

**To:** Jackson, Ryan[jackson.ryan@epa.gov]  
**From:** Morning Energy  
**Sent:** Tue 10/3/2017 2:09:21 PM  
**Subject:** POLITICO's 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 10:00 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](mailto: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](#).

## 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:*

<http://www.politico.com/tipsheets/morning-energy/2017/10/03/heavyweights-weigh-in-on-solar->

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