

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Energy
Sent: Wed 11/15/2017 3:03:52 PM
Subject: POLITICO's Morning Energy, presented by Chevron: Mixed signals from U.S. as world leaders arrive in Bonn — More shots fired in RFS fight — Senate panel votes on ANWR measure today

By Anthony Adragna | 11/15/2017 10:00 AM EDT

With help from Sara Stefanini, Eric Wolff and Alex Guillén

POLITICAL COPS HIT THE CLIMATE BEAT: Politicians roll into Bonn, Germany, today to take over the final three days of the COP23. The opening ceremony will include German Chancellor Angela Merkel, French President Emmanuel Macron, and U.N. Secretary General António Guterres around 10 a.m. EST. The goal over the remaining days of the summit is to make as much progress as possible on the complex rules supporting the Paris climate agreement.

No Bonn voyage: Citing "[a family emergency](#)," career State Department diplomat Tom Shannon will no longer arrive in Bonn today to lead the U.S. delegation to the climate talks, Pro's Emily Holden [reports](#). Other delegations had been anxiously waiting to see what tone and direction he'd set for the U.S. at the talks. Leading the delegation in his place will be Judith Garber, acting assistant secretary of State for oceans and international environmental and scientific affairs.

Optimism among other diplomats: Career U.S. diplomats negotiating technical elements of the deal with their foreign counterparts have stuck to many of the same stances they did under the Obama administration and that's raising hopes the Paris accord will survive the presidency of Donald Trump, POLITICO's Emily Holden, Kalina Oroschakoff and David Siders [report](#). Christiana Figueres, a former United Nations climate envoy who helped orchestrate the Paris climate agreement's adoption two years ago, said that in the long-term effort to reduce greenhouse gas emissions, Trump is "going to be a blip" in history.

Walking the line: Dave Banks, Trump's energy adviser, argued the U.S. policy on fossil fuels is totally separate from what American diplomats are discussing in negotiation halls. The administration hasn't made any effort to start renegotiating the agreement, which would have set off an immediate diplomatic fray. And Banks said Shannon would not have pushed the administration's coal efforts if he made the trip. "So you think he's going to say, 'We're going to promote coal'? No, that's a policy discussion. It's not a negotiation," Banks said.

How one senior African negotiator summed up the situation for career State diplomats: "I think the mandate is not to be a blocker. They engage, but in the end they're not the ones calling the shots," he said.

WELCOME TO WEDNESDAY! I'm your host Anthony Adragna, and ME led you astray with an imprecise trivia question. Alaska has the most federal land by acreage and Nevada has the greatest percentage federal land within its border. Sorry! For today: Which former congressman was convicted of voter fraud by forging ballots at a nursing home? Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](#), [@Morning_Energy](#), and [@POLITICOPro](#).

NET NEUTRALITY 101: The long-running fight over net neutrality, which pits telecom giants against tech companies, is heating up at the Federal Communications Commission. To understand what the fight is all about and where it's headed, check out POLITICO's latest explainer video featuring technology reporter Margaret Harding McGill and the artwork of Pulitzer Prize-winning cartoonist Matt Wuerker. Click [HERE](#) to watch.

ANWR SET TO CLEAR COMMITTEE: The Senate Energy Committee convenes at 9 a.m. to consider reconciliation legislation offered by Chairman Lisa Murkowski that would open a small part of the Arctic National Wildlife Refuge to oil and gas development. The CBO estimates the package would raise \$1.092 billion over the 10-year budget window, though Democrats and public lands groups say that overestimates how much lease sales could raise. Expect the package to pass on a largely party-line vote with West Virginia Democratic Sen. Joe Manchin likely to vote in favor.

ME first - New ad blitz launched: The League of Conservation Voters is unveiling a \$550,000 television ad campaign in the districts of Republican Reps. Erik Paulsen, Bruce Poliquin, John Katko and Washington today opposing the effort to open ANWR to drilling. Watch it [here](#).

BISHOP: SOMETHING'S GOTTA GIVE: Don't expect Congress to send tens of billions in relief funds to Puerto Rico until the island's government and a congressionally created independent financial oversight board are able to work together, House Natural Resources Chairman Rob Bishop told reporters. "If they don't do that, then it's going to be a very difficult ask to ask this body to appropriate a whole bunch of money without some kind of guarantee that things will be different," he said. "The power struggle has got to stop if they expect Congress to actually come up with the money." Bishop said he doesn't think additional legislation is necessary to improve that relationship, but he's willing to insert language into forthcoming spending packages if necessary.

What about Whitefish? Bishop's not worried about the details of the now-cancelled contract, but wants to ensure the process that led to it is never replicated. "The details of Whitefish and PREPA are insignificant - that's history," he said. "The process that created Whitefish cannot happen again and cannot be replicated. This is what's bothersome to me." He declined to say whether Ricardo Ramos, the head of the utility who inked the Whitefish deal, should be fired.

That comes as documents showed the utility ignored advice from its law firm of Greenberg Traurig to include language in the contract that would cap the amount of money Whitefish Energy could charge, allow PREPA to terminate the agreement for any breach of contract and make Whitefish responsible for paying Puerto Rican taxes, Pro's Ben Lefebvre [reports](#).

CRUZ TO IOWA: COME TO THE TABLE OR NORTHEY GETS IT: Sen. Ted Cruz, having seemingly failed to secure a meeting with Midwestern senators brokered by the White House, has turned to newly fledged Iowa Gov. Kim Reynolds to try and bring corn-staters to the table. Cruz wrote to Reynolds Tuesday to explain why he has put a hold on the nomination of Iowan Bill Northey to become an undersecretary for the Department of Agriculture. He cites high costs of biofuel credits in the Renewable Fuel Standard that refiners in Texas and elsewhere

say is hurting their bottom line (Reuters reported yesterday that at least one refinery is selling off high priced credits to meet debt payments). "Both sides of the debate must negotiate in good faith to find a mutually agreeable solution to secure the fate of liquid fuels in America," Cruz wrote.

You started it! Cruz said Iowa Sens. Joni Ernst and Chuck Grassley blocked "multiple EPA nominations (and threatened to do the same to judicial nominations)" to protect the RFS from EPA interference. Ernst blocked only EPA air chief Bill Wehrum. The rumor that Grassley, who chairs the Senate Judiciary committee, threatened to block judicial nominations has circulated for months. A spokesman told ME that the Iowa Republican "did not place a hold on any EPA nominee and has not threatened to place a hold on any judicial nominee."

What about that meeting? Cruz and eight colleagues wrote to Trump last month asking the White House to broker a meeting with the Midwestern senators within three weeks. Three weeks is up today, and as of Monday, aides to two Midwestern Senators said they had received no outreach from the White House to set up a meeting.

**** 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/2yQ8q7z> **

PAGING GRASSLEY: It's not just Cruz you have to worry about. Sen. Lamar Alexander, one of the chamber's top wind energy critics, took aim at the production tax credit in a floor speech Tuesday. The Senate Finance Committee is expected to begin processing amendments today to its tax bill, and Alexander said the wind incentive should go on the chopping block. "I'm here today to challenge my colleagues to be willing to consider all energy subsidies for mature technologies - wind, solar, oil and gas - as candidates for elimination in a tax reform bill," he said. "These dollars could be better spent to lower rates for taxpayers." Senate tax-writers did not follow the lead of their House counterparts and left the PTC alone in their tax bill, and Grassley, a senior Finance Committee member, is likely to make sure it stays that way after the markup.

Green group targets bill: The Sierra Club launched a digital ad campaign urging 29 House Republicans to oppose the chamber's tax package H.R. 1 (115). "The GOP's plan even manages to raise taxes on the middle class, while sneaking in an outrageous attack on the Arctic Refuge by opening it up for drilling," Melinda Pierce, the group's legislative director, said in a statement.

FOR YOUR RADAR: Vice President Mike Pence joins Energy Secretary Rick Perry, FEMA Administrator Brock Long and Texas Gov. Greg Abbott in Austin for a briefing on recovery efforts from Hurricane Harvey today at 1:40 p.m. EST.

VOTE EXPECTED ON MINE SAFETY PICK: A final vote is scheduled for noon today to confirm David Zatezalo to be assistant secretary of Labor for Mine Safety and Health. Majority Leader Mitch McConnell hailed his "keen understanding of the challenges and risks sometimes associated with mining" on the floor Tuesday and said "this firsthand experience will serve him well in his new role." The cloture vote was 52 to 45.

House clears flood insurance, final NDAA bills: Lawmakers cleared by a 237-189 [vote](#) legislation [H.R. 2874 \(115\)](#) would reauthorize and overhaul the National Flood Insurance Program, which has struggled to meet its obligations to policyholders in the midst of a string of hurricanes, Pro Financial Services' Zachary Warmbrodt [reports](#). The House also passed a compromise defense policy bill [H.R. 2810 \(115\)](#) that includes language requiring a study of the threats posed by climate change to military installations by a 356-70 vote, Pro Defense's Connor O'Brien [reports](#).

SASC CLEARS ARMY CORPS NOM, EPW UP NEXT: The Senate Armed Services Committee on Tuesday gave the green light to R.D. James' nomination to run the Army Corps of Engineers, but thanks to the Corps' dual role in water policy, he also has to clear the Environment and Public Works Committee before he can hit the floor. An EPW spokesman said the hearing for James will happen sometime in December, though that timeline means a committee vote may not happen until the new year.

HEARING ROUNDUP - E&C SUBPANEL VOTES ON AIR BILLS: The House Energy and Commerce Environment Subcommittee today [marks up](#) legislation on the brick MACT [H.R. 1917 \(115\)](#), wood heaters [H.R. 453 \(115\)](#), racing vehicles [H.R. 350 \(115\)](#) and a bill [H.R. 1119 \(115\)](#) meant to help waste coal-to-energy power plants cope with the Cross-State Air Pollution Rule and the mercury rule. That vote takes place at 10 a.m. in Rayburn 2123.

Science panel tackles research bills: The full House Science Committee marks up a series of bills today, including one [H.R. 4376 \(115\)](#) making upgrades to DOE research capacities and another [H.R. 4378 \(115\)](#) boosting nuclear energy research infrastructure. The [session](#) convenes at 10 a.m. in Rayburn 2318.

EPW looks at reducing emissions: Senate EPW holds a hearing entitled "Promoting American Leadership in Reducing Air Emissions Through Innovation" at 10 a.m. in Dirksen 406. Look for the National Association of Manufacturers to call for Congress to "work with the EPA to fix [the New Source Review program] so that it functions properly and does not stand in the way of efficiency." Watch [here](#).

MAIL CALL! RESTORE CLIMATE WEBPAGES: Seven members of the Senate Democratic caucus asked EPA Administrator Scott Pruitt in [a letter](#) to restore a series of removed webpages on climate change and for explanations of modifications. "These latest website alterations are part of a sequence of disturbing EPA actions that appear designed to censor dialogue about climate change in the United States," the group, led by [Cory Booker](#), wrote.

WHAT A WASTE: The Environmental Defense Fund is out with a [new report](#) finding wide discrepancies between flaring rates among the top 15 oil and gas producers working in the Texas Permian Basin and concluding the industry continues to struggle to tamp down on natural gas waste.

NEW LIFE FOR OLD MINES? The Rocky Mountain Institute released new research on how to evaluate old mining sites for potential renewable energy siting opportunities. Link [here](#).

TAKE A GLANCE! The Federalist Society launched the [Regulatory Transparency Project](#), which it aims to "foster a national discussion about where government regulation seems to be doing more harm than good."

MOVERS, SHAKERS: Members of New Jersey Gov.-elect Phil Murphy's transition team on environmental and energy issues include: former NRG Energy CEO David Crane, former John Kerry senior advisor Kathleen Frangione, Earthjustice VP Lisa Garcia and former state Board of Public Utilities President Jeanne Fox, according to [NJ.com](#).

QUICK HITS

- Grand Staircase-Escalante monument will be pruned by half, Hatch official says. [Salt Lake Tribune](#).
- LG&E and KU credits LED lights as it announces plans to shut down two coal-burning units. [Louisville Courier Journal](#).
- Climate Change and Water Woes Drove ISIS Recruiting in Iraq. [National Geographic](#).
- Lawsuit Seeks to Stop Work on Appalachian Gas Pipeline. [AP](#).
- Trump's team may move the Bureau of Land Management headquarters to Salt Lake City. [Salt Lake Tribune](#).
- 61 EPA Staff Have Left Chicago Office in 2017, And They're Missed. [WTTV](#).
- U.S. Steel dumps more toxic chromium near Lake Michigan, faces lawsuit. [Chicago Tribune](#).

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/2yQ8q7z> **

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