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From: POLITICO Pro Energy
Sent: Thur 10/19/2017 9:44:14 AM
Subject: Morning Energy, presented by the National Biodiesel Board: Lessons from biofuels fight as progress reported — Senate Dems push for ANWR vote — Puerto Rican governor meets Trump today

By Anthony Adragna | 10/19/2017 05:41 AM EDT

With help from Darius Dixon

THERE'S A LESSON HERE: It seems President Donald Trump's administration made significant progress Wednesday toward appeasing a bloc of corn-state Republicans blocking EPA nominees over the agency's actions on biofuels, but the small-yet-powerful group proved over the last two days that they have significant power to throw sands in the gears of the president's agenda if they want. "We have enough of a bloc of Midwestern senators that they're going to have to pay attention to us," Sen. [John Thune](#), a member of Senate leadership, told ME.

So where are we? Key corn-staters seemed more optimistic of the directions of talks but weren't ready to declare victory just yet. Sen. [Joni Ernst](#), who held up a scheduled EPW vote Wednesday, said she wanted guarantees "either in writing or a public announcement" and her frustration level remains "pretty high" over the administration's biofuels stance. "We want the president, we want the EPA administrator to be very public about the steps that they can announce in a meaningful manner," she told reporters. "We want to know that [EPA Administrator] Scott Pruitt, as the head of the agency, is going to follow the spirit of the law. I have no doubt that they might try and follow the letter of the law but the spirit of the law is for energy independence here in the United States and to support the renewable industry in the United States."

Note to all EPW Republicans: "I told them outright that I would not support [air nominee Bill Wehrum] if I didn't have assurances," Ernst said. "I am the single Iowa Republican on that committee — 11 to 10. Eleven Republicans, 10 Democrats. One vote makes a difference."

Other Republicans too: Iowa Republican [Chuck Grassley](#) said his concerns had "not yet" been satisfactorily addressed. And Sen. [Deb Fischer](#), who indicated she'd vote in favor of Wehrum after meeting with Pruitt on Tuesday, told reporters: "I feel better, but I think more can be done."

EPA's response: Pruitt spoke to Iowa Gov. Kim Reynolds Wednesday, a spokesman said. "What Administrator Pruitt said in his confirmation hearing still stands: he doesn't want to take any steps to undermine the objectives in the statute of the RFS."

And ICYMI: White House officials asked EPA to stop back off plans to reduce advanced biofuel volumes and allow credits for exported ethanol, Pro's Eric Wolff [reports](#), citing multiple sources. "They had no choice," said one refining industry source who'd spoken to White House aides.

Meanwhile, the heads of four refiners at the heart of the skirmish — Valero, HollyFrontier, PBF and Monroe Energy — sent [a letter](#) to Trump Wednesday urging the administration to make

biofuel exports eligible for credits, known as RINs. Pruitt has reportedly been considering such a move. "EPA has within its power the ability to level the playing field by treating exports the same as domestically-consumed products, removing a self-imposed trade barrier that unfairly discriminates against exports," they wrote.

WELCOME TO THURSDAY! I'm your host Anthony Adragna, and the American Chemistry Council's Jonathan Corley was first to correctly ID [Jeanne Shaheen](#) as the senator who won a 2008 rematch to win her seat. For today: There were three (!) separate Senate EPW chairs in 2001. Name them! Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](#), [@Morning_Energy](#) and [@POLITICOPro](#).

NEW PRO FOR THE HILL POLITICO Pro now offers **all-inclusive Pro access** to Hill offices. Senate offices: [learn more here](#). House offices: [learn more here](#).

ANWR AMENDMENT ARRIVES: Democrats Sen. [Ed Markey](#) and [Maria Cantwell](#) have filed [an amendment](#) to the fiscal 2018 budget that would remove language opening ANWR to drilling. They intend to push for a vote as part of a vote-a-rama on the budget today. Their party has opted to try to force the Republicans into 20 to 25 tough amendment votes, instead of hundreds, as in past years. Remember several GOP senators have voted against ANWR drilling in the past, so the vote likely would be close. Budget and Appropriations Brief [sets the scene](#) on what to expect today.

PUERTO RICAN GOVERNOR TO MEET TRUMP: Puerto Rican Gov. Ricardo Rosselló heads to the White House today for a meeting with Trump at 12:15 p.m. as more than 80 percent of the island remains without electricity and 30 percent still lack drinking water almost a month after the hurricane. "We're continuing to do everything that we can to help the people of Puerto Rico," White House press secretary Sarah Huckabee Sanders said.

Even as the Senate prepares to turn to [a House-passed](#) disaster relief package [H.R. 2266 \(115\)](#) later this week, a bipartisan group of senators sent their leaders [a letter](#) requesting the next bill include the Wildfire Disaster Funding Act [S. 1842 \(115\)](#), which would ensure the U.S. Forest Service and Department of Interior have "stable, reliable" resources to fight future fires. That comes as FEMA Director Brock Long [toured](#) California wildfire damage on Wednesday.

Flint mayor to White House: Administration officials invited Flint Mayor Karen Weaver to the White House to discuss critical water infrastructure needs in urban communities in response to her open letter to San Juan's mayor. "I have spoken with Mayor Cruz who expressed support and encouragement for me to take the lead on articulating the critical infrastructure needs for communities such as Flint and San Juan," she said in a statement.

**** Presented by the National Biodiesel Board:** EPA Administrator Pruitt could harm American workers and break the president's promise to rural America to protect the Renewable Fuel Standard (RFS). A strong RFS will be key to keeping these jobs and

upholding his promise. Tell EPA to keep the president's promise and grow the RFS:
<http://bit.ly/2ghDLo3> **

PRUITT COMING TO EPW? EPW Chairman [John Barrasso](#) said EPA Administrator Scott Pruitt "has an invitation" to appear before the committee, though he would not comment beyond that. That comes as ranking member [Tom Carper](#)'s frustration over Pruitt's absence continues to mount: "It's beyond strange that the administrator for EPA still has not appeared before the committee of jurisdiction for nearly a year," he said. "It defies understanding."

He's going to Texas though: Pruitt is [scheduled](#) to speak at the 2017 Lone Star Energy Forum Agenda in The Woodlands, Texas. Friends of the Earth plans to fly over the event with a message — "Pruitt, # PayItBack" — referencing the non-commercial flights he's taken as administrator. The Texas Oil and Gas Association, hosting the event, didn't respond to request for comment.

WE NEED MORE: Ten federal agencies, including EPA were only "[partially](#)" compliant with a House Oversight request for information on private jet usage by officials and must provide more information, POLITICO's Kyle Cheney [reports](#). That's better than Department of Justice and Department of Agriculture, both of which received subpoena threats for failing to adequately respond. Ten agencies, including DOE and Interior, [fully complied](#) with the requests.

TODAY'S FERC MEETING: There are only two rulemakings on FERC's monthly [meeting agenda](#) for today, but Chairman Neil Chatterjee offered a preview earlier this week. "We will consider a revised [Critical Infrastructure Protection] Standard on cybersecurity management controls ... I'd encourage you to stay tuned for details," he told a meeting of the Energy Bar Association on Tuesday. The cybersecurity item started with a petition NERC, the industry standards-writers, in March to make changes to how regulations apply to "low impact" grid systems as well as how cyber rules are applied to portable electronic devices in those facilities. Chatterjee also said FERC "will consider a new policy statement on establishing license terms for hydroelectric projects."

And now that the D.C. metro area finally seems to be getting fall weather , FERC leaders are scheduled to receive their annual briefing on the winter energy market outlook this morning too (think: natural gas storage levels, gas-electric coordination etc.). It should be interesting to compare the tone of these presentations to that of the Trump administration when it comes to grid reliability. The Energy Department has argued that FERC needs to act on Energy Secretary Rick Perry's pricing rule "before the winter heating season begins so as to prevent the potential failure of the grid from the loss of fuel-secure generation" and help avoid the grid "crisis at hand." ME can't predict whether we're in for Polar Vortex II, but we're sure that if we asked Commissioner Rob Powelson he'd remind us not to blame natural gas.

Remember what it was like to have a FERC meeting every month? The meeting starts at 10 a.m. at FERC HQ, 888 First St., NE, and will be [webcast](#).

GOING TOO SLOW FOR INHOFE: Unless there's a deal to move ahead with some of the administration's EPA picks, Sen. [Jim Inhofe](#) has no plans to release his hold on Democratic FERC nominee Richard Glick, Pro's Darius Dixon [reports](#). "I don't think it could happen as one package, but it could be an agreement that they will bring those up prior to the next recess," he said of the nominees. In slowing the process — picks usually move in bipartisan pairs — Inhofe is delaying down the efforts of Energy Chairman [Lisa Murkowski](#), who has attempted to have both FERC nominees confirmed quickly.

SHIMKUS: 'NEVER SAY NEVER' ON YUCCA BILL IN SENATE: Speaking during a trip to Nevada, Energy and Commerce Environment Subcommittee Chairman [John Shimkus](#) acknowledged his nuclear waste legislation [H.R. 3053 \(115\)](#) would face an uphill climb in the Senate but expressed confidence it would clear the House, according to the [Nevada Independent](#). "I would say never say never," he said. "But I do not assume that it's going to be easy to get the bill through the Senate." Doesn't sounds like much momentum in the Senate though with Murkowski telling reporters Wednesday: "I have not been following the status of the Shimkus bill."

NOT GOING ANYWHERE: Despite appearing frail and at times disoriented during a brief Wednesday interview, Senate Appropriations Chairman [Thad Cochran](#) vowed he's not retiring or going anywhere, POLITICO's John Bresnahan and Anna Palmer [report](#). "Don't believe everything you hear," the Mississippi Republican, who helps oversee hundreds of billions of dollars in government spending each year, said.

MAIL CALL! HOW TO SAVE A BUCK: Energy and Commerce Chairman [Greg Walden](#) released a letter Wednesday that included responses from EPA and DOE about what those agencies are doing to save taxpayer dollars. Read it [here](#).

SUPPORT FOR RESCINDING MONUMENTS: A collection of conservative activists, organized by the National Center for Public Policy Research, sent Trump [a letter](#) urging him to implement Interior Secretary Ryan Zinke's recommendations on a host of national monuments. In particular, it called for the elimination of Grand Staircase-Escalante National Monument, Bears Ears National Monument, Katahdin Woods and Waters National Monument and Northeast Canyons and Seamounts Marine National Monument.

TAKE A GLANCE! HOW TO DISMANTLE AN OLD PLANT: Resources for the Future released [a report](#) Wednesday on key considerations when decommissioning coal, gas, oil, wind, and solar assets. It's especially timely given a recent wave of plant retirements with more expected to follow in the near future.

BIG BUCKS IN SAGE GROUSE PROTECTION: The Western Leaders Network is out with a [report](#) today looking at the federal funds states receive to restore sagebrush landscape, prevent wildland fire and improve sage-grouse habitat. It says these millions of dollars are at risk if Zinke follows through on [plans to alter](#) land-use plans the agency

put in place in 2015. Meanwhile, Sen. [Jon Tester](#) sent [a letter](#) to BLM requesting a comment period extension from 45 to 90 days on its [sage grouse plan review](#).

TAKE A LOOK! The Center for Biological Diversity surprised Zinke as he manned the welcome booth at the Grand Canyon and asked about his plans to shrink national monuments. After explaining portions of the Antiquities Act, he said: "I love our monuments." Full minute-long clip [here](#).

QUICK HITS

— Dem senator slams Trump EPA nominee for starting work before confirmation. [The Hill](#).

— First floating wind farm, built by offshore oil company, delivers electricity. [Ars Technica](#).

— Rio, Ex-CEO Face Fraud Charges on \$3.7 Billion Coal Calamity. [Bloomberg](#).

— Judge to hear arguments on tribe's pipeline contingency plan. [AP](#).

— Storm in western Canada temporarily disrupts crude pipelines. [Reuters](#).

— Top EPA advisors to attend West Lake Landfill community meeting. [St. Louis Post-Dispatch](#).

HAPPENING TODAY

POSTPONED — Senate Appropriations Committee [markup](#) of Homeland Security and Interior bills, Dirksen 106

12:30 p.m. — "The Past, Present, and Future of U.S. Energy Policy," Center for Strategic and International Studies, 1616 Rhode Island Avenue NW

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. EPA wants to reduce biodiesel volumes in the Renewable Fuel Standard (RFS), which would kill jobs, thwart economic growth and potentially bankrupt farmers. We must support U.S. workers and grow the economy with more biodiesel in a growing RFS. Today is the last day to make your voice heard with the EPA:

<http://bit.ly/2ghDLo3> **

To view online:

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/lessons-from-biofuels-fight-as-progress-reported-025121>

Stories from POLITICO Pro

Sources: White House told EPA to back off on biodiesel cuts, export credits [Back](#)

By Eric Wolff | 10/18/2017 04:18 PM EDT

The White House has instructed EPA to back off its plans to reduce advanced biofuel volumes and allow credits for exported ethanol, according to biofuel and oil industry sources.

That move indicates the administration is yielding to pressure from the Midwestern senators and governors who are furious over EPA's proposal last month to cut biodiesel requirements for both 2018 and 2019.

"They had no choice," said one refining industry source who had spoken to White House aides.

The White House did not comment.

Corn-state officials were also concerned about internal EPA discussions to allow biofuel credits for exported biofuel, a move that would likely have lowered the market prices for Renewable Identification Numbers.

Neither the biodiesel cuts nor the credits for exported fuel will be in the final rule setting blending requirements for 2018 and 2019, the sources said.

Republican corn-state senators aggressively used their leverage to sway EPA. Iowa Sen. [Chuck Grassley](#) forced a meeting with EPA Administrator Scott Pruitt in his office on Tuesday, and Iowa Sen. [Joni Ernst](#) had withheld her support for Bill Wehrum to become head of EPA's air office.

Today, Ernst indicated that EPA was moving toward her position, saying "we're closer to reassurances, and once we have those, we can move forward." But she said she wanted a public statement from the administration.

And biofuels backers say they aren't taking anything for granted.

"We are waiting for affirmative, public declarations from WH," a biofuels source said.

Anthony Adragna contributed to this report.

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House-passed aid package lacks 'fire-borrowing' fix [Back](#)

By Catherine Boudreau | 10/12/2017 06:20 PM EDT

The emergency funding California desperately needs got House approval on Thursday, but the long-term problem was ignored.

The \$36.5 billion disaster aid package ([H.R. 2266 \(115\)](#)) the House passed does not include provisions that would reform how federal wildfire suppression efforts are funded, prompting several lawmakers to request that the next aid package address the problem.

"Unfortunately, we've missed an opportunity to fix the way the federal government funds wildfire suppression," Rep. [Betty McCollum](#) (D-Minn.) said on the House floor before the measure passed by a vote of 353 to 69. "Let me be clear: The next supplemental must include a legislative fix for wildfire spending."

As wildfires have increased in number and in intensity in recent years, so too has the cost of fighting them. To keep pace, the U.S. Forest Service has had to routinely borrow money from fire prevention programs, such as prescribed burns and forest thinning, to cover suppression costs.

McCollum was joined in her call for Congress to reform wildfire-suppression funding by Republican Reps. [Jeff Denham](#) and [Ken Calvert](#), who both represent California, where the fires ravaging parts of the northern wine country have claimed at least 29 lives and scorched an estimated 180,000 acres.

The trio of lawmakers, all of whom voted for the aid package, said they were glad the measure would allocate \$577 million to battle the California blazes and those in other western states, as well as help repay the Forest Service for its funding shortfall in fiscal 2017. The recently concluded fiscal year was the most expensive on record for wildfire suppression, with the tab running to \$2.4 billion, McCollum said.

Agriculture Secretary Sonny Perdue has made addressing the so-called fire-borrowing problem one of his top priorities, and lawmakers in both chambers of Congress have said they want to pass legislation before the end of the year.

To view online [click here](#).

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Inhofe waiting for deal on EPA picks before lifting his FERC hold [Back](#)

By Darius Dixon | 10/18/2017 05:19 PM EDT

Sen. [Jim Inhofe](#) said he doesn't plan to release his hold on Democratic FERC nominee Richard Glick until senators reach a larger deal to move ahead with President Donald Trump's nominees to the EPA.

"I've still got a hold on Glick," the Oklahoma Republican told POLITICO. He said he is "concerned that we don't have our nominees confirmed on the EPA."

Inhofe said that he has raised the issue with Senate leadership and that he hopes there might be an arrangement to consider the EPA and FERC nominees within the next month or so. Both Republicans and Democrats have raised concerns about EPA nominees.

"I don't think it could happen as one package, but it could be an agreement that they will bring those up prior to the next recess," he said of the nominees.

FERC nominees traditionally move in bipartisan packages, so Trump's pick for FERC chairman, Kevin McIntyre, will likely be stuck until Glick's nomination gets floor time.

Senate Energy and Natural Resources Chairwoman [Lisa Murkowski](#) (R-Alaska) attempted to have both FERC nominees approved just before the Senate's most recent recess earlier this month, but Inhofe objected.

WHAT'S NEXT: The Senate's next extended recess is Thanksgiving week.

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Frail and disoriented, Cochran says he's not retiring [Back](#)

By John Bresnahan and Anna Palmer | 10/18/2017 04:53 PM EDT

Mississippi GOP Sen. Thad Cochran insists that he is not retiring from Congress, despite widespread speculation about the veteran lawmaker's health and political future.

The 79-year-old Cochran appeared frail and at times disoriented during a brief hallway interview on Wednesday. He was unable to answer whether he would remain chairman of the Appropriations Committee, and at one point, needed a staffer to remind him where the Senate chamber is located.

"Don't believe everything you hear," Cochran said in a low voice when asked whether he plans to retire after 44 years in office.

However, when queried about whether he would stay on as Appropriations chairman, Cochran seemed confused and just repeated the question. "As chairman of the Appropriations Committee?" Cochran asked.

Cochran had to be guided by staffers around a security checkpoint inside the Capitol. He started to walk into a first-floor room — though the Senate chamber is on the second floor. He was then

ushered by an aide up to the Senate.

When another reporter asked whether leadership had pressured Cochran to return for a vote on the budget resolution — a key moment in the tax reform debate — Cochran smiled and responded, "It's a beautiful day outside."

Cochran sat quietly in his seat during Wednesday's lengthy vote session. He smiled and responded when a fellow senator stopped by to offer greetings, but generally did not speak to anyone else.

On one amendment, Cochran voted "yes" despite being told by an aide to vote "no." The staffer tried to get the senator to switch his vote, but Cochran kept flashing the "thumbs up" sign, even walking over to the clerk tallying the vote and doing so. GOP floor staffers repeatedly told him the leadership wanted a "no" vote. Several more moments passed before Cochran realized he was voting the wrong way and then changed his vote.

Cochran, who turns 80 in December, has faced questions about his health for the past several years. Cochran has been treated recently for urological problems, though his aides and political allies insisted he was fine. President Donald Trump last month spotlighted Cochran's health when he claimed that Obamacare repeal legislation would have passed had Cochran not been hospitalized. Cochran, though, wasn't in the hospital at that point.

Top Senate Republicans say they are not pressuring Cochran to retire or step down as Appropriations Committee chairman, a powerful perch from which he helps oversee hundreds of billions of dollars in government spending each year. Cochran made a career of steering federal dollars back home, working with former Senate Majority Leader Trent Lott (R-Miss.) for years to ensure their state benefited from hundreds of "earmarks" inserted in annual appropriations bills.

The use of earmarks, which were banned in 2010 after the tea party movement helped Republicans regain control of Congress, helped make Cochran popular back home. He never faced a serious challenge from 1984 until 2014. But that year, conservative outside groups attacked him during the GOP primary and Cochran barely survived a runoff. He went on, however, to easily win the general election.

Cochran's seat is viewed as particularly important, given that the GOP establishment went all out to help him beat state Sen. Chris McDaniel in the 2014 primary.

Cochran is up for reelection in 2020, and Republicans are desperate for him to stay in office and avoid a special election. McDaniel already is planning a campaign against incumbent Sen. Roger Wicker (R-Miss.) in 2018.

Cochran was first elected to Congress in 1972, making him one of the longest serving GOP lawmakers in history. His election to the Senate in Mississippi in 1978 was a watershed moment for Republicans. Cochran was the first Republican to win a statewide election in Mississippi since Reconstruction.

Now, the state is overwhelmingly red, with the GOP controlling the governorship, Legislature and congressional delegation. President Donald Trump easily carried the state in the 2016 presidential election.

The Senate has had other once-vibrant members who faced questions about whether they still had the capacity to serve as they aged. The late Sen. Strom Thurmond (R-S.C.) served until the age of 100, but was forced to give up the chairmanship of Armed Services. Another legendary lawmaker, the late Sen. Robert Byrd (D-W.Va.) was eventually replaced as chairman of the Appropriations Committee.

Burgess Everett contributed to this report.

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Interior to reverse Obama sage grouse land protection, reconsider pacts with states [Back](#)

By Esther Whieldon | 10/05/2017 01:57 PM EDT

The Interior Department says it is terminating the Obama administration's proposal to block mining on about 10 million acres of sage grouse habitat in the West, and it announced plans to alter the land-use plans the agency put in place in 2015.

In notices posted on its website that will be published in the Federal Register, the Bureau of Land Management terminated its plans set out under the Obama administration for an environmental impact statement that would have potentially led to the agency withdrawing land in so-called sagebrush focal areas in Idaho, Montana, Nevada, Oregon, Utah and Wyoming.

"The BLM has determined that the lands are no longer needed in connection with the proposed withdrawal," the notice says.

The agency is also asking for comment on changing the nearly 100 land-use plans BLM put in place under an agreement with states in lieu of listing the bird as either endangered or threatened under the Endangered Species Act.

BLM said it is re-opening the plans to comply with to a court decision earlier this year that held the agency did not adequately evaluate the designation of sagebrush focal areas in its 2015 greater sage-grouse plan amendment for Nevada.

WHAT'S NEXT: BLM will accept comments on the land use plan changes for 45 days after the notice is published in the Federal Register.

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