

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: POLITICO Pro Energy
Sent: Tue 10/3/2017 9:44:15 AM
Subject: Morning Energy, presented by Chevron: FERC sets quick timeframe to consider Perry's request — Trump heads to Puerto Rico today — Heavyweights weigh in on solar tariffs today

By Anthony Adragna | 10/03/2017 05:41 AM EDT

With help from Eric Wolff, Lauren Gardner and Alex Guillén

FERC AIMS FOR QUICK WORK: FERC is asking for initial comments on DOE's proposed rule that would benefit nuclear and coal-fired power plants to be submitted in just three weeks — a timeline that suggests the independent commission is eager to move quickly on the Trump administration's proposal that is already generating push-back from a diverse group of major industry players. In a notice out late Monday, FERC set an Oct. 23 comment deadline and said reply comments would be due by Nov. 7.

Energy super-group says slow down: Representatives of oil, natural gas, wind, solar and other sectors urged FERC in a Monday letter to pump the brakes on Energy Secretary Rick Perry's request for a quick turnaround on the new rules, Pro's Darius Dixon reports. "This is one of the most significant proposed rules in decades related to the energy industry and, if finalized, would unquestionably have significant ramifications for wholesale markets under the Commission's jurisdiction," wrote the 11 groups, including the American Petroleum Institute, Solar Energy Industries Association and Electric Power Supply Association. They called Secretary Rick Perry's proposed timeline "unreasonable on its face."

Murkowski seems lukewarm: Senate Energy Chairman Lisa Murkowski also seemed lukewarm to Perry's push, saying in a statement she respects "Secretary Perry for taking an action that he believes is necessary" and "will be following the proceedings closely" at FERC.

DOE's proposal should be a hot topic on the Hill today. The House Science Committee takes a look at grid resilience at a hearing at 10 a.m. in Rayburn 2318. Then this afternoon a House Energy and Commerce subcommittee will hear a wide variety perspectives on reliability in a changing electric sector, including representatives of the coal and nuclear industries as well as several of the groups who signed that letter, at 2 p.m. in Rayburn 2123.

TRUMP HEADS TO PUERTO RICO TODAY: President Donald Trump heads to the devastated island of Puerto Rico today even as information released Monday by the federal government hints at the lengthy recovery road ahead. Puerto Rican Gov. Ricardo Rosselló said at a news conference that just one in 10 of the island's nearly 3.5 million people are likely to have power within two weeks, and only a quarter of the island should have the lights on by next month. It's a similarly dire situation for drinking water: 47 percent of residents have potable drinking water right now, though Rosselló said that number should climb to around 60 percent by the end of the week.

The president summed up his view of the situation Monday. "It's been amazing what's been done in a very short period of time on Puerto Rico. There's never been a piece of land that we've

known that was so devastated," Trump said in Oval Office remarks. "The bridges are down, the telecommunications was nonexistent, and it's in very, very bad shape. The electrical grid, as you know, was totally destroyed. But we've gotten tremendous amounts of food and water, and lots of other things — supplies — generally speaking, on the island." The White House said San Juan Mayor Carmen Yulín Cruz, who drew Trump's wrath over the weekend, has been invited to events with him today.

Disaster relief request coming: Meanwhile, the Trump administration is expected to by the end of this week request between \$10 billion to \$15 billion to respond to the disaster, [Playbook reports](#).

The Center for American Progress today is out with a [policy roadmap](#) for lawmakers as they consider the next round of assistance for Puerto Rico and other areas impacted by hurricanes. They urge Congress to enact policies to improve resiliency, update flood risk information and prioritize underserved communities, among other ideas, rather than just throwing money at the problem.

PERMANENT JONES ACT REPRIVE? Senate Majority Leader [Mitch McConnell](#) on Monday fast-tracked potential consideration of legislation [S. 1894 \(115\)](#) that would permanently exempt Puerto Rico from the Jones Act, which bans foreign-flagged ships from traveling between U.S. ports. After sustained pressure, Trump [granted](#) a 10-day Jones Act waiver for Puerto Rico last week.

WELCOME TO TUESDAY! I'm your host Anthony Adragna, and the American Chemistry Council's Jon Corley was first to ID former Rep. Cynthia McKinney as the 2008 Green Party nominee. For today: What "Love Boat" actor went on to serve four terms in Congress for Iowa? Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](#), [@Morning_Energy](#) and [@POLITICOPro](#).

ITC TO GET AN EARFUL ON REMEDY FOR THAT SOLAR BURN: The U.S. International Trade Commission will hear arguments this morning about how to best level the playing field for U.S. solar manufacturers, and it looks like it's going to be [quite a show](#), with hours' worth of speakers lined up. The commission [found last week](#) that U.S. solar manufacturing had been harmed by cheap solar imports, over the objections of the rest of the solar industry.

In this corner, for the installers: The Solar Energy Industries Association, along with solar producer SunPower, told the ITC in its [brief](#) that a tariff will result in the loss of 62,800 jobs in 2018 and 80,000 jobs in later years. Sen. [Martin Heinrich](#) will bat for the no-tariffs team, along with a laundry list of SEIA witnesses. They will also be backed by representatives from the embassies of China, Korea, Brazil, and Mexico.

And in this corner, for the petitioners: In their public briefs, Suniva and SolarWorld Americas [offered](#) the commission two choices: A tariff plus a price floor for solar cells, or a tariff plus a quota. Sen. [Ron Wyden](#) and Rep. [Suzanne Bonamici](#), both of Oregon, will speak in support of their home-state SolarWorld, which wants tariffs and a price floor. "I urge the Commission to

recommend a remedy robust enough to repair the serious injury already experienced by the U.S. solar manufacturing sector and to ensure its long-term growth and competitiveness," Wyden will say according to an excerpt of his statement obtained by ME. "In practical terms, that means identifying a remedy that helps to revive a domestic manufacturing sector central to our leadership in energy innovation yet long under siege."

And First Solar shall be first: SEIA also locates a winner if tariffs are imposed, Arizona-based thin film manufacturer First Solar, which does much of its manufacturing in Malaysia. "Thin-film solar directly competes with CSPV solar in the marketplace. Consequently, global trade restrictions on [crystalline silicon photovoltaic] would raise rivals' costs and drive customers toward First Solar's products, strengthening First Solar's already strong hand."

MORE CONCERNS RAISED OVER RFS POTENTIAL CHANGES: Nearly all major biofuel trades and the corn growers are out with a letter this morning to Trump urging him to abandon "drastic, unprecedented changes" to change the Renewable Fuel Standard that they said would benefit a select few petroleum refiners. "The proposed changes are inconsistent with the law and threaten the growth and prosperity of the U.S. biofuels industry," wrote signatories of the letter, including National Corn Growers Association, Renewable Fuels Association and Growth Energy. "EPA's changes are also inconsistent with Administrator Pruitt's assurances to uphold the law and your long-standing support of ethanol and the RFS." EPA released a notice last week suggesting it might reduce the already set 2018 biomass-based biodiesel requirement and shrink the mandate in 2019.

Grassley confirms Trump conversation: Iowa Sen. Chuck Grassley told reporters he discussed his concern over potential changes to the RFS during a Friday phone conversation with Trump. "They're trying to respond to big oil and not take into consideration the needs of alternative energy, biofuels," he said. "Cutting back on the mandate isn't a way you're going to encourage capital and capital is what we need now to get pumps to pump E15 instead of E10."

Seems relevant: The White House previously granted EPA deputy general counsel Erik Baptist, a senior counsel to the American Petroleum Institute for more than six years, an ethics waiver to work on RFS issues given his "expertise in this program and its policy and implementation." Copy of that waiver here.

NO OZONE DESIGNATIONS AS DEADLINE PASSES: EPA appears to have missed the Oct. 1 deadline to say which parts of the U.S. meet the 2015 ozone standard and which don't, a key step toward implementing the regulation. The agency is remaining mum; a spokesperson told ME Monday that there is "no further information" on when the designations will be released. The matter has been controversial for months, ever since Administrator Scott Pruitt said he would delay the designations by a year — a delay he later reversed following lawsuits from Democratic attorneys general and environmental groups. (The 2015 standard itself is also under review, with no specific timeline attached.) It may be a while before green groups can take Pruitt to court. The Clean Air Act requires them to provide EPA with 60 days' notice before filing a lawsuit over a missed deadline, meaning any suit couldn't be filed until December at the earliest.

Also adding uncertainty to the process is a pending proposed rule at OMB that appears to set

new thresholds for how EPA classifies ozone areas. That rule arrived at OMB on Sept. 21. EPA had previously proposed classification details last November that the agency characterized as only minor changes to the implementation rules for the 2008 ozone standard. An EPA spokesperson declined to comment on a rule under review at OMB.

**** A message from Chevron:** When an endangered butterfly was found near a Chevron refinery, we protected the habitat and still plant the only thing they eat—buckwheat. Watch the video: <http://politi.co/2fVfOTm> **

WHAT ABOUT LOLA? Two House Democrats want Interior's inspector general to expand its newly announced investigation into Secretary Ryan Zinke's non-commercial travel to also include his wife, Lola, in light of her involvement with a GOP Senate campaign in Montana, Pro's Esther Whieldon [reports](#). "Because the secretary's spouse is leading a Senate campaign in Montana, tax-payer funded travel for Mrs. Zinke, especially to or from Montana, deserves heightened scrutiny," [Raul Grijalva](#) and [Donald McEachin](#) wrote in [a letter](#) Monday.

HEARING ROUNDUP! SEEMS LIKE A PATTERN HERE: The Senate Energy and Natural Resources Committee [axed a vote](#) slated for this morning on the nominations of Steven Winberg to be assistant Energy secretary for fossil energy and Bruce Walker to be assistant Energy secretary for electricity, delivery and energy reliability. No reason was given.

RALLY AGAINST DOURSON: Ahead of Wednesday's hearing on four EPA nominations, Sens. [Tom Udall](#) and [Richard Blumenthal](#) are holding a press conference with advocates today at 2:30 p.m. to protest Michael Dourson's nomination to run the agency's chemicals office. Udall, you'll remember, was a key architect of the revamped national chemicals law last year.

LIFELINE FOR NAVAJO GENERATING? Peabody Energy said Monday it had found "a number of highly qualified potential investors" interested in taking an ownership stake in the Navajo Generating Station that would allow it to continue operating beyond 2019. It did not provide further details. The plant's current owners said back in February they planned to close the facility after 2019, several decades before expected. But Zinke [said in late June](#) that "one of Interior's top priorities" has been finding a way to keep it operating.

MAINE ATTRACTION: Democrat Lucas St. Clair, who led a successful push to create the Katahdin Woods and Waters National Monument, announced Monday he'll challenge incumbent Rep. [Bruce Poliquin](#), the Bangor Daily News [reports](#). St. Clair is the 39-year-old son of Burt's Bees entrepreneur Roxanne Quimby and resigned his post as president of the Friends of Katahdin Woods and Waters to run for office.

NOT IN SLO'S BACKYARD: Energy company Phillips 66 will drop its lawsuit challenging a California county's denial of a proposal that would have let the refiner bring millions of gallons of oil per week by train to its facility in Santa Maria, environmentalists who opposed it said Monday. The county's decision to reject the project came after the Surface Transportation Board last year [declined](#) to prevent another California city from denying Valero Energy's bid to expand crude-by-rail operations. The San Luis Obispo Tribune [reports](#) that the parties reached a settlement, which must be approved by a court.

PAUSE BUTTON HIT: Amid the worst mass shooting in modern U.S. history, a broad sportsmen's package with controversial gun silencer provisions is no longer expected to get a House vote in the near future, POLITICO's John Bresnahan and Heather Caygle [report](#). Democrats said the Las Vegas massacre was just one more reason to shelve the bill. "There's a lot we need to do in the wake of this mass shooting. We don't need to make it easier to get hold of items that could make mass casualty events even more deadly," Grijalva said in a statement.

TAKE A GLANCE! STUDY: U.S. PAYS BIG FOSSIL FUEL SUBSIDIES: Oil Change International is out with [a report](#) today finding the U.S. provides more than \$20 billion toward oil, gas and coal production annually. Those include \$14.7 billion in annual federal subsidies and \$5.8 billion in yearly state-level incentives.

REPORT: GETTING EASIER TO HIT CLEAN POWER PLAN GOALS: The Institute for Policy Integrity at NYU's School of Law is out with [a report](#) today arguing the emissions reduction targets of the Obama administration's Clean Power Plan are more achievable due to changes in the electric sector. If the agency were to redo its regulatory impact analysis with recent developments, the report argues compliance costs would be even lower than originally thought.

MOVER, SHAKER: Peter Tomasi has joined Foley & Lardner LLP's environmental practice as of counsel in its Milwaukee office. He was previously a partner at Quarles & Brady LLP.

QUICK HITS

- In the heart of China's coal country, a city bans most coal: Xinhua. [Reuters](#).
- Residents: Tests find toxic chemicals after Texas plant fire. [AP](#).
- Trump closes WH event to highlight deregulation. [Washington Post](#).
- Can Hollywood Movies About Climate Change Make a Difference? [New York Times](#).
- Gina McCarthy holds out hope on climate policy. [High Country News](#).
- EPA nominee has ties to WV chemical controversies. [Charleston Gazette-Mail](#).

HAPPENING TODAY

9:00 a.m. — "[Carbon Capture: A Business Opportunity in the Global Low-Carbon Economy](#)," Global CCS Institute, National Press Club, 529 14th Street Northwest

10:00 a.m. — "[Resiliency: The Electric Grid's Only Hope](#)," House Science, Space and Technology Committee, Rayburn 2318

10:00 a.m. — Legislative [hearing](#) on H.R. 3400, House Natural Resources Committee,

Longworth 1334

10:15 a.m. — Senate Energy and Natural Resources Committee holds hearing to consider various nominations, Dirksen 366

10:30 a.m. — "Full Committee Hearing to Examine Energy Storage Technologies," Senate Energy and Natural Resources Committee, Dirksen 366

11:30 a.m. — Manchin, Capito, McKinley and Welch introduce the American Miners Pension Act, S-120

2:00 p.m. — "Part II: Powering America: Defining Reliability in a Transforming Electricity Industry," House Energy and Commerce Energy Subcommittee, Rayburn 2123

2:30 p.m. — Senate Energy and Natural Resources Subcommittee hearing on various bills, 366 Dirksen

THAT'S ALL FOR ME!

**** A message from Chevron:** This is a story about DOERS, butterflies, and buckwheat. In '75, the endangered El Segundo Blue butterfly was found near a Chevron refinery. We protected the habitat and planted the only thing they eat—buckwheat. We're still planting and keeping an eye on our littlest neighbor. Watch the video: <http://politi.co/2fvfOTm> **

To view online:

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/heavyweights-weigh-in-on-solar-tariffs-today-024877>

Stories from POLITICO Pro

DOE's Perry pushes FERC to support coal power plants [Back](#)

By Darius Dixon | 09/29/2017 02:48 PM EDT

The Trump administration on Friday called on FERC to create new rules to protect coal-fired and nuclear power plants that are being squeezed by cheaper natural gas and renewable sources, saying they were "indispensable for economic and national security."

Energy Secretary Rick Perry, who told miners in Pennsylvania on Thursday that "it's time for coal in this country to be revived," pressed electricity regulators to alter power markets and protect the resilience of the power grid with payments to generators that keep fuel supplies on site, a clear reference to the coal-fired and nuclear power plants.

The proposal, which DOE said gave FERC 60 days to create a final or interim rule, comes just a month after Perry's agency issued a report saying FERC should "expedite" its work with grid operators to ensure the stability of the nation's power network.

"In terms of process, this is a pretty bold move," said Tony Clark, a Republican former FERC commissioner. DOE often conducts studies on issues it believes need attention, he said, but "actually forwarding to the commission something specific for action is a pretty bold way of moving the issue right up the batting order at FERC."

The new proposal, directed at FERC under a rarely used Section 403 authority of the Department of Energy Organization Act, stops short of specifically seeking market incentives for coal. But it calls for full-cost recovery for power generating units that provide essential power and "ancillary" services — and have a 90-day fuel supply on site in case of natural or man-made disruptions. That would exclude most natural gas power plants, which do not typically keep large fuel inventories on hand and instead receive supplies via pipeline.

Perry's request represents a departure from the two decades of U.S. policy that has trended toward more market-based tools, which has helped natural gas to nearly double its power market share. Renewable energy sources like wind and solar, though still modest when compared to fossil fuels or nuclear power, have also grown quickly as federal incentives helped drive down their costs.

But the growth of renewables and natural gas — combined with tighter pollution controls and weak new demand for electricity — has forced hundreds of old coal-fired power plants into retirement. Nuclear power plants in some parts of the country are also under financial pressure, hurt by negative wholesale power market prices that sometimes require the plant owners to pay to deliver their power supplies.

"If this gets the debate started, then my hat's off," said former FERC Chairman Pat Wood, a friend of Perry and a strong advocate for market-based power systems. "But it's a pretty arresting [thing] to wake up and read. That would never have played in Texas. ... If there is a service to be valued, then a market can value that."

In the [grid study](#) ordered by Perry and released in August, DOE experts pointed to low power prices and cheap natural gas as the single [biggest reason](#) for coal ceding its position as the nation's biggest source of electricity. And that report also called for "reforms" to power markets that would help bolster the electricity network's resilience by easing the financial pressures on many power providers.

In its Friday proposal, DOE cited a spike in demand during the 2014 "polar vortex" that hit much of the U.S., which prompted utilities to run many coal plants that were slated for retirement. Without those plants, as many as 65 million people in the PJM market would have seen their power resources threatened, DOE said.

But the new regulatory pitch from the agency also fueled the growing feud between the gas and coal industries.

Paul Bailey, president and CEO American Coalition for Clean Coal Electricity, commended Perry for "initiating a rulemaking by FERC that will finally value the on-site fuel security

provided by the coal fleet."

But the American Petroleum Institute, which also represents natural gas producers, said DOE drew the wrong conclusions from the 2014 event, and that forcing new mandates on the power market wasn't the solution.

"[A]s we review the proposal we are concerned the agency has mischaracterized the lessons learned from past weather-related events and appears to suggest that additional regulation is the answer where markets have already proven the ability to greatly benefit consumers and give our electric system the flexibility needed to meet constantly, and often rapidly, changing electricity demands," said API Executive Vice President and Chief Strategy Officer Marty Durbin in a statement.

FERC, which has struggled to integrate states' energy policies that aim to boost renewables or support aging nuclear power plants, has long maintained a fuel-neutral stance in the regional markets that it oversees. If it were to follow Perry's directive to create incentives for grid resilience to plants that maintain their own fuel inventories on site, it would be an implicit move at the national level to alter the electricity markets to support the fuels that both Perry and Trump have touted.

Montana regulator Travis Kavulla suggested on Twitter that rather than deal with the pressing issues facing the grid, "Instead, this reform is sort of the @ENERGY equivalent of the Oprah "you get a car, and you get a car. And you? A car!" approach."

However, FERC, whose members are appointed by the president and operate as an independent body, isn't obligated to implement the specific policy pushed by Perry. The commission will so be back to operating with a full five members in the coming weeks, with a Republican majority.

"FERC's going to follow its own procedures," said Marc Spitzer, a Republican former FERC commissioner. "It would be a mistake for people to assume that this is going to be some partisan Republican rubber stamp given the way FERC works."

FERC can spend months or years digging into complex issues that underpin the power markets, and its commissioners tend to seek common ground with each other to ensure that its rules are clear and ensure long-lasting regulations that give utilities stability to plan their operations.

"Is someone really going to invest [billions of dollars] when it's a 3-2 vote that partisans and the parties can flip next year? Is that a good forum for investment as opposed to a 5-0 order?" Spitzer said.

FERC declined to say when the agency last received a rulemaking from DOE using Section 403.

To view online [click here](#).

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Gas, oil, renewables, utility groups ask FERC to lengthen debate on DOE pricing rule [Back](#)

By Darius Dixon | 10/02/2017 05:43 PM EDT

Nearly a dozen energy-related trade associations are [pleading with FERC](#) today to pump the breaks on an Energy Department request for rules that would benefit nuclear and coal-fired power plants, calling the Trump administration's proposed timeline "unreasonable on its face."

DOE last week asked FERC to quickly implement a [proposal](#) mandating payments to power plants for their on-site fuel stocks. Today, representatives of oil, natural gas, wind, solar and other sectors were unified in their opposition to that time frame.

"This is one of the most significant proposed rules in decades related to the energy industry and, if finalized, would unquestionably have significant ramifications for wholesale markets under the Commission's jurisdiction," wrote the 11 groups, including the American Petroleum Institute, Solar Energy Industries Association and Electric Power Supply Association. DOE's time frame is "wholly unreasonable and insufficient to allow for an informed consideration of the significant issues proposed therein."

DOE directed FERC to take "final action" on the proposal within 60 days of its publication in the Federal Register, and make it take effect within 30 days after that. Alternately, DOE said regulators should institute it as an interim final rule with the potential for later changes.

The groups, which have asked for FERC to convene a technical conference and offer a 90-day comment period, said the commission "is justified in setting its own schedule for seeking comments on the NOPR, should it choose to notice it or a similar proposed rule for comment at all."

WHAT'S NEXT: The timeline on DOE's proposed rule will start once it's published in the Federal Register, but it is unclear when that might be.

To view online [click here](#).

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White House: Trump to allow foreign ships to supply Puerto Rico [Back](#)

By Colin Wilhelm | 09/28/2017 08:59 AM EDT

President Donald Trump will grant a 10-day waiver to the Jones Act to allow non-U.S.-flagged ships to transport supplies to Puerto Rico in a bid to speed the commonwealth's recovery from Hurricane Maria's devastation.

White House press secretary Sarah Huckabee Sanders announced the waiver Thursday morning

via Twitter and said "it will go into effect immediately."

Puerto Rico had petitioned the Department of Homeland Security for a waiver as it struggles with shortages of water and fuel. The administration denied that request two days ago, and the president told reporters Wednesday that, "we have a lot of shippers and a lot of people and a lot of people who work in the shipping industry that don't want the Jones Act lifted."

Puerto Rico Gov. Ricardo Rosselló had continued to press the U.S. government for a waiver, including on morning cable news television on Thursday. Senate Republicans John McCain of Arizona and Marco Rubio of Florida also called for the relief, as did most congressional Democrats.

Later Thursday morning House Democrats pushed Trump for more.

"The waiving of the Jones Act was a good idea, but we want to stretch it out to be longer than ... 10 days," Rep. Jose Serrano (D-N.Y.) said. "Much longer than that."

McCain and Sen. Mike Lee (R-Utah) introduced legislation today to permanently exempt Puerto Rico from the Jones Act.

Lawmakers argued that more help was needed from the military as well, needling Trump over reports from Puerto Rico that there's not enough support from the federal government to distribute supplies sitting in the capital of San Juan.

The military response continues to gradually ramp up after the repeated calls from Congress and the commonwealth government.

The deputy commander for the regional Department of Defense command coordinating relief efforts, Brig. Gen. Rich Kim, is scheduled to arrive in Puerto Rico on Thursday. The USS Comfort, a naval hospital ship, will depart Norfolk, Va., on Friday for Puerto Rico.

But that didn't satisfy lawmakers calling for more.

In a [letter](#) sent Thursday afternoon, Rubio pushed for Trump to use his constitutional authority as commander in chief to increase the military's involvement in coordinating disaster relief efforts.

"There is no clear command, control, and communication between local officials on the ground and federal agencies, and many roads and bridges remained unpassable, making it even more difficult for repair crews to restore power and communications to areas of the island outside of San Juan," Rubio wrote. That has resulted in "lifesaving supplies sitting in containers rather than being distributed upon arrival," he wrote.

"This unique situation requires a well-coordinated response led by the Department of Defense (DOD), which is the only entity capable of executing a recovery effort of this scale and complexity," he said. "I urge you, as commander-in-chief, to make DOD the lead agency in the ground phase of recovery efforts."

"We have the resources," said Congressional Hispanic Caucus Chair Michelle Lujan Grisham (D-N.M.), referring to the U.S.

The number of Americans affected by Hurricane Maria in the Caribbean is equivalent to "the combined populations of the states of Wyoming, Vermont and Alaska," she added. "I have no doubt that the responses to those states in this situation would be far different than the situation we're having today."

Several states have offered to help deploy their own personnel to help Puerto Rico, and the Congressional Hispanic Caucus chair said House Democrats were looking for ways to expedite that.

In an interview with CBS, Rene Plasencia, a Republican in the Florida state house who accompanied emergency responders to Puerto Rico, said those responders could not get transportation from officials on the ground to provide help.

"We've been trying to get [rescue] planes in [from Florida] since last Friday," Plasencia said.

Democrats also criticized Trump's remarks earlier this week that delivering emergency supplies to Puerto Rico is difficult because it's an island.

"Well, you built a golf course there so you certainly knew where it was," Rep. Luis Gutierrez (D-Ill.) said. He was referring to a Trump brand golf course that went bankrupt a few years after the president began his involvement with the project, leaving the commonwealth government on the hook for millions in debt.

"Mr. President, talk to your national security team," Serrano said. "They certainly had plans for 50 years to invade an island in the Caribbean," he said, referring to Cuba. "So they know how to get troops and the military into an island."

Talk has already begun in Congress around an aid package. Some on the left want a suspension of the law that Congress passed last year to allow the commonwealth to restructure its \$70 billion in bond debt that also instituted an unpopular federal oversight board. But Republicans, who have promised ample disaster relief funding when a request comes from the Trump administration, would likely reject that.

Rep. Nydia Velazquez (D-N.Y.) estimated that \$50-\$70 billion would be needed to rebuild Puerto Rico, and Gutierrez pushed for the federal government to pick up the total bill for the cash-strapped island, likening it to a sick patient in the hospital.

"It's bankrupt," Gutierrez said. "There is no money in Puerto Rico to make copayments."

"This is Katrina 2017," he said.

Seung Min Kim contributed to this report.

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White House praises solar manufacturers in statement on trade decision [Back](#)

By Eric Wolff | 09/22/2017 01:15 PM EDT

The White House praised the role of U.S. solar manufacturing in providing "energy security and economic prosperity" in its response to a federal trade panel's [finding today](#) that will give President Donald Trump the final word on setting tariffs and quotas on solar imports.

In a unanimous vote, the U.S. International Trade Commission said domestic panel and cell makers had been harmed by cheap imports, agreeing with the petition filed by Suniva and SolarWorld USA.

"The President will examine the facts and make a determination that reflects the best interests of the United States," said Natalie Strom, a White House spokeswoman. "The U.S. solar manufacturing sector contributes to our energy security and economic prosperity."

Solar manufacturing made up 13 percent of the 260,000 jobs in the solar industry was the slowest growing segment between 2010 and 2016, according to the 2016 National Solar Job Census from the nonprofit Solar Foundation.

WHAT'S NEXT: The commission will send recommendations for tariffs to the president by Nov. 13.

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Suniva, SolarWorld modify remedy proposal in trade case [Back](#)

By Eric Wolff | 09/28/2017 07:20 PM EDT

Suniva and SolarWorld USA are pressing a U.S. trade panel to recommend that President Donald Trump institute either a floor price for imported solar equipment or tariffs plus a quota that caps the amount of solar panels and cells that can enter the country.

The two solar panel manufacturers filed a joint brief to the U.S. International Trade Commission, and each recommended different remedies, though they said that either option could be selected.

Suniva recommends a price floor for all solar modules that starts at 74 cents per watt and

declines over the four years of the tariff, as well as tariffs for both modules and the solar cells. SolarWorld said it was seeking a a quota of 220 MW on imported cells and 5,700 MW on imported modules.

"Both co-petitioners agree that an effective remedy must include either the co-petitioners' requested tariff plus Suniva's requested module floor price or the co-petitioners' requested tariff plus SolarWorld's requested quota," the companies said in a joint statement.

Briefs were due on Wednesday to the ITC, and the companies publicly released their proposals to today, excluding proprietary company information.

The ITC voted unanimously last week that low-cost imports had harmed the domestic solar manufacturing industry. Under the "safeguard" provisions of the Trade Act, Trump will have the final say in what tariffs to impose.

WHAT'S NEXT: The commission will have a hearing on remedies on Oct. 3.

To view online [click here](#).

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Biofuel producers unite against potential EPA biodiesel cuts [Back](#)

By Eric Wolff | 09/27/2017 06:57 PM EDT

Biofuels producers and their farm-state backers in Congress are keeping the pressure on EPA, accusing the agency of betraying President Donald Trump's promises to back the Renewable Fuel Standard after the agency signaled it would cut its biodiesel volume mandates.

EPA's Tuesday [notice](#) seeking input on whether to reduce the already set 2018 biomass-based biodiesel requirement and shrink the mandate in 2019 is drawing opposition from both biodiesel and ethanol producers, who say EPA's move marks its second attempt to undermine the program this year.

The new EPA notice has already driven down prices for biofuel credits, which are used by refiners to meet the obligations under the RFS. That's a boon to refiners like CVR Energy, the company owned by former Trump adviser Carl Icahn who had joined with other fuel processors like Valero Energy earlier this year in an unsuccessful effort to shift the compliance burden of the RFS away from their companies.

Trump has repeatedly offered public support for ethanol producers and the RFS, and just last month, he told Sen. [Chuck Grassley](#) (R-Iowa) to [assure Iowans](#) he had their backs on the RFS — a position Trump staked out early in his presidential campaign and which helped him carry Iowa and other Midwestern states.

On Wednesday, Sen. [Joni Ernst](#) (R-Iowa) blasted the new EPA move, saying in a [letter](#) to Trump that the biodiesel cut would be "bad for American farmers, American manufacturing and American rural communities," adding that she hoped "that your EPA has not forgotten about the pledges that were made to my constituents and to farmers across the country."

That letter came a day after Grassely said the proposal "seems like a bait-and-switch from the EPA's prior proposal and from assurances from President Trump himself and Cabinet secretaries in my office. ... This all gives me a strong suspicion that Big Oil and oil refineries are prevailing, despite assurances to the contrary."

And biodiesel makers are drawing strong support from the ethanol industry, who see the EPA's move as a step toward undercutting the RFS.

"This would undermine renewable fuel production in the U.S. and cause severe harm to our friends in the biodiesel industry," Robert Walther, vice president of federal advocacy for ethanol producer POET, told POLITICO. "That harm would radiate throughout the entire biofuel value chain from starch biofuel plants, to cellulosic facilities now scaling up, to the corn and soybean farmers who voted overwhelmingly for Trump."

In its Tuesday notice, EPA relied on letters from Valero, the American Petroleum Institute, and the American Fuel and Petrochemical Manufacturers to argue the agency expects biodiesel prices to climb because of the expiration of a tax credit last year — as well as the [new tariffs](#) the administration is putting on biodiesel imports from Argentina and Indonesia.

As a result, the agency asked for comment on revising down the amount of biodiesel to be used in 2018 by 15 percent, and on setting 2019 biodiesel requirements possibly as low as the 1 billion gallon floor laid out in the law, less than half the original 2018 level of 2.1 billion gallons.

Biodiesel credits are linked to the ethanol credits — called Renewable Identification Numbers — since U.S. ethanol producers typically fall short of supplying the volumes required under the RFS program. Oil refiners then must buy biodiesel RINs to meet requirements, according to research by University of Illinois economist Scott Irwin.

While corn ethanol credit prices are cheaper than biodiesel RINs, the two tend to move in tandem, so the effect of EPA's notice on RIN prices for ethanol, advanced biofuel and biodiesel was immediate: a 20 percent decline in prices for credits of biodiesel and ethanol after EPA's notice, according to the fuel price tracking service OPIS.

The proposal to cut the biomass-based fuel shocked the biodiesel makers such as Gene Gebolys, CEO of World Energy, who said the industry "froze" as soon as the notice came out.

"The more baffling part is Trump has been consistently supportive of the RFS, over and over and over and over again, he has been supportive of the RFS," he said. "This has been a frontal assault on the RFS. You have to ask yourself, is EPA taking direction from the White House or the oil industry?"

EPA also did not respond to a request for comment. Nor did API or Valero, both of whom EPA cited in its notice, although the AFPM trade association was pleased by the action.

"EPA is on the right track in adjusting renewable fuel requirements," AFPM CEO Chet Thompson said in a statement. "This proposal more appropriately advances Congress's stated purpose of bolstering America's energy independence. American drivers shouldn't have to shoulder more costs to help foreign biofuel producers."

But ethanol producers think EPA may be putting key states in play if it follows through and makes cuts to biodiesel.

"If I am a Democrat thinking of taking Trump on in Iowa and Wisconsin in 2020, I am licking my chops," Walther from POET said.

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Grijalva asks Interior IG to include Zinke's wife in travel probe [Back](#)

By Esther Whieldon | 10/02/2017 04:10 PM EDT

Two House Democrats are calling on the Interior Department's inspector general to investigate how often Interior Secretary Ryan Zinke's wife joined him on taxpayer-funded charter or military flights in light of her involvement in a Republican Senate campaign.

Lolita Zinke is chairing the campaign of Troy Downing, a businessman who is vying to unseat Sen. [Jon Tester](#) next year.

"Because the secretary's spouse is leading a senate campaign in Montana, tax-payer funded travel for Mrs. Zinke, especially to or from Montana, deserves heightened scrutiny," wrote [Raúl M. Grijalva](#) and [Donald McEachin](#) in a [letter](#) today to Deputy Inspector General Mary Kendall, the top watchdog within Interior. Grijalva is the top Democrat on the House Natural Resources Committee, and McEachin is ranking member of its oversight subcommittee.

POLITICO reported earlier today that the IG's office has opened an investigation into Zinke's travels.

The inspector general's office has not decided on the scope of its investigation but it is "focused on the secretary's travel at this point," said Nancy DiPaolo, IG spokeswoman. The investigation, which was launched Friday, "is at its earliest phases," she said. "We'll likely be looking into travel, modes of travel, costs and schedules, etc."

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STB clears way for California city to block oil train facility [Back](#)

By Lauren Gardner | 09/21/2016 06:41 PM EDT

The Surface Transportation Board declined this week to block a California city from rejecting a plan to build a facility that would enable more oil trains to pass through the area, but only because the project's owner was an energy company, not a railroad.

Oil refiner Valero Energy had petitioned the STB to step in and prevent Benicia, Calif., from denying the company permits to build the facility in the city, which is also home to one of the company's refineries.

Environmentalists cheered the Tuesday rejection as a victory in their effort to encourage local governments — which fear catastrophes like the oil train explosion in Lac Megantic, Quebec, that killed 47 people in 2013 — to reject projects that could bring vast quantities of crude oil through their communities.

The regulator is likely to find itself at the center of future high-profile cases like this since trains remain one of the most viable methods of transporting oil, much like the Federal Energy Regulatory Commission has become a hotbed of controversy as green groups have sought to block permits for pipelines that ship fossil fuels.

But STB made it clear that its members rebuffed Valero in this instance only because it was not a rail carrier, nor was it handling transportation services for one, and therefore does not fall under the board's jurisdiction.

STB's decision that interstate commerce law doesn't allow it to preempt the Benicia government from denying the permits to Valero came hours ahead of a unanimous city council vote scuttling the project.

It's not yet clear whether Valero will take its fight to court. A company spokeswoman said executives are "considering our options moving forward."

"After nearly four years of review and analysis by independent experts and the city, we are disappointed that the city council members have chosen to reject the crude by rail project," Valero spokeswoman Lillian Riojas said.

STB's decision included guidance that even if Benicia had approved the permits, the bayside city near San Francisco wouldn't have carte blanche to impose conditions on Valero, since they could "unreasonably" bleed into operations by Union Pacific, the freight railroad the refiner planned to have service the offloading facility.

"As an initial matter, any attempt to regulate UP's rail operations on its lines would be

categorically preempted," STB wrote. "Otherwise, state and local regulation is permissible where it does not unreasonably interfere with rail transportation."

If circumstances changed and the railroad were to build or own the offloading facility project, "then it would clearly be preempted by the federal law," Karen Torrent, federal legislative director at the Environmental Law and Policy Center, said of Benicia's permit denial.

The Association of American Railroads declined to comment on Tuesday's decision, but it had voiced its support for Valero's petition in July, expressing concern that a "patchwork" of rules among states and localities could stymie freight operations.

"This case now presents the Board with the situation where state and local permitting requirements are being applied to rail-served customer facilities with the purpose of controlling — and often preventing — rail transportation," AAR attorney Timothy J. Strafford wrote.

Jackie Prange, a Natural Resources Defense Council staff attorney, said the ruling has broader implications because local governments in California and the Pacific Northwest grappling with similar projects have monitored the Benicia case.

The San Luis Obispo County Planning Commission is scheduled to hold its final hearing Thursday on a proposal by refiner Phillips 66 to bring millions of gallons of crude per week into its Santa Maria refinery by train. The company asked the county last month to delay the hearing, anticipating that STB would not have issued its decision in the Benicia case by now, according to a local [report](#).

Staff at the county commission have recommended that officials reject the project.

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