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**From:** Maisano, Frank  
**Sent:** Mon 7/10/2017 6:15:42 PM  
**Subject:** Jul 10 PRG Energy Update: Back in Town

Friends,

With the July 4<sup>th</sup> holiday passing, it means we had some great fireworks (especially in DC) and that the *Tour de France* is rolling in France. With 9 of 21 stages complete, the riders have reached the first rest day today with 4-time champ Chris Froome racing up the *Mont du Chat* yesterday to expand his lead in the yellow jersey. Lots of time and many mountains to still climb. You can watch all the action on NBCSN every day. It was also Super Saturday at Wimbledon with Federer, Murray, Nadal and Djokovic all looking strong on the men's side while Kerber, Halep, Wozniacki and Venus Williams (who has already advance today to the QF with a straight set win) have all advanced to the 4<sup>th</sup> round. The All-Star break for major League baseball also start today and not too soon for the World Champion Cubs who gave up 10 runs in the first inning in their game yesterday against the Pirates.

Interesting action at the G-20 with some limited focus on climate. On Saturday, G-20 nations reached a compromise on climate change that declared the Paris climate change agreement is "irreversible" and must be implemented "swiftly." The U.S., on the other hand, declared its intention to pull out and forced additional language in supporting fossil fuels alongside support for renewables. And as for the soon-expected grid study from DOE, we hear it won't likely be this week, but we are still keeping our eyes open for paper. And speaking of energy dominance, Platts Capitol Crude addresses the subject on this week's podcast with ClearView's Kevin Book, looking at whether it's hollow rhetoric and what it could mean for policy and markets going forward.

Congress returns this week to more action on healthcare. No expected action on the just re-introduced Senate Energy legislation but Sens Murkowski and Cantwell are hopeful that they will have something passed by August recess. There will be votes on nominations for NRC and EPA on Wednesday, as well as a House Resources hearing on oil and gas development. Also Wednesday, the full House Approps Committee marks up its Ag and Energy/Water budgets. Finally, tomorrow, the annual Congressional Renewable Energy and Energy Efficiency expo will be held in the Rayburn Foyer.

Off the hill, our friend Coral Davenport discusses the Paris Agreement at a forum at the Embassy of Croatia tomorrow evening and Wednesday the Women's Energy Network is hosting CFTC

Commissioner Sharon Bowen for a lunch and learn” event. And today, the EPA is holding a public hearing on methane regulation delays which should bring out the usual suspects on both sides if the debate.

Finally, Bracewell has brought on some new energy expertise in the civil Litigation arena by hiring David A. Super to lead our civil litigation practice in Washington, D.C. Super joins Bracewell from Baker Botts where he practiced for 27 years. Super as new head of civil litigation in DC is a first chair trial lawyer with fantastic experience acting for companies in the energy industry, including disputes with federal regulators on many energy and environmental issues.

I’m out for most of the week in Lancaster, PA, the home of USA Field Hockey, umpiring their National Championships. We are taking a quick break to road trip to Detroit for Metallica on Wednesday. Anyway, I will be fully connected, so feel free to call with questions.

Best,

Frank Maisano

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### **FRANKLY SPOKEN**

***“AHRI encourages ratification of the Kigali Amendment, while also instituting the regulatory and tax reforms necessary to ensure predictability for manufacturers, distributors, and installers while providing incentives for consumers and businesses to replace their older, less efficient equipment with updated models. Taken together, these steps can bring about significant energy reduction and environmental benefits.”***

*AHRI’s Francis Dietz following a new report by the Institute for Governance & Sustainable*

*Development (IGSD) that reviews HCFC/HFC regulatory frameworks, energy efficiency standards, and labeling programs in 19 countries that account for roughly 65% of global AC demand.*

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## **IN THE NEWS**

**New Study Highlights Quest for Improved AC Globally** – The Institute for Governance & Sustainable Development (IGSD) in Washington, DC and Paris along with researchers at the U.S. Department of Energy’s Lawrence Berkeley National Laboratory released a report that addresses the hydrochlorofluorocarbons (HCFC) and hydrofluorocarbons regulatory frameworks, energy efficiency standards, and labeling programs in 19 countries that account for roughly 65% of global AC demand. The report, “*Opportunities for Simultaneous Efficiency Improvement and Refrigerant Transition in Air Conditioning*,” ranks the HFC transition as the single biggest climate mitigation opportunity available today.

**AHRI Sees the Issue As Hugely Important** – This is a hugely important transition that the HVAC industry has played a significant role in crafting with other stakeholders. As manufacturers of more than 90% of U.S. – and more than 70% of global – residential and commercial air conditioning and commercial refrigeration units, AHRI member companies are committed to producing more energy efficient products to help reduce global demand for energy, lower costs for consumers, and decrease greenhouse gas emissions. As the LBNL report indicates, there are many global opportunities to accomplish make significant progress on all those goals, beginning with ratification and implementation of the Kigali Amendment to the Montreal Protocol and continuing with efforts to simultaneously reduce the energy impact of AC and commercial refrigeration equipment while increasing its availability and affordability for consumers around the world. Also important are national and regional minimum energy performance standards backed by performance certification programs, such as the AHRI Certification Program, that help assure governments, businesses, and consumers of the accuracy of stated equipment efficiency.

**What About Efficiency on Units though?** – AHRI’s Francis Dietz adds current AC units are already super-efficient and in fact are nearing the technological limits of efficiency. The issue really is getting efficient units in the hands of consumers at prices they can afford. We can accomplish that gradually through MEPS, which is already being done all over the world, but to make bigger leaps through stronger tax incentives and rebate programs to induce people to change out their old equipment for newer, more efficient models.

**DOE Releases Walk-In Freezer Rule** – The Department of Energy is issuing the final rule for walk-in coolers and freezers, which was held up at DOE for months. It's set to publish in the *Federal Register* today. The rule, issued in December of 2016 by the outgoing Obama Administration was delayed with several others as part of a review by the new Trump Administration. AHRI said it understood why the new administration wanted to review the walk-in coolers and freezers rule before issuing it, but are pleased it is now being issued in the form that was agreed to in the ASRAC negotiations of which AHRI and Other key efficiency and environmental stakeholders played important roles. AHRI's Francis Dietz: "This is one less regulatory ball in the air for our industry and our members can now move forward in preparing for the rule's implementation."

**Refiners Send Letter to Trump on Venezuela Crude, Potential Sanctions** – Given the troubling political developments in Venezuela, the American Fuel & Petrochem Assn (AFPM) is sending a letter to President Trump and other key foreign policy advisors to highlight one critical consideration: a full or partial prohibition of Venezuelan crude imports. The refiners group says it could have a significant negative effect on U.S. refiners, consumers, and our nation's economy. AFPM Prez Chet Thompson: "Sanctions limiting U.S. imports of Venezuelan crude would disadvantage many U.S. refineries, particularly those in the Gulf Coast and East Coast regions, that have optimized to utilize sour crudes produced in Venezuela. Restricting the supply of crude could also impact the price that U.S. consumers and businesses pay for their fuel." I can forward letter if want to review.

**ACI Releases Sustainability Report** – The American Cleaning Institute's (ACI) released its 4<sup>th</sup> Sustainability Report, "Foundations for Transformation," showcases the steps the cleaning product supply chain is taking to address the industry's core material issues. The 2017 Report highlights the progress made by companies throughout the cleaning product supply chain to decrease the industry's environmental footprint over the last two years. Since its inception, ACI's Sustainability Metrics Program has been tracking industry performance in categories including energy, water, waste and climate change/greenhouse gases, to showcase where member companies are doing well, and to highlight the areas in need of attention. The 2017 Report highlights include a 23% reduction during cleaning product formulation since 2011, an increase in renewable energy use by 46% since 2011 and a 64% of the waste from product formulation being reused or recycled in 2015.

**Unions Weigh In on E15 Expansion Legislation** – Following a hearing recently on legislation to allow year-round sale of E15 percent, the United Steelworkers union sent a letter Thursday to all 100 senators arguing that the RFS needs a complete overhaul rather than the modification in Sen. Deb Fischer's bill. A mark-up is planned for later this month. Happy to forward letter if you need it.

**Interior Pushes to Expand Drilling, Speed Permit Approvals** – Interior Secretary Ryan Zinke on Thursday issued an order that instructs BLM to hold lease sales every quarter and establishes a 30-day approval time for oil and natural gas drilling permits. The approval time for a permit under the Obama administration was 257 days on average. Christopher Guith at the Chamber's Global Energy Institute said this is a much-needed change in U.S. policy, embracing America's energy abundance and diversity instead of policies that pushed us to depend more on imported energy and exported jobs. Guith: "The law has been pretty clear for a century--the Secretary of Interior is responsible for conducting quarterly lease sales on available BLM land and concluding the review process on an application for a permit to drill within 30 days. The previous administration decided to ignore these legal requirements to the detriment of U.S. energy security and western jobs. Secretary Zinke's re-commitment to following the law is a tremendous step towards harnessing America's status as a growing energy super-power."

### **ON THE SCHEDULE THIS WEEK**

**Wilson to Host Discussion on Religion, Climate in Small Island Nations** – Today at 2:00 p.m., American University and the Wilson Center will host a forum exploring climate change as a basis for outreach and collaboration in the Caribbean and the Pacific and the added value religious voices might bring to this work. In the small island developing states (SIDS) of the Caribbean and the Pacific, faith-based leaders, community stakeholders, and national policymakers work together to address pressing concerns associated with climate change, such as ensuring livelihoods and sustainability in the face of sea-level rise and other threats. Ambassador to the United States and the Organization of American States for Barbados Selwin Hart will be among the speakers.

**Congressional Renewable Expo Set** – The 20<sup>th</sup> annual Congressional Renewable Energy and Energy Efficiency EXPO and Policy Forum will be held tomorrow from at 9:30 a.m. to 4:30 p.m. in Rayburn. Among the speakers will be Sen. Edward Markey and Rep. Paul Tonko.

**NYT's Davenport to Discuss Paris at WFPG Forum** – The Women's Foreign Policy Group will host a forum tomorrow at 6:00 p.m. at the Embassy of Croatia featuring our friend Coral Davenport of the *New York Times* to discuss President Trump's decision to withdraw from the Paris Climate Agreement. Coral NYT colleague Elisabeth Bumiller will moderate.

**House Resources to Focus on Oil, Gas on OCS** – The House Natural Resources Subcommittee on Energy and Mineral Resources will hold an oversight hearing on Wednesday focused on evaluating federal offshore oil and gas development on the outer continental shelf.

**Senate Committee to Vote on Nominees** – The Senate Environment Committee will hold votes at 9:45 a.m. Wednesday on nominees to the Nuclear Regulatory Commission, as well as EPA's top enforcement officials. EPW had originally slated the markup for the Wednesday before July 4<sup>th</sup> recess. NRC nominees Annie Caputo and David Wright, and EPA nominee Susan Parker Bodine are awaiting committee approvals.

**Group to Release Smarter Grid Report** – Former Trump transition team member and Alliance for

Innovation and Infrastructure Chairman Brigham McCown will hold a press call Wednesday at 10:00 p.m. to discuss the release of Alliance for Innovation and Infrastructure's latest policy analysis, "Building a smarter electric grid: How investing in smarter electricity will energize America."

**House Appropos to Mark up Ag, Energy Budgets** – The full House Appropriations Committee will meet at 10:30 a.m. to markup the FY2018 Agriculture Appropriations Bill and FY2018 Energy and Water Development Appropriations Bill. Later at 3:00 p.m., the House interior Funding panel will mark up the 2018 Interior budget.

**Forum to Feature CFTC Commissioner** – The Washington DC Chapter of the Women's Energy Network is hosting a [forum at BP](#) featuring U.S. Commodity Future Trading Commission Commissioner Sharon Y. Bowen. The "Lunch and Learn" even will feature Bowen discussing the day's most critical energy issues before the CFTC, as well as sharing her experiences as a trailblazing lawyer, business woman and public servant.

**Wilson to Host China Coal Transition Forum** – The Wilson Center will hold a [forum](#) on Wednesday at 2:00 p.m. to discuss China and its uncertain transition away from coal. Speakers at this China Environmental Forum (CEF) event will discuss the massive reforms that are lessening the pollution and carbon emissions from China's coal-fired power sector and the social and economic challenges. Melanie Hart (Center for America Progress) will speak on how China is transforming its coal sector to improve efficiency, reduce emissions, and reduce the nation's

dependence on coal. Hongxia Duan and Lucy Kitson of the International Institute for Sustainable Development (IISD) will discuss the opportunities and pitfalls of such a large-scale transformation in Shanxi and the lessons China can draw from countries that have undergone the economic and social transition away from coal. Lisa Abbott (Kentuckians for the Commonwealth) will close out the discussion bringing in a comparative discussion on how her group promotes energy diversification in the Appalachians that keeps communities strong.

**Forum to Look at Ukraine Energy** – The Atlantic Council will hold a forum on Wednesday at 2:30 p.m. on important energy reforms in Ukraine. The Atlantic Council's Dinu Patriciu Eurasia Center and Global Energy Center will bring together top energy experts and policymakers to discuss the status of the Ukrainian energy sector in a series of thematic panels. The discussion will begin with a talk on the state of the hydrocarbon industry and will segue to an exchange on the development, challenges, and way forward for the electricity, coal and nuclear sectors in Ukraine. Among the speakers will be DOE's David Mohler.

**Clean Energy Webinar Will Discuss Grid Report** – On Thursday at 10:00 a.m., the Analysis Group's Susan Tierney and Paul Hibbard will present findings from their report on market forces driving our changing electric power system, commissioned by Advanced Energy Economy (AEE) and AWEA. The report was submitted to DOE to inform the Department's upcoming review of grid issues.

## **IN THE FUTURE**

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**RFF to host Webinar On Cali Cap/Trade** – Resources for the Future and other experts will hold an interactive online panel discussion on Tuesday July 18<sup>th</sup> looking at the proposed changes to California's cap-and-trade program, potential implications for the state's carbon market, and the potential effects on linkage with the programs in Quebec, Ontario, and other jurisdictions that might consider linkage in the future. Speakers include RFF's Dallas Burtraw, James Bushnell of UCal-Davis, Stewart Elgie of the uOttawa Institute of the Environment, Jan Mazurek of the ClimateWorks Foundation Duke Nicholas Institute expert Brian Murray and Dave Sawyer of EnviroEconomics.

**WCEE to Host Sustainable City Event** – Next Tuesday at Noon, the Women's Council on Energy and the Environment (WCEE) will host a forum with National Geographic's Senior

Manager of Sustainability, Susan Kolodziejczyk. Kolodziejczyk will present an interactive exploration of the intersection of urbanization and sustainability, what that means in terms of society's choices and priorities, and examples of successful, innovative city solutions around the world

**Webinar to Focus on NJ Solar Issues** – Utility Dive is hosting a webinar on Tuesday July 18<sup>th</sup> at 2:00 p.m. focused on the PSE&G approach to proactively studying and accommodating the impacts of DER on the PSE&G system. NJ is experiencing some of the strongest solar PV growth in the U.S. NJ-based Public Service Electric and Gas (PSE&G) takes an active role in understanding feeder and substation capacity to accommodate solar PV, and to avoid negative impacts to grid reliability, voltages, thermal capacity, flicker and more. The webinar will cover PSE&G's method to study and accommodate the impacts of DER, in collaboration with Siemens PTI. An overview of the study and its methodologies and the distribution system at PSE&G, available DERs, challenges, the need for the study and the results. Speakers include PSE&G's Ahmed Mousa and Siemens PTI's Hugo Bashualdo.

**AGA to Discuss NatGas Supply** – The American Gas Association (AGA) and the Potential Gas Committee (PGC) will hold a press conference on Wednesday, July 19 at 9:30 AM EDT, to release the major findings of the PGC's year-end 2016 biennial report: *Potential Supply of Natural Gas in the United States*. The report is expected to reveal that domestic estimates of undiscovered natural gas resources continue to grow, due largely to the existence of technologies that continue to unlock energy resources from shale and other producing formations. Alexei V. Milkov, director of the Potential Gas Agency, Colorado School of Mines and AGA's Chris McGill will speak.

**Forum to Look at RFS** – CSIS will host an update on the U.S. Renewable Fuel Standard on Wednesday July 19<sup>th</sup> at 10:00 a.m. The event will feature Harvard's James Stock and our friend Kevin Book of ClearView, a Senior Associate of the CSIS Energy & National Security Program.

**Cramer to Headline Forum on Innovation** – Microsoft and the Center for Climate and Energy Solutions (C2ES) will hold a conversation on Wednesday July 19<sup>th</sup> looking at clean innovation and why it makes business sense. The discussion will bring together stakeholders from industry, government and civil society to discuss the business drivers for innovation in clean energy and low-carbon technologies across a broad range of industries. Keynoter will be Rep Kevin Cramer, while a panel lead by Bob Perciasepe, will explore the business drivers and challenges associated with clean innovation across multiple sectors and geographies. These issues include growing customer demand, competitiveness concerns, cost pressures, efficiency gains and enhanced performance.

**Forum to Feature BP's Finley on Energy Report** – The US Association for Energy Economics, National Capital Area Chapter (NCAC-USAE) will host BP's Mark Finley for its July luncheon on Friday July 21<sup>st</sup> at the Chinatown Garden. Finley will present the just-released 2017 BP Statistical Review of World Energy.

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**Grid Evolution Summit Set** – The Grid Evolution Summit is set for July 25<sup>th</sup> through 27<sup>th</sup> at the Washington Hilton. The event, sponsored by the Smart Electric Power Alliance, will be a conversation of industry stakeholders that will determine how the electric sector evolves, modernizes the grid and better integrates distributed energy resources. Speakers will include Rep Paul Tonko, House Energy Committee Counsels Rick Kessler and Tom Hassenboehler, PSE&G Renewable VP Courtney McCormick, Xcel's Doug Benvento DOE's Eric Lightner, Maryland PSC Chair Kevin Hughes, Kit Carson Electric Co-op CEO Luis Reyes and Utility Dive Editor Gavin Bade.

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**CSIS to Look at NAFTA Energy Issues** – On Wednesday July 26<sup>th</sup> at 10:00 a.m., CSIS will hold a forum on renegotiating NAFTA, looking at energy challenges and opportunities. The event will feature CSIS experts Dave Pumphrey and Scott Miller.

**Community Solar Forum Set for Denver** – The Coalition for Community Solar Access will host the first annual National Community Solar Summit in Denver on July 26 – 28. A few highlights for Denver include energy company CEOs including Tom Matzzie of CleanChoice Energy, Jesse Grossman of Soltage, Zaid Ashai of Nexamp, Rick Hunter of Microgrid Energy and Steph Spiers of Solstice. Other speakers include energy company leaders Hannah Masterjohn of Clean Energy Collective, Dan Hendrick of NRG Energy, Adam Altenhofen of US Bank, Adam Capage of 3 Degrees and Lori Singleton of Salt River Project.

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