

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Energy
Sent: Wed 9/13/2017 2:06:27 PM
Subject: POLITICO's Morning Energy: EPA plans carbon rule replacement — Clinton's big energy idea that wasn't — Carper won't back Trump's EPA air pick

By Anthony Adragna | 09/13/2017 10:00 AM EDT

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

EPA PLANS FOR CLEAN POWER PLAN REPLACEMENT: EPA plans to take the first step toward replacing the Clean Power Plan by the first week of October as it publishes its plan to rescind the Obama administration's carbon limits for power plants, Pro's Emily Holden [reports](#).

EPA Administrator Scott Pruitt had been averse to replacing the rule, and sources tell Emily that when OMB first began reviewing the Clean Power Plan withdrawal in June the agency did not have plans to replace it. The decision to signal the agency will write a replacement comes after months of lobbying from electric company executives and suggests Pruitt may not challenge the legal finding that EPA must regulate greenhouse gases. One likely approach to a new emissions regulation would focus on improving coal-plant efficiency, so generators make more power while burning less coal.

The repeal-and-replace proposals come as patience was wearing thin at the D.C. Circuit, which has avoided issuing an opinion on the Clean Power Plan itself while EPA reconsidered the rule. In an August warning shot to EPA, judges said failing to propose a replacement meant the agency was avoiding a "statutory duty" to regulate carbon emissions, though it agreed to keep the case on ice through Oct. 7. EPA spokeswoman Liz Bowman said she "would not comment on proposals going through interagency review."

TRUMP OFFICIAL TO HOST CLIMATE MEETING: National Economic Council Director Gary Cohn will host a breakfast meeting to discuss "international energy and climate issues" the day before the opening of the U.N. General Assembly next week, POLITICO's Andrew Restuccia [reports](#). The invitation obtained by POLITICO says the huddle is an "opportunity for key ministers with responsibility for these issues to engage in an informal exchange of views and discuss how we can move forward most productively." But an administration official stressed the meeting will not focus solely on climate change.

WELCOME TO WEDNESDAY! I'm your host Anthony Adragna, and the Analysis Group's Sue Tierney was first up to identify Massachusetts as the home of eight previous House speakers. For today: Two speakers have gone on to serve as vice president. Name them. Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](#), [@Morning_Energy](#), and [@POLITICOPro](#).

New! Legislative Compass: A powerful, easy-to-use tool that simplifies federal and state legislative tracking. [Learn More.](#)

HILLARY'S CAMPAIGN IDEA THAT ALMOST WAS BUT THEN WASN'T: Among other revelations contained in her new book, Hillary Clinton said she was intrigued by Peter Barnes' proposal to create a sort of Alaska Permanent Fund for the whole country. The idea, dubbed by her campaign "Alaska for America," would have taken royalties from oil and gas production - plus receipts from a carbon tax, financial transactions taxes, fees on airwaves used by cell phones and broadcasters, and other resources - and used them to give Americans a guaranteed minimum income. But, alas, as she and Bill worked the calculator, they found the math didn't work.

"We decided it was exciting but not realistic, and left it on the shelf. That was the responsible decision," she wrote in "What Happened." "I wonder whether we should have thrown caution to the wind and embraced 'Alaska for America' as a long-term goal and figured out the details later."

About that carbon tax: Clinton says her campaign also looked more specifically at the idea of a carbon tax dividend, but once again could not get math to work out without new costs for the middle class, which she had vowed against. "Still," she added, "it's tantalizing."

Canary was the coal mine: Clinton argues the Obama team's slow efforts to counter the emerging Republican narrative that his administration began a "war on coal" hurt Democrats in 2016, Pro's Alex Guillén reports. "The Obama administration was slow to take on this false narrative," she wrote. Clinton encouraged Obama to roll out the Clean Power Plan in 2015 in coal country, and pair it with a major initiative to bring new investments and jobs to the region as a way of softening the blow.

Interior Secretary Ryan Zinke also makes a cameo: Clinton recounts an awkward encounter at the inauguration when she said she was surprised Zinke came over to greet her because in 2014 he had called her the "Antichrist." "Maybe he'd forgotten, because he didn't come equipped with any garlic or wooden stakes, or whatever one uses to ward off the Antichrist. But I hadn't forgotten," Clinton writes, adding that she absolutely reminded Zinke of his remark. "He was taken aback and mumbled something about not having meant it. One thing I've learned over the years is how easy it is for some people to say horrible things about me when I'm not around, but how hard it is for them to look me in the eye and say it to my face." (Zinke's wife, Lola, disputed the story.)

CARPER WON'T BACK WEHRUM: Top EPW Democrat Tom Carper told reporters Tuesday he won't back Trump's nominee to run the EPA's air office, Bill Wehrum. "This nominee is troubling," he said. "I don't say that about all of this administration's nominees, but this one is troubling." Chairman John Barrasso told reporters the committee would have "four or five" confirmation hearings next week, though he wouldn't specify which nominees that includes. He separately said EPW was "working on a time" for EPA Administrator Scott Pruitt to come testify before it.

NELSON: GOP 'DENYING REALITY' ON CLIMATE CHANGE: Even as he said he didn't want to play partisan politics in the aftermath of Hurricane Irma, Florida Sen. Bill Nelson knocked Republicans - including his likely 2018 opponent Gov. Rick Scott - for opposing action

to address manmade climate change, POLITICO's Michael Grunwald [reports](#). "It's denying reality," Nelson said. "You can call it politics or whatever, but the Earth is getting hotter. This storm is another reminder of what we're going to have to deal with in the future." He added it would be a crucial issue during his reelection contest.

EPA-INTERIOR VOTES EXPECTED: You'd be forgiven for forgetting the House is still working through its mega-spending package [H.R. 3354 \(115\)](#), but five outstanding EPA and Interior-related amendments should get votes today. The amendments would bar EPA from enforcing its methane rule, block the social cost of carbon from future rule makings, prohibit the closure of EPA regional offices and slash the agency's budget by an additional \$1.87 billion, among others. Full list of all pending amendments to the bill [here](#).

CCS WEEK KICKS OFF IN EARNEST: Senate EPW today holds a [hearing](#) on how to accelerate deployment of carbon capture and sequestration technologies around the country. Look for lots of discussion of the FUTURE Act, [S. 1535 \(115\)](#), one of the few pieces of legislation ME can remember that boasts the support of both Barrasso and [Sheldon Whitehouse](#). Witnesses include Matthew Fry, a policy adviser to Wyoming Gov. Matt Mead and former DOE senior official Julio Friedmann.

HELPING OUT THE LITTLE GUYS? The House Energy and Commerce Committee's environment panel will hold a hearing today on a quartet of bills aimed at postponing or loosening various emissions regulations. [H.R. 1917 \(115\)](#) would delay the brick MACT until legal challenges have played out (coincidentally, the D.C. Circuit revealed Tuesday that oral arguments over that rule will take place Nov. 9). [H.R. 1119 \(115\)](#) would expand Cross-State Air Pollution Rule compliance options for 19 plants, mostly in Pennsylvania, that burn coal waste for electricity. [H.R. 453 \(115\)](#) would extend some deadlines for a residential wood heater emissions rule. And [H.R. 350 \(115\)](#) aims to clarify that anti-tampering provisions in vehicle emissions rules do not apply to vehicles used only for racing, an issue that flared up last year under EPA's Phase 2 heavy-duty truck rule. Some of these bills passed the House in previous years, but failed to gain traction in the Senate. If you go: The hearing kicks off at 10 a.m. in Rayburn 2123.

ENDANGERED SPECIES MEASURES GETTING MARKED UP: A litany of controversial measures get [marked up](#) today at the House Natural Resources Committee, including [H.R. 3668 \(115\)](#) a sportsmen's package that Democrats have condemned as enabling the deregulation of gun silencers and five bills taking bites at the Endangered Species Act. They are: [H.R. 424 \(115\)](#), which would redo Interior rules delisting the gray wolf; [H.R. 2603 \(115\)](#), which would bar non-native species from being listed as endangered or threatened under the statute; [H.R. 3131 \(115\)](#), which would lower attorney fees that could be awarded in ESA litigation; [H.R. 717 \(115\)](#), which would allow federal agencies to factor cost into listing decisions and prioritize listing petitions rather than decide them in the order they're received; and [H.R. 1274 \(115\)](#), which would require the availability of all data used in listing decisions to impacted states. The fun kicks off at 10 a.m. in Longworth 1334.

BLAST FROM THE PAST: ME got to briefly chat with former EPA Administrator Gina McCarthy after she met with Senate climate caucus members to "catch up" on various environmental issues. She declined to weigh in on Pruitt's comment that it's "insensitive" to

discuss climate change in the aftermath of hurricanes Harvey and Irma, but said, "I think we all know that storms like that get as intense as those storms were because of an impact on climate. If you want safe and healthy communities, you're going to have to address the issue of climate change. Period."

ICAHN'T BELIEVE EPA: Sen. [Sheldon Whitehouse](#) cast a jaundiced eye over Pruitt's [letter](#) denying email communication with billionaire Carl Icahn. "On its face, this letter suggests Mr. Icahn had far less control over RFS policymaking than he had suggested publicly," Whitehouse spokesman Rich Davidson told ME. "On the other hand, Pruitt has a long-established skill in obscuring his contacts with the industry that pulls his strings." Pruitt said the agency searched the inboxes of 39 agency officials and came up empty on Icahn emails.

RESHUFFLED ELECTRICITY BOARD REVS UP TODAY: DOE's [newly configured](#) Electricity Advisory Committee assembles this afternoon to kick off a meeting with a half dozen fresh faces and a [two-day agenda](#) that will cover the agency's much-discussed electric grid study, include a two-hour panel on cybersecurity and a rundown of a National Academies report on grid resiliency. Perry let the membership of 14 EAC members lapse recently and installed six new members, effectively shrinking the board's overall size. But the person Perry tapped as the new EAC chairman, Michael Heyeck of American Electric Power, isn't apparently able to attend, according to the agenda, which describes ERCOT engineer John Adams as acting chairman this week. Most of the cybersecurity talk - including panel discussion and a presentation on a draft DOE multiyear energy sector cybersecurity plan - is slated for Thursday morning. The meeting starts at 1:30 p.m. at the offices of the National Rural Electric Cooperative Association in Arlington, Va.

GAO TO PROBE PERRY'S HEALTHCARE TWEETS: GAO has [agreed to a request](#) from Rep. [Frank Pallone](#), top Energy and Commerce Democrat, to issue a legal opinion on whether DOE's use of its Twitter account to promote an op-ed by Secretary Rick Perry on health care violated the Antideficiency Act, the Anti-Lobbying Act and the Consolidated Appropriations Act of 2017. Pallone first made the request in late July.

ZINKE TELL STAFF TO UP GAME ON FIRE PREVENTION: Zinke directed staff on Tuesday to be much more proactive on fire prevention, including by hiring contractors if necessary to clear dead trees, removing vegetation away from roads and buildings that could prove quick fire fodder and to include fire prevention in resource management planning. The move comes as wildfires rage in the West. "It makes little sense to be thinning to protect structures when we see flames on the ridge and smoke in the air-fuel management is more effective when undertaken before fires break out," Zinke said in the memorandum.

ITC VOTE ON SOLAR TRADE CASE COMING NEXT WEEK: The U.S. International Trade Commission will vote Sept. 22 on whether the U.S. solar industry has been injured by low-cost imports, according to an ITC website [announcement](#). The case has the solar industry on tenterhooks, as domestic companies that install cheap foreign-made panels believe raising equipment costs will harm business. A Trump administration official has already signaled the administration would likely impose tariffs if the ITC determines there has been injury.

MAIL CALL! HOUSE SCIENCE PROBES OBAMA APPOINTEE: After DOE's inspector general found the government spent \$138,000 on an employee's graduate degree unrelated to his job, House Science Chairman [Lamar Smith](#) sent a [letter](#) requesting documents on what the agency is doing to prevent something similar from happening again. "The Committee is concerned this could be an indication of a more widespread occurrence of inappropriate training authorizations and expenditures within DOE," Smith wrote.

McCOLLUM HITS PRUITT OVER ATTACK ON JOURNALIST: Rep. [Betty McCollum](#), who oversees the Appropriations Interior and EPA Subcommittee, sent a [letter](#) to Pruitt Tuesday condemning the agency's personal attacks on an AP reporter as an "inappropriate use of taxpayer resources" and urging the agency to "act in a more professional manner and refrain from such unacceptable personal attacks."

WEIGHING IN ON TAX REFORM: Citizens For Responsible Energy Solutions Forum sent letters to [House](#) and [Senate](#) tax writers outlining their priorities as tax reform efforts get off the ground in earnest. Atop their wish-list? Maintaining existing energy investment and production tax credits, sunseting tax credits for mature energy industries and reducing the corporate tax rate to at least 25 percent.

PRIORITIES OUTLINED FOR STATE ENVIRONMENTAL REGULATORS:

Wyoming's Todd Parfitt became president of the Environmental Council of the States on Tuesday and said in a [welcome note](#) a key priority would be "reorienting the state-U.S. Environmental Protection Agency relationship." He's also a rumored candidate for regional EPA administrator.

MOVER, SHAKER: Sam Hirsch, former principal deputy at DOJ's Environment and Natural Resources Division, has rejoined Jenner & Block as a partner in its Washington office.

FREE FOOD ALERT! Stop by 406 First Street SE today between 11 a.m. and 1 p.m. for some Old Bay, Parmesan garlic and sea salt french fries courtesy of the National Biodiesel Board and some of the city's best food trucks. You'll also learn how the oil used to cook the fries can be turned into clean-burning biodiesel.

QUICK HITS

- OPEC Discusses Extending Oil Cuts by More Than Three Months. [Bloomberg](#).
- Pompton Lakes DuPont site needs Superfund status, advocates say. [NorthJersey.com](#).
- EPA long-term plans to manage Hanford office in limbo. [Tri-City Herald](#).
- Harvey toppled storage tanks in the oil patch, spilled nearly 2,000 barrels. [Houston Chronicle](#).
- Florida Power & Light Co. nuclear reactors still down, but unharmed by Hurricane Irma. [TC Palm](#).

THAT'S ALL FOR ME!

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