

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Energy
Sent: Thur 7/6/2017 2:04:33 PM
Subject: POLITICO's Morning Energy, presented by ExxonMobil: Energy big focus for Trump in Poland — Proposed RFS has something for everyone — Perry tours West Virginia coal site today

By Anthony Adragna | 07/06/2017 10:00 AM EDT

With help from Sara Stefanini, Anca Gurzu and Eric Wolff

TRUMP'S LNG PITCH: President Donald Trump is in Warsaw, Poland, this morning, where he said in a press conference alongside Polish President Andrzej Duda that the U.S. "stands ready to help Poland and other European nations diversify their energy supplies so that you can never be held hostage to a single supplier, or as we sometimes we call it, a monopoly."

Poland received its first shipment of U.S. LNG last month and Trump said there are "many more coming." Asked when more LNG shipments should be expected to arrive in Poland, the U.S. president said the two nations could sign a contract "within the next 15 minutes." Duda, however, pointed out that the contract won't be signed by the Polish and U.S. presidents, but by companies.

Trump later used a meeting of the 12 countries on the Baltic, Adriatic, and Black Seas to make a pitch for U.S. gas exports, saying the U.S. would be a "faithful and dependable partner" in helping the nations achieve energy security. "We are sitting on massive reserves of energy and we are now an exporter of energy, so whenever you need energy just give us a call," he told the Three Seas Initiative conference.

He took another shot at Russia there, though he never mentioned the country by name. "Let me be very clear about one crucial point: The United States will never use energy to coerce your nations, and we cannot allow others to do so. You don't want to have a monopoly or a monopolistic situation," he said. Trump then reiterated that theme during an outdoor speech in Warsaw: "We are committed to securing your access to alternate sources of energy, so Poland and its neighbors are never again held hostage to a single supplier of energy," he said.

Thomas Wright, a senior fellow at the Brookings Institution, [writes in POLITICO Agenda](#) the Three Seas meeting is an effort by those nations to figure out how to create the regional infrastructure to reduce their energy dependence on Russia, and that there are hopes for a deal on exports of LNG that could undermine the proposed Nord Stream 2, the controversial German-Russian energy pipeline.

After he finishes up his whirlwind 16 hour-trip to Poland, Trump heads over to Hamburg where he'll meet with German Chancellor Angela Merkel ahead of the two-day G-20 summit that starts Friday. Both leaders held an "extensive" conversation earlier this week on topics including climate change, and Merkel has warned previously that the gathering will "not be easy talks," a not-so-veiled jab at the U.S.

EU reaffirms Paris commitment: The EU will reassure its G-20 partners it "remains steadfastly

determined" to implement the Paris Accords and speed up efforts to cut emissions and move toward green energy, the heads of the European Council and Commission said in a [letter](#) to EU heads of state and government Wednesday. For the EU, the Paris deal is a "corner stone" of global efforts to fight climate change and implement the U.N.'s Sustainable Development Goals, and "cannot be renegotiated," Council President Donald Tusk and Commission President Jean-Claude Juncker said. The EU will also support an ambitious joint action plan on climate and energy that was prepared in the run-up to the summit, and welcome further work on green finance and ways to improve resource efficiency.

WELCOME TO THURSDAY! I'm your host Anthony Adragna, and the Bagley Group's Jack Bagley was the first of many to identify Columbia as the state capital that shares its name with a NASA space shuttle. For today: Which state capital shares its name with a tunnel underneath the Hudson River, an American luxury automobile brand, and a DC restaurant? Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](#), [@Morning_Energy](#), and [@POLITICOPro](#).

SOMETHING FOR EVERYONE TO CHEER/WORRY ABOUT RFS PROPOSAL: EPA gave a little bit to everyone when it [proposed](#) how much biofuel would go into the nation's fuel system in 2018 on Wednesday. Big RFS backer Iowa Sen. [Chuck Grassley](#) called the proposal "a mixed bag" in his statement. Pro's Eric Wolff [breaks down](#) who got what.

Ethanol gets...15 billion gallons! All ethanol producers wanted for Independence Day was a continuation of the Obama administration's requirement that 15 billion gallons of ethanol go into the nation's fuel system, and EPA Administrator Scott Pruitt gave it to them. "It's a strong signal to the marketplace, and it reaffirms the commitment the president made on ethanol," Growth Energy's Chris Bliley told ME. Team Ethanol is banking on a major market opening up in China, so a stable domestic market promises to keep it on stable footing.

Oil gets... a 40 million gallon reduction!: Pruitt, a long time ally of the oil industry, made one change since June when the volumes were supposed to go out: Instead of increasing the required volume of advanced biofuels, he decided to cut them by 40 million gallons, reducing the overall amount of biofuel required under the program. Oil interests decided to score that shift (of about four days' worth of gasoline consumption) as a win. "We are pleased the Environmental Protection Agency has, for the first time in the history of the RFS, proposed a reduction in the amount of biofuels that must be used in the U.S.," Chet Thompson, CEO of American Fuel and Petrochemical Manufacturers, said in a statement.

Advanced biofuels get... rocks: Pruitt reduced overall advanced biofuels in 2017, kept advanced biodiesel steady in 2019, and cut by about a quarter the cellulosic ethanol mandate for fuels from agricultural products that have a much smaller carbon footprint. That set off alarm bells for advanced biofuel promoters like Brooke Coleman, who said EPA risked "fumbling the cellulosic ball."

Shadows on the horizon: Eric [reports](#) that Pruitt also opened the door to significant changes down the road, launching an analysis for a "reset" of the volumes allowed under the law, asking for comment on imported ethanol and biodiesel, and for an examination of the market for zero

percent ethanol.

It's only a proposal: EPA often modifies its proposed volumes when it issues a final rule. Now the agency has until Nov. 30 to take comment and produce a final rule. The clock is ticking.

TAKING THE LONGVIEW: Energy Secretary Rick Perry makes his first official to West Virginia today where he'll tour the 700-megawatt Longview power plant and the National Energy Technology Laboratory in the Morgantown area. But he won't be alone on his tour: West Virginia Sens. [Joe Manchin](#) (D) and [Shelley Moore Capito](#) (R), as well as Rep. [David McKinley](#) (R), are expected to participate as well.

Manchin previewed the visit on West Virginia [radio](#) Tuesday. "We will show him a clean power plant and what it can do and why it works so well with the energy mix that we need," he told MetroNews Talkline with Hoppy Kercheval. Manchin added that while the Trump administration has been "very good on energy, trying to find a pathway forward," the U.S. has "got to be careful to find that balance between the environment and economy. You can't throw caution to the wind with either one." (Discussion occurs around 55:30 mark of the recording [here](#)).

TWO STATES SUE OVER BLM'S METHANE STAY: The attorneys general of California and New Mexico [sued](#) Interior Wednesday over what they said is the "illegal" postponement by BLM earlier in June of certain portions of its methane waste rule. Both states argue the Trump administration violated the Administrative Procedure Act in delaying certain compliance dates associated with the rule indefinitely because the overall regulation had already taken effect in January 2017. The Senate [came up short](#) in its bid to block the regulation using the Congressional Review Act back in May.

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ME FIRST - LAWSUIT FILED FOR NOAA RECORDS: Cause of Action Institute, a non-profit that advocates for limited government, is filing a [lawsuit](#) this morning seeking NOAA guidance on retention of instant messaging records, as well as specific employee communications during an April New England Fishery Management Council meeting. The group argues the agency has failed to adequately respond to two FOIA requests within statutory deadlines. "NOAA appears to have created an internal messaging platform to hide records from public disclosure," Julie Smith, the group's vice president, said in a statement. "Any directive to make certain communications be considered 'off-the-record' clearly violates transparency laws."

ZINKE'S SCHEDULE RELEASED: Glancing through Interior Secretary Ryan Zinke's [calendar](#) shows a bevy of meetings with fossil fuel industry groups and companies, members of Congress and governors, Pro's Esther Whieldon [reports](#). Among the highlights: a half-hour May 22 meeting with officials from the American Petroleum Institute and sessions with nearly a dozen lawmakers, including Senate Environment and Public Works Chairman [John Barrasso](#) (R-

Wyo.), House Energy and Commerce Chairman [Greg Walden](#) (R-Ore.). Zinke also met with Oregon Gov. Kate Brown, a Democrat, and Sens. [Angus King](#) (I-Maine), [Susan Collins](#) (R-Maine) and [Catherine Cortez Masto](#) (D-Nev.), among others.

LCV HITS GOP ON MONUMENT REVIEW: The League of Conservation Voters is launching a \$75,000 campaign across various media, including Snapchat, Instagram and Facebook, urging Republican Sens. [Dean Heller](#), [Jeff Flake](#), [Jim Risch](#) and [Mike Crapo](#) to reject efforts to alter national monuments in their states. Samples of the Instagram and Facebook ads [here](#) and [here](#).

MAIL CALL! GROUPS URGE CLEAN SPENDING BILLS: A broad coalition of 173 groups, including environmental advocates Oceana, Defenders of Wildlife, Clean Water Action and Union of Concerned Scientists, sent [a letter](#) to members of Congress Wednesday urging them to pass spending bills without policy riders. "Contentious poison pill riders are intended to advance the priorities of special interest donors and supporters and should not be included in funding bills," they wrote.

HAPPY BIRTHDAY! The National Renewable Energy Laboratory celebrates its 40th anniversary this week. "Your work shows it's possible to grow our economy and protect natural resources at the same time," Perry [tweeted](#) Wednesday. NREL released [a list](#) of its accomplishments in honor of the anniversary.

SHOULD I STAY OR SHOULD I GO NOW? New York Magazine published [an interesting look](#) from six federal employees, including one from EPA, about how they're handling their duties and whether they've considered leaving in the Trump era. "Kind of surprisingly, nobody has said, 'I can't take it,' and left," the EPA employee involved in research and policy matters said. "I really love my job, and I thought I would just stay. But now that I've started interviewing for stuff, it just feels like, if I don't really sell myself and get out sooner rather than later, I might be stuck." A DOE employee described the situation as "quite depressing" and warned of "hearing about the potential for losing the next generation of scientists and engineers."

EXPLORING CASE STUDIES ON COAL'S DECLINE: The Wilderness Society is out with [a report](#) this morning examining four cases studies of what it says are the social and environmental costs of burning publicly owned coal and why it's unlikely the industry can ever recover. The report looks at the Reid Gardner Generating Station in Nevada, the Valley Power Plant in Milwaukee, the J.T. Deely Station in San Antonio, and C.P. Crane Generating Station in Baltimore. "The reduction in demand for coal from plants like these, coupled with cost competitiveness from alternative forms of energy like solar, wind and natural gas, propels an inevitable decline in coal mining on our public lands," it concludes.

MOVERS, SHAKERS: David Asmus has joined Sidley Austin LLP as co-leaders of the firm's energy practice. He's past president of the Association of International Petroleum Negotiators and a past chair of the Institute for Energy Law. Also joining the firm as a partner is Brian Bradshaw. "Their reputations in the energy field globally bring an important added dimension to our energy practice," Kevin Lewis, co-managing partner of Sidley's Houston office, said in a statement.

QUICK HITS

- Democrat Tackles Climate Change Issues, Defying GOP Leadership. [Scientific American](#).
- Millions in environment settlements could be diverted under Christie's stealth veto. [NorthJersey.com](#).
- Oil pipeline developer ends private security in North Dakota. [AP](#).
- Interior chief: New offshore drilling funds should pay for parks. [The Hill](#).
- Two Nations, One Aquifer: 'I am going to be out of water'. [Albuquerque Journal](#).
- 'There is no way back!': China seeks to move away from coal as leaders embrace the science of climate change. [Seattle Times](#).

THAT'S ALL FOR ME!

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