

**To:** Jackson, Ryan[jackson.ryan@epa.gov]  
**From:** Morning Energy  
**Sent:** Fri 10/20/2017 2:03:24 PM  
**Subject:** POLITICO's Morning Energy, presented by the National Biodiesel Board: Midwest senators win RFS concessions from EPA — Republicans split on when Pruitt should return to EPW — Opening for ANWR preserved in Senate budget

By Anthony Adragna | 10/20/2017 10:00 AM EDT

*With help from Emily Holden and Esther Whieldon*

**PUTTING MAJOR RFS CONCESSIONS INTO WRITING:** Sen. [Joni Ernst](#) released a [letter](#) late Thursday from EPA Administrator Scott Pruitt outlining a number of steps the agency intends to take on the Renewable Fuel Standard that will be music to the ears of a small bloc of Midwest corn-state Republicans. Those include:

- A decision to be finalized "within 30 days" not to move the point of obligation downstream to fuel wholesalers (as previously [reported](#)),
- A commitment to finalize biofuel volumes on time by Nov 30 at levels equal to or greater than those in the [proposed rule](#),
- Direction for EPA staff to "actively explore" whether the agency has legal authority to grant a waiver allowing year-round sale of gasoline with 15 percent ethanol. Pruitt also expressed openness to working with Congress on "definitive analysis" on the agency's ability to issue a waiver, and,
- A pledge not to make biofuel exports eligible for credits, known as RINs.

**In a statement, Ernst said:** "I am appreciative of Administrator Pruitt's pledges to rural America, and I will continue to work collaboratively with the EPA going forward on this and other issues." She didn't specifically say she'd vote for EPA air nominee Bill Wehrum in light of these public commitments - remember Ernst said Wednesday she needed public evidence of the administration's biofuels support - but ME would be surprised if the nomination didn't move forward now.

**EPW REPUBLICANS SPLIT ON PRUITT APPEARANCE:** At least some EPW Republicans are ready for Pruitt to come before their committee again (he hasn't testified since his confirmation hearing in January), but that feeling is not universal. "I wouldn't think that would be necessary," [Deb Fischer](#) said of Pruitt testimony right now. And [John Boozman](#) and [Jim Inhofe](#) both wanted to focus on getting lower-level nominees confirmed and into their roles at the agency first. "I'd like to get him beefed up with his staff and not only get him back, but actually get some undersecretaries with some authority," Boozman said.

**But that sentiment wasn't unanimous:** Others voiced interest in having Pruitt back to testify even as they applauded his early efforts at EPA. "I think he's doing a really good job, but I think regular updates are useful," [Dan Sullivan](#) told ME. West Virginia's [Shelley Moore Capito](#) was

more succinct on her desire for an appearance: "That would probably be a good idea. It's been a while."

**What's the holdup?** Chairman [John Barrasso](#) told ME on Wednesday he'd extended an invitation to Pruitt, but the committee didn't respond to further requests for comment. "We will respond to the Senate EPW Committee through the proper channel," Jahan Wilcox, an agency spokesman, said about when Pruitt might testify. ME would note Barrasso could definitely expedite Pruitt's appearance if he actually wanted to make it happen.

**For the record:** Former Administrator Lisa Jackson made her [first post-confirmation appearance](#) at the committee in May 2009.

**TRUMP THROWS LIFELINE:** In phone calls this week, President Donald Trump told EPW senators Barrasso, Fischer and Sen. [Roger Wicker](#) he'd back their 2018 reelection bids over any insurgent primary challengers, POLITICO's Burgess Everett [reports](#). "Sen. Barrasso is grateful that President Trump would take the time to call him directly to express his support," said Dan Kunsman, a top aide to Barrasso, said. Formal endorsements are expected to eventually follow.

**TGIF EVERYONE!** I'm your host Anthony Adragna, and LCV's Tiernan Sittenfeld correctly identified Sens. Harry Reid, Jim Jeffords and Bob Smith as your three EPW chairmen in 2001. For today: Which congressman co-wrote Elizabeth Smart's bestseller, *My Story*? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**ANWR LANGUAGE STAYS:** Senators refused, by a vote of 48-52, to strip out language from their fiscal 2018 budget resolution that could open the door for drilling in ANWR, your ME host [reports](#). Sen. [Susan Collins](#) was the lone Republican to vote for the amendment, while Sen. [Joe Manchin](#) was the lone Democrat to oppose it. Though the budget doesn't explicitly mention ANWR, it calls for the Senate Energy and Natural Resources Committee to identify ways of raising an additional \$1 billion in revenue. Chairman [Lisa Murkowski](#) said on the floor her committee is "prepared to meet this instruction" by "expanding our energy development in our federal areas" that would almost certainly include ANWR. "We can and we must do more as a nation to responsibly develop our energy resources," she said.

**Just the beginning?** A coalition of 20 environmental groups said the vote was just the beginning of a "long fight" to remove the rider from any subsequent reconciliation package. "There is no reason why Congress should hijack the budget with a controversial rider to drill in the Arctic Refuge," the groups, which include Clean Water Action, the National Audubon Society and the Sierra Club, said.

**Two Lee amendments fail:** Senators rejected one amendment from Sen. [Mike Lee](#) that would have [barred regulating species](#) that exist only in one state under the Endangered Species Act by a vote of 49-51. Another amendment, which would have made the federal government [compensate local governments](#) for the full value of the property taxes they are losing when much of their jurisdiction is covered by federal land, actually failed by a tally of 50-50 since Vice President Mike Pence wasn't available to break the tie.

**The budget passed 51-49** just after 9:30 p.m., following a mere six-and-a-half hours of vote-a-rama.

**BIG PROMISE:** Speaking to the Texas Oil and Gas Association in the Woodlands, Texas, Pruitt vowed his agency would respond to permit requests within six months by the end of the year, Reuters [reports](#). "It can be done. It's just a matter of having the process in place to achieve results," Pruitt said. That comes after the administrator held a roundtable with representatives of the Texas Health and Environmental Alliance, Galveston Bay Foundation, Houston Advance Research Center and Harris County Attorney Vince Ryan concerning the cleanup of the San Jacinto Superfund site during his Texas swing ( [pictures](#)).

**CHATTER ON REBUILDING PUERTO RICO'S GRID:** During an appearance with Trump on Thursday, Puerto Rico Gov. Ricardo Rosselló floated the idea of using public-private partnerships to help rebuild the island's electric grid. Rosselló said he hoped to "rebuild a much modern, much stronger platform, and not only have Puerto Rico have energy but actually be a model of sustainable energy and growth towards the future." Trump replied: "You were talking about rebuilding your electric plant long before the hurricane; you've been wanting to do that for a long time. So maybe this is a reason that we can do it. And we'll help you and we'll all do it together."

**Side note:** Seems like Trump is referring to the electric grid when he refers to the "electric plant."

**Patience is a virtue:** Trump said it would be a "period of time" before electricity could be restored on the island given its electric infrastructure had been "totally destroyed." The president floated one potential policy idea: "It would be wonderful if you could have underground wire. It makes it a lot better in these storms." (Side note: Underground wires didn't fare so well during Hurricane Sandy in New York and it would hugely expensive for the whole island).

**Rosselló promises corruption crackdown:** "If there is a public official that is purposefully mishandling the food that should go to the people of Puerto Rico, there is going to be some hell to pay," he said.

**HOLD UP:** Senate Majority Whip [John Cornyn](#) has placed a hold on Russell Vought's nomination to be deputy director of the Office of Management and Budget unless he gets more funding for Texas hurricane relief, [Axios reports](#). That comes as Florida Sen. [Bill Nelson](#) said Thursday he'd also placed a hold on Vought's nomination after the administration kicked funds for his state's citrus growers to a later disaster relief package.

**\*\* Presented by the National Biodiesel Board:** President Trump repeatedly pledged to protect biodiesel and the Renewable Fuel Standard (RFS). But EPA's latest actions threaten the 64,000 jobs supported by biodiesel. A strong RFS will be key to keeping these jobs and upholding his promise. Mr. President: please stop EPA from thwarting growth in rural America.

<http://bit.ly/2xn5Sgm> \*\*

**IT'S NOT UNUSUAL:** He doesn't like it and vehemently opposes his nomination, but EPW ranking member Tom Carper sees nothing irregular in EPA chemical pick Michael Dourson joining the agency early. "I don't see it as going around us - there's plenty of precedence for this in earlier administrations," he told ME. "What I find troubling most recently is his abject failure to respond to basic questions."

**Whitehouse disagrees:** Sen. Sheldon Whitehouse told ME in a statement Dourson's move showed contempt for the Senate's advice and consent role. "Not only is this move contemptuous of the Senate as an institution, it risks undermining the legal validity of EPA actions involving the nominee," he said. "The administration may find it easier to nominate individuals with bipartisan support and a commitment to the EPA's mission rather than industry-funded hacks."

**UPTON WAVERS ON SENATE BID:** While he was once 95 percent likely to mount a Senate bid, former House Energy and Commerce Chairman Fred Upton is now "more like 50-50" on challenging Michigan incumbent Debbie Stabenow, according to the Detroit News. "He's gone coy over the last few days," one source told columnist Ingrid Jacques, citing fears in particular about Steve Bannon's potential involvement.

**STILL MOVING FORWARD:** Senate Agriculture Chairman Pat Roberts hopes to schedule a hearing on Trump's controversial pick to be chief scientist at USDA, Sam Clovis, next week, Pro Ag's Helena Bottemiller Evich reports. "Hopefully, we can get that done next week," Roberts said, noting staff continues to assemble all of Clovis' past statements. Democrats say Clovis doesn't fit legal requirements for the job and condemned past statements that climate change is a hoax.

**Garrett too:** Even as the business community has come out strongly against his nomination, the Senate Banking Committee announced an Oct. 1 hearing on Scott Garrett's selection to run the Export-Import Bank.

**PLEASE, NO CH-CH-CHANGES:** Some of the state-focused climate change web pages EPA took down in April reappeared in late July as "energy resources," according to a report from watchdog group Environmental Data and Governance Initiative. The agency removed all 15 references to "climate," on the main page, as well as several climate-specific links and tools, including webinars and example policies. The website still hosts information about renewable power and energy efficiency.

**LAWSUIT LODGED OVER RFS ENVIRONMENTAL IMPACTS:** The Sierra Club filed a lawsuit in federal district court Thursday alleging EPA has failed to conduct required environmental impact and air quality analyses for the Renewable Fuel Standard. "Today's lawsuit is a reminder to Administrator Pruitt that his duty is to the American people, and we will continue to hold him accountable for both his harmful actions and inaction alike," attorney Devorah Ancel said in a statement.

**GETTING ANTSY IN UTAH:** Gov. Gary Herbert hasn't heard a peep from the Trump administration on the status of Interior Secretary Ryan Zinke's review of national monument designations but wants a decision ASAP. "Whether the president will act on those

recommendations and, if so, how, whether he'll modify them, I don't think anybody knows for sure," he told local reporters in [video posted](#) by KUED. "I hope he makes a decision soon so we can all get past the uncertainty." Trump must make the final call, but Zinke suggested shrinking several monuments previously designated under the Antiquities Act.

**MAIL CALL! WYDEN SAYS ABANDON GRID RESILIENCY PROPOSAL:** Oregon Sen. [Ron Wyden](#) urged FERC to withdraw Energy Secretary Rick Perry's grid resiliency plan from consideration. "Arbitrarily propping up a dying industry goes against what the GOP has long claimed is its goal - an all-of-the-above energy strategy," he wrote in [a letter](#). "This rule clearly picks winners and losers in energy resources, which robs taxpayers of the benefits of competitive markets."

**ABOUT THAT ROAD...:** Two House Democrats are questioning whether Zinke can transfer land that would clear the way for a road to be built through Alaska's Izembek National Wildlife Refuge - a long-time pet issue of Murkowski. The Washington Post on Sunday [reported](#) the agency is mulling transferring land to the tribal King Cove Corp. even though the agency previously found allowing the 12-mile road would hurt migratory birds, caribou and other species. In the Thursday [letter](#), House Natural Resources Committee ranking Democrat [Raul Grijalva](#) and subcommittee top Democrat [Donald McEachin](#) asked Zinke to describe his authority to transfer or exchange the land and whether the agency will conduct a new public environmental review before making the call.

**KEEPING GAO BUSY:** Grijalva asked GAO to examine whether and how much public revenue has been lost due to changes in how Interior leases drilling parcels in the Gulf of Mexico. Link [here](#).

**TAKE A GLANCE!** The National Wildlife Federation released [a report](#) Thursday on the dramatic rise in wildfire activity, which it links to unhealthy forest conditions, insufficient forest restoration activities, rapid climate change and increasing housing development in high-risk and fire-prone areas. "By restoring and better managing U.S. forests, it is possible to reduce fire risks to communities, increase populations of cherished wildlife species, and protect our climate by enhancing the carbon sequestration and storage potential of our forests," it concludes.

**LIGHTER CLICK:** The Sierra Club launched a spoof airline Pruitt-Zinke Airlines, or [PZ Air](#), over their non-commercial travel. Watch the video [here](#).

## QUICK HITS

- Trump pick for top environmental post called belief in global warming a 'kind of paganism'. [CNN](#).

- The story of Puerto Rico's power grid is the story of Puerto Rico. [The Economist](#).

- EPA crews working on Gold King cleanup find elevated lead threatening birds, animals and, potentially, people. [Denver Post](#).

- We asked 4 agency bosses about Trump. They're worried. [E&E News](#).
- EPA Orders More Repairs at Texas Toxic Site Following Harvey. [AP](#).
- Rick Perry's Plan Looks DOA But Could Spark a Dynegy Deal. [Bloomberg](#).
- Facing Public Outcry, New Mexico Restores Evolution and Global Warming to Science Standards. [Mother Jones](#).

### **THAT'S ALL FOR ME!**

**\*\* Presented by the National Biodiesel Board:** Made from an increasingly diverse mix of resources such as recycled cooking oil, soybean oil and animal fats, biodiesel is a renewable, clean-burning diesel replacement that can be used in existing diesel engines without modification. Biodiesel and the Renewable Fuel Standard (RFS) have been essential to staving off a recession in rural America throughout the country's economic downturns. Weakening the RFS may pad the pockets of certain oil companies, but it will devastate rural America. Please keep your promise, Mr. President, to rural America. <http://bit.ly/2xn5Sgm> \*\*

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<http://www.politico.com/tipsheets/morning-energy/2017/10/20/midwest-senators-win-rfs-concessions-from-epa-222910>

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