's willing to walk the walk when defending ethanol.

**Ranking member Tom Carper summed up** his questions for White to ME: "I just want to ask her, 'Did you really say those things?' And there's a lot of them." Ahead of the hearing, nearly 50 environmental advocates sent a letter urging the committee to oppose her nomination. "Ms. White is unfit to hold the highest environmental post in the government to advise the president on the most pressing environmental issues our nation faces," the letter, signed by groups such as 350.org, the Natural Resources Defense Council and the Sierra Club, said.

**More familiar face:** Wheeler, meanwhile, is a known quantity for lawmakers who have been around for a while. He worked for Sen. Jim Inhofe in various capacities until 2009, when he departed as EPW staff director. He's been an attorney and lobbyist at Faegre Baker Daniels ever since, with his most notable client being Murray Energy, whose owner has proven adept at influencing the Trump administration. ME will be watching to see whether lawmakers delve into Wheeler's work with the ethanol group Growth Energy, which was first reported by POLITICO last month.

**If you go:** The hearing is at 10 a.m. in Dirksen 406.

**BRIDENSTINE GETS COMMITTEE VOTE:** The Senate Commerce Committee votes on Oklahoma Republican Rep. Jim Bridenstine's nomination to run NASA at 9:45 a.m. along with several other nominations. He's faced sharp criticism from Democrats, including ranking member Bill Nelson who slammed him in the nomination during his confirmation hearing: "NASA is not political. The leader should not be political." The panel also votes on Neil Jacobs'

selection for another top NOAA post.

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and the American Chemistry Council's Jonathan Corley was first to identify Sen. John Hoeven as the past president of North Dakota's state bank. For today: The father of which senator served three terms of governor of their state before corruption convictions ended their career? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto: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).

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**BIG NIGHT FOR DEMOCRATS:** The League of Conservation Voters' \$4 million investment in Virginia races paid off handsomely as Lt. Gov. Ralph Northam trounced Republican Ed Gillespie to become the commonwealth's next governor. In New Jersey, Democrat Phil Murphy (also backed by green groups) decisively beat Lt. Gov. Kim Guadagno for the governorship. In Flint, Mich., Mayor Karen Weaver survived a recall attempt by a wide margin. And Democrat Manka Dhingra appeared poised to win a Washington state Senate seat, effectively handing control of the entire state government to her party in a special election that drew millions in outside spending.

**DEMOCRATS: IT'S TIME!** More than 10 months after his confirmation, Senate and House Democrats are officially fed up with EPA Administrator Scott Pruitt's absence from congressional oversight hearings. After calling the lack of agency witnesses "unacceptable" during a Tuesday hearing, Energy and Commerce ranking member Frank Pallone demanded Chairman Greg Walden hold oversight hearings on EPA's review and management of chemicals under the revised Toxic Substances Control Act. "The Committee bears a responsibility to the American public to make sure EPA is protecting human health and the environment," he wrote, joined by senior committee Democrats Paul Tonko and Diana DeGette.

**Not alone:** All 16 Democrats on the House Science Committee sent their own letter to Chairman Lamar Smith demanding Pruitt come testify "as soon as possible," pointing out Gina McCarthy came before the full panel just four months after confirmation. "Not only is such oversight routine, but as a public official Administrator Pruitt has an obligation to address his conduct and management of EPA," they wrote.

**And Carper too:** "I wonder what my friend John Barrasso would have said if Gina McCarthy had refused to come before our committee for months? I wonder what my Republican EPW colleagues would have said if our committee hadn't held a single oversight hearing after a Democratic administration had issued multiple environmental executive orders and was the subject of several ongoing investigations? I heard them push for transparency for eight years, but suddenly there's silence over the last eight months."

**TELL ME HOW YOU REALLY FEEL ABOUT THE DOE RULE (AGAIN!):** Reply comments were due at FERC Tuesday night, and there was no less passion in this set of filings

than in the first round two weeks ago. But ME was hard-pressed to see if anyone had really budged from their positions. FirstEnergy's comments started with a refrain that was almost poetic. "This proceeding is not about picking fuel supply winners and losers. This proceeding is not about the reliability of natural gas pipelines... This proceeding is not about the Polar Vortex..." former FERC general counsel Bill Scherman wrote on the company's behalf. Instead, the company pressed for its own resiliency tariffs that would serve as a Band-Aid until new market rules were crafted. "Simply put, the imminent closure of resilient generation presents a clear and present danger to the Nation," Scherman wrote, echoing the call of Energy Secretary Rick Perry. "If the Commission does not act now, our national security will be put at risk."

**Where FirstEnergy downplayed the usefulness of the 2014 "polar vortex,"** Murray Energy argued the critics just don't get it. "During the Polar Vortex, the country was relying on an unacceptably high percentage of interruptible gas-fired generation," the company said. There's been too much talk as it is, Murray said, and "FERC appears to have lost its moorings." Murray's filing even refers to an article by House Science Chairman Lamar Smith to tally how the federal government has repeatedly created energy subsidies with everything from tax policy to R&D funding.

**Among those who tried to find middle ground was PJM itself,** a critic and central target of Perry's plan, arguing that FERC should approve an alternative proposal that instructs all the grid operators to report back with new pricing or tariff proposals within 180 days. It also suggests creating a new docket aimed at defining resilience.

**SOLAR FOR PUERTO RICO:** The Solar Foundation, along with a host of companies and the Clinton Foundation, is launching an industry-wide push to get the lights back on in Puerto Rico and the U.S. Virgin Islands. Initial priorities will be restoring electricity to two food markets in San Juan and 62 rural medical clinics around the island. More on the project, Solar Saves Lives, available here.

**\*\* Presented by ExxonMobil:** We're collaborating with FuelCell Energy on a novel idea to use fuel cells to capture carbon at natural gas power plants, and in the process reduce emissions and increase electrical output. This technology could be a game changer in addressing the world's growing need for energy, while also reducing the impact on the environment. Learn more. \*\*

**HYDROPOWER BILL STREAMS ONTO FLOOR:** House lawmakers are expected today to consider H.R. 3043 (115), which would revamp the licensing process for hydropower projects. Ahead of the vote, utility and labor groups sent a letter encouraging support for what they called "a moderate proposal developed with bipartisan input" and warned "the current regulatory environment is placing hydropower at risk."

**MODERATE CLIMATE REPUBLICAN HEADS FOR THE EXITS:** South Jersey Republican Rep. Frank LoBiondo, one of the few congressional GOPers to land environmental group endorsements in recent years, will retire from Congress. With LoBiondo and Rep. Dave Reichert departing at the end of this Congress, Reps. Chris Smith and Leonard Lance will be the two remaining House Republicans that backed cap and trade legislation in 2009.

**LET'S KICK AGAIN?** Chatter's already getting louder that Congress may have to consider another kick-the-can extension of government funding by Dec. 8 to keep the lights on, but top Appropriators aren't throwing in the towel yet, Pro Budget & Appropriations Jennifer Scholtes and Sarah Ferris [report](#). "So, hopefully, if we consider one, it will be very, very short," Appropriations Chairman [Rodney Frelinghuysen](#) told them. Others say it's too early to give up. "I don't think we even need to be thinking about a CR," says [Hal Rogers](#), who endured tough spending negotiations many times in his six years of chairing the House Appropriations panel.

**TRUMP RELATIVE MOVES UP AT DOE:** Kyle Yunaska, brother-in-law to Eric Trump, seems to be climbing the ladder at the Energy Department's Energy Policy and Systems Analysis office recently, adding the title of chief of staff to his resume, in addition to his senior adviser role. A DOE source told ME that Sean Cunningham, the head of EPSA, made the announcement in a staff email last week. Yunaska joined DOE early this year as a member of the "beachhead" team. His sister, Lara, married the president's son in 2014. (Greenwire first reported the move.)

**ZINKE HIRES FORMER NAVY SEALS TO KEY ROLES:** Interior Secretary Ryan Zinke has hired former Navy Seal Mike Argo as deputy chief of staff and former SEAL Captain Rick May to head up the agency's focus on increasing recreation opportunities on public land. Speaking at a webcast honoring veterans event in Interior's Washington headquarters, Zinke, who is himself a former SEAL, said "we're bringing recreation back."

**MARKING ON UP:** Nine bills are on the House Natural Resources Committee [mark up agenda](#) today, but most of the attention will be on the SECURE American Energy Act [H.R. 4239 \(115\)](#). Among other provisions, the bill would give more oil and gas permitting power to the states, create an offshore oil and gas revenue program for East Coast drilling and roll back Obama-era offshore drilling rules. ME hears the measure may be fast-tracked to the floor as quickly as next week. Also of note: [H.R. 2907 \(115\)](#) from Rep. [Scott Tipton](#), which would require an all-of-the-above quadrennial federal onshore energy production strategy.

**PANELS LOOKS AT GEOENGINEERING LATEST:** Two House Science subcommittees today [take a look at](#) the latest technologies and possibilities concerning geoengineering, in which humans attempt to alter the worldwide climate system in effort to avoid human-caused climate change. The committee will hear from experts on reducing the total sunlight hitting the earth and pulling carbon from atmosphere. But ahead of the session, nearly two dozen leading proponents warn the committee in [a letter](#) that geoengineering should not be viewed as a substitute for swift action to curb greenhouse gases that are fueling climate change. "Geoengineering is not a silver bullet, and treating it as one could greatly increase already severe climate change risks," they wrote. The hearing kicks off at 10 a.m. in Rayburn 2318.

**MAIL CALL! DON'T EXPAND CCS CREDITS:** More than 40 environmental groups released [a letter](#) Tuesday urging lawmakers not to include an expansion and extension of the Section 45Q tax credit for carbon capture and sequestration in an emerging tax package. A [second letter](#) warned efforts to subsidize CCS technologies are "false solutions" to climate change and impose significant burdens on communities on the front lines.

**CHANGE COURSE!** Sixty-two members of Congress, led by Rep. [Bill Foster](#), asked Pruitt to

reverse a policy instituted last week barring any scientists receiving agency funds from serving on scientific advisory boards. Letter [here](#).

**NOT TO BE LEFT OUT:** Representatives from the hydropower, biomass power, waste-to-energy and biogas industries sent a [letter](#) to the top Republican tax writers asking them to "provide parity and a level playing field for all renewable energy technologies" as they work on the tax package. HR1 "would extend the same tax treatment to fiber-optic solar energy, fuel cells and small wind energy property that is afforded solar technology under current law," they write. "However, the bill fails to provide equal treatment for hydropower, biomass power, waste-to-energy and biogas."

**COMMERCE SET TO DO ITS BIODIESEL DUTY:** The Commerce Department is expected to announce a final decision on its countervailing duties and anti-dumping cases against Argentine and Indonesian imports of biodiesel. Commerce has already started collecting the duty after making a preliminary determination that both countries were undercutting U.S. biodiesel.

**EPA SEEKS REMAND OF PARTS OF COAL ASH RULE AHEAD OF ARGUMENTS:** EPA on Tuesday [asked](#) the D.C. Circuit Court of Appeals to remand key parts of the coal ash rule to the agency for reconsideration ahead of Nov. 20 oral arguments that could see the case put on ice. The court in September said it would not put the case on hold indefinitely while EPA [reconsiders](#) the rule, though it did [order](#) attorneys for all sides to be prepared to discuss abeyance at arguments. In a new motion, EPA asks that five specific parts of the rule be remanded without being vacated, meaning they would remain in place while EPA reworks them. Because it is reconsidering the rule, EPA argued, its attorneys "will likely be unable to represent EPA's present position on these issues at oral argument."

Four of the provisions are related to challenges brought by industry groups: rules for temporary coal ash piles; EPA's rules for inactive ponds; a lack of a risk-based compliance option; and a provision dealing with large piles of coal ash intended for "beneficial use" in products like wallboard. The fifth provision, dealing with regulation of legacy ponds, was raised by environmental groups. The industry challengers had no problem with the remand request, but greens plan to object to their provision being remanded.

**APPROVED:** The California State Water Resources Control Board green lighted a 10-year plan for adding new wildlife habitat and curbing toxic dust from the Salton Sea lake in Southern California, Pro's Esther Whieldon [reports](#).

**PERRY SPEAKS... ON TAX OVERHAUL:** Even as he attends meetings this week in Paris, Energy Secretary Rick Perry released [an op-ed](#) in Syracuse, N.Y.'s local paper Tuesday strongly backing Republican tax overhaul efforts. "Americans deserve a low tax climate and responsible regulation to spur the economic and energy revolution we have been waiting for," the former Texas governor wrote.

**NOT MINCING WORDS:** Actor Alec Baldwin didn't hold back on his dislike of Pruitt during [an interview](#) with *Entertainment Weekly*. "He's done more damage to one department than anyone in American history," Baldwin, who plays Trump on SNL, said. "It's like being in a

vegetarian restaurant and the chef decides he's only gonna cook steak, to insist everyone eat a meal that's abhorrent to them."

## QUICK HITS

- Severe air pollution declared public health emergency in Delhi, India. [ABC News](#).
- France backpedals on pledge to cut reliance on nuclear power. [AP](#).
- Fresh From Deluge, Miami Weighs Bonds to Gird for Climate Change. [Bloomberg](#).
- Kinder Morgan Canada denied expedited appeal for oil pipeline. [Reuters](#).
- GOP tax bill would end deduction for wildfire and earthquake victims - but not recent hurricane victims. [Los Angeles Times](#).

## THAT'S ALL FOR ME!

**\*\*Presented by ExxonMobil:** Energy is fundamental to modern life and drives economic prosperity - in small communities across America and around the world. We need a range of solutions to meet growing energy demand while reducing emissions to address the risk of climate change. Visit the Energy Factor to learn more about some of the bold ideas and next-generation technologies we're working on to meet this challenge: [EnergyFactor.com](#) \*\*

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<https://www.politico.com/tipsheets/morning-energy/2017/11/08/fireworks-expected-as-white-wheeler-head-to-epw-223234>

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