

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: POLITICO Pro Energy
Sent: Wed 10/11/2017 9:42:13 AM
Subject: Morning Energy, presented by ExxonMobil: Reading the tea leaves on Clean Power Plan repeal — More political activity from Zinke revealed — Antiquities Act revamp gets its day in committee

By Anthony Adragna | 10/11/2017 05:40 AM EDT

With help from Alex Guillén and Emily Holden

LONG CARBON RULE BATTLE LIES AHEAD: President Donald Trump's administration sought to frame Tuesday's move to rescind the Obama-era Clean Power Plan as fulfilling a campaign process, but it really just kicked off what's likely to be an arduous and lengthy legal and regulatory process that may ultimately result in a replacement rule with very modest reductions in the emissions that fuel climate change. "This is the beginning of the process to carry out the president's promise to make sure that we do our job at the agency within the bounds of the law and don't declare war on certain sections of our economy," EPA Administrator Scott Pruitt said on "Fox News," his only public appearance Tuesday to discuss his proposed rule.

Many state officials, environmental advocates, businesses and reporters were left wondering why they hadn't received any sort of briefing or additional background before or after the proposal's release — especially since senior agency officials had a closed phone call Tuesday morning with conservative organizations where they took questions from groups like the Heartland Institute and State Policy Network, as Pro's Emily Holden reports. Clint Woods, the director of the Association of Air Pollution Control Agencies, which represents mostly conservative state air agencies, said his members got a heads up on timing but would be "looking forward to more engagement prior to major announcements in the future."

Joe Goffman, EPA general counsel when the Clean Power Plan was proposed and finalized, said the agency typically had background conversations with all of those groups when rolling out a major proposal. "We thought that it was an elementary part of our obligation to present information to state governments, to the affected industry, often very broadly defined, and to environmental advocacy groups," Goffman said. A phone call between the administrator and reporters, and a briefing on the Hill for lawmakers was also customary, he said. Pruitt has accused Obama's EPA of not conducting enough outreach or listening enough to states, which Goffman said is "demonstrably false." The agency did not respond to questions about its outreach on the rollback.

ICYMI: Here's links to EPA's fact sheet, proposal and regulatory impact analysis.

Five things: Pro's Alex Guillén and Eric Wolff take a look at five of the biggest policy changes the Trump administration has made to try to prop up the prospects of fossil fuels. 1) Killing the crown jewel of Obama's climate change legacy by axing the Clean Power Plan, 2) A push to shore up coal's place in the nation's electricity marketplace, 3) The likelihood of trade barriers on imported solar products, 4) Tapping the brakes on tightened mileage standards that Obama had imposed for cars sold from 2022 to 2025 and 5) Actions designed to make federal lands more amenable to fossil fuel development.

Push to shutter coal plants gets another jolt: Former New York Mayor Michael Bloomberg is at the Sierra Club's HQ this morning at 11:45 a.m. where he'll announce "an increased commitment" to shutter the U.S. coal fleet even amid the repeal of the Clean Power Plan. That comes as the Union of Concerned Scientists released [an analysis](#) finding 21 percent of the nation's coal fleet uneconomic and an additional 18 percent already slated for retirement or conversion to natural gas.

Quotable: California Senate leader (and potential Sen. [Dianne Feinstein](#) primary challenger) Kevin de Lèon not mincing words on the withdrawal: "Washington's utter failure to confront the existential threat of climate change will go down among the most shameful chapters in US history," he [tweeted](#).

Here's where we are: EPA started the process to roll back the signature Obama-era effort to combat climate change even as the U.S. is reeling from back to back to back to back hits from hurricanes and ferocious wildfires slam California. Assuming a [disaster aid package](#) eventually clears Congress as expected, lawmakers will have spent more than \$50 billion responding to the natural disasters already, and House Majority Leader [Kevin McCarthy](#) said last week "I do not believe this will be the last of the supplementals." Three weeks after Hurricane Maria slammed into Puerto Rico, 84 percent of the island still lacks electricity and 36 percent of residents still don't have potable water, according to [official figures](#).

TIMELY TELEVISION VIEWING: "Frontline" titles its episode tonight "War on the EPA," as the PBS show focuses on Pruitt's rise from an anti-EPA crusader as Oklahoma attorney general to running the agency. Trailer for the episode [here](#).

WE'RE ROLLING RIGHT THROUGH THE MIDDLE OF THE WEEK! I'm your host Anthony Adragna, and Independent Petroleum Association of America's Neal Kirby was first to identify Sen. [Bill Cassidy](#) as our most recent physician elected to the Senate. For today: Who is the only senator to win a reelection race in their 90s? Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](#), [@Morning_Energy](#), and [@POLITICOPro](#).

SKI RESORTS, ALASKAN STEAKHOUSE, OH MY! Interior Secretary Ryan Zinke attended at least two additional political fundraisers during trips he took for official Interior business, Pro's Esther Whieldon and Ben Lefebvre [scoop](#). Federal law permits Cabinet officials to participate in partisan political activities on their own time and without using any federal resources, but FEC records don't list any reimbursement payments to Interior for the events. "Both law and common sense tell us that taxpayer resources are supposed to be used when you're doing the taxpayers' business [but] are not supposed to be used to help candidates get elected," said Brendan Fischer of the nonprofit watchdog organization Campaign Legal Center.

The two events were:

— A mid-March fundraiser at a ski resort in Big Sky, Mont., organized by committees affiliated with Republican Sen. [Steve Daines](#). Donors were asked to contribute \$3,000 if they were

attending on behalf of a political action committee or \$1,500 for an individual. Also in attendance: Sen. [John Hoeven](#) and Senate Energy Chairman [Lisa Murkowski](#). He didn't charge for lodging or his per diem for part of the trip.

— A May 31 fundraiser for Alaskan Rep. [Don Young](#) where a Young campaign spokesman, Matt Shuckerow, said the secretary made "only very brief remarks." He said the campaign "took concerted efforts to follow" strict guidance from Interior's ethics personnel.

Interior's response: Spokeswoman Heather Swift said ethics officials signed off on all trips and they all complied with the law. "The Interior Department under the Trump Administration has always and will always work to ensure all officials follow appropriate rules and regulations when traveling, including seeking commercial options at all times appropriate and feasible, to ensure the efficient use of government resources," she said.

NOT PLEASED: Amid weeks of reporting on non-commercial travel and other troubling behavior from Cabinet officials, the acting head of the Office of Governmental Ethics issued a [memo](#) warning he is "deeply concerned" by recent actions. Among the suggestions is "modeling a 'Should I do it?' mentality versus a 'Can I do it?' mentality" in their actions. "It is essential to the success of our republic that citizens can trust that your decisions and the decisions made by your agency are motivated by the public good and not by personal interests," David Apol wrote.

THE WOTUS WITH THE MOSTEST: The Supreme Court today will take up a wonky but important question central to federal water law: Should challenges to the Obama administration's Waters of the U.S. rule go through a district court first or straight to an appellate venue? Of course, the Trump administration is working to repeal WOTUS in the coming months and says it will issue a rewritten version early next year. But this venue question is all but guaranteed to apply again, meaning SCOTUS guidance could prove useful.

What you need to know: The Clean Water Act says that most CWA regulations and actions should be challenged first at the district level, but it lists seven exceptions that would go straight to a circuit court. Two are in play here: one regarding rules affecting effluent limitation guidelines, and one for any action approving or denying discharge permits. The Trump administration argues both exceptions apply, and the suits should go to a circuit court first. Various challengers, led by the National Association of Manufacturers, want it to go through district courts first.

History brief: After the rule was released, lawsuits were filed in both district and circuit courts throughout the country. After some district-level proceedings that led to a stay of WOTUS in 13 states only, the circuit-level cases were consolidated into one mega-case before the 6th Circuit, which then issued a nationwide injunction. The 6th Circuit then issued a complicated 1-1-1 ruling that concluded that it should indeed hear the challenge first. One judge said both exceptions apply, one said only one exception applies and the third said neither applies and the challenges should first go through district courts.

Why it matters: This isn't entirely an esoteric spat. Supporters of district-first litigation argue the Clean Water Act gives more time to challenge regulations that go to lower courts first. It also

means challengers can pick the district court where they want to sue, whereas circuit-first challenges would be randomly consolidated. Meanwhile, those who want circuit-first review argue that it provides more certainty and helps avoid patchwork problems — such as the 13-state WOTUS freeze.

EPICALLY BUSY DAY AT HOUSE NATURAL RESOURCES: The panel is slated to convene two separate hearings Wednesday to examine controversial measures on offshore drilling and the Antiquities Act:

— At 2 p.m, the Energy and Mineral Resources Subcommittee considers [a draft](#) of the Accessing Strategic Resources Offshore Act, which would expand offshore revenue sharing program to additional states; prevent future presidents from withdrawing sections of the outer continental shelf from drilling or designating marine sanctuaries; and repeal certain Obama-era rules on Arctic drilling, among other things. Witnesses include former Senate Energy Chairwoman Mary Landrieu.

— The full committee then gathers at 4 p.m. to mark up Chairman [Rob Bishop's](#) long-awaited effort to overhaul the Antiquities Act. The bill, [H.R. 3990 \(115\)](#), would require a federal environmental review process to designate any monument more than 640 acres in size, require the sign off from local officials on new large monuments and prohibit marine national monuments "with no archeological or historic sites in need of protection." Committee members will also consider [a resolution](#) requiring Zinke to disclose more information about his review of existing national monument designations.

**** Presented by ExxonMobil:** We're collaborating with FuelCell Energy on a novel idea to use fuel cells to capture carbon at natural gas power plants, and in the process reduce emissions and increase electrical output. This technology could be a game changer in addressing the world's growing need for energy, while also reducing the impact on the environment. [Learn more.](#) **

A NEW DISASTER EMERGES — CALIFORNIA WILDFIRES: Trump declared a major disaster in California Tuesday as wildfires have forced the evacuations of tens of thousands, cost at least 17 lives to date and caused billions in damage. "We are with you, our prayers are with you, and we will be with you every day until we put the fires out and stand with these families to rebuild these communities," Vice President Mike Pence said alongside McCarthy and Rep. [Jeff Denham](#) after a briefing Tuesday. Separately, California Sen. [Kamala Harris](#) and Feinstein asked Trump in [a letter](#) to take all steps to release federal aid "as soon as possible."

Ryan heading to Puerto Rico Friday: According to [multiple reports](#), Speaker [Paul Ryan](#) heads to Puerto Rico Friday along with [Cathy McMorris Rodgers](#), the fourth-highest House Republican; Appropriations Chairman [Rodney Frelinghuysen](#); top Appropriations Democrat [Nita Lowey](#) and Puerto Rico Resident Commissioner [Jenniffer González](#). That comes as the Financial Oversight and Management Board for Puerto Rico hired Williams & Jensen to lobby the federal government on disaster relief and recovery efforts (h/t [POLITICO Influence](#)). The White House late Tuesday asked for an additional \$4.9 billion in emergency hurricane aid to help Puerto Rico as part of a disaster funding package the House is still expected to consider this week, Pro Budget and Appropriation's Sarah Ferris [reports](#).

ON THE HOUSE FLOOR: Lawmakers today are slated to consider a bill of interest to ME fans. The Power And Security Systems Act [S. 190 \(115\)](#) would extend energy efficiency standards exemptions for external power devices and is slated to be considered under suspension of the rules, requiring two-thirds support for passage.

PROTESTING PERRY'S PUSH AT FERC: The Nuclear Information and Resource Service and allied organizations are greeting FERC employees today at 8:45 a.m. to protest Perry's push for new rules that "properly value" the coal and nuclear sectors. That comes as National Rural Electric Cooperative Association CEO Jim Matheson sent Perry [a letter](#) thanking him for "jumpstarting a conversation" about the nation's electric markets.

DRINKING WATER UTILITIES ENTER FARM BILL FRAY: The American Water Works Association wants Congress to include provisions and funding to better protect drinking water sources from agricultural runoff, Pro Ag's Jenny Hopkinson [reports](#). The group is also pushing for "robust overall funding" for the conservation title — keeping it at \$6 billion, if not adding to the current allotment.

FROM THE DEPARTMENT OF WHERE ARE THEY NOW: With his red sweater, coal plant worker Ken Bone rose to national attention as an undecided voter during last year's presidential race but he's since become quite critical of the Trump administration, [CNN reports](#). "Almost anybody who is currently a Democrat in the Senate, I think I would probably vote for over Trump," he said.

DEPARTMENT OF AWKWARD TIMING: Perry gave an interview to the American Gas Association's magazine that prominently features a picture of the secretary with disgraced Rep. [Tim Murphy](#). Read his interview [here](#).

MOVER, SHAKER: Keith Maley has started as director of PR at the Trust for Public Land. He previously was director of regional media in the Obama White House (h/t Playbook).

Liam Donovan has joined Bracewell's Policy Resolution Group as a lobbyist specializing in tax, infrastructure, energy and other issues. He comes from the Associated Builders and Contractors where he was as senior director of legislative and political affairs.

Amy Graham is starting next week as communications director for Sen. [Todd Young](#). She most recently worked as senior communications adviser and deputy associate administrator at the EPA (h/t Playbook).

QUICK HITS

— Hillary Clinton at UC Davis: Climate change a factor in Northern California wildfires. [First Coast News](#).

— IMF tells rich nations that greater urgency needed on climate change. [The Guardian](#).

- Foster Friess confirms interest in primarying 'hero' John Barrasso. [Washington Examiner](#).
- Colonial partners with Enterprise for fuel exports from Beaumont terminal. [Reuters](#).
- Despite some opposition from Los Angeles, giant Southern California water agency approves Delta tunnels project. [Sacramento Bee](#).
- Lake Erie algal bloom cleanup falling short of 40 percent phosphorus reduction goal. [Cleveland.com](#).

HAPPENING TODAY

8:45 a.m. — The Nuclear Information and Resource Service and allied organizations protest Perry's planned rules to benefit coal and nuclear sectors, FERC, 888 First Street NE

10:00 a.m. — House Natural Resources Federal Lands Subcommittee holds [hearing](#) on several bills, Longworth 1334

11:45 a.m. — Michael Bloomberg and other environmental advocates announce "new investment" to retire U.S. coal fleet, Sierra Club, 50 F St NW

12:00 p.m. — Reps. Bishop and Gosar discuss legislation revamping the Antiquities Act, contact: katie.schoettler@mail.house.gov

2:00 p.m. — House Natural Resources Committee's Energy and Mineral Resources Subcommittee holds [a hearing](#) on ASTRO Act, Longworth 1334

4:00 p.m. — House Natural Resources holds [markup](#) of Chairman Bishop's Antiquities Act reform, Longworth 1334

THAT'S ALL FOR ME!

****Presented by ExxonMobil:** Energy is fundamental to modern life and drives economic prosperity - in small communities across America and around the world. We need a range of solutions to meet growing energy demand while reducing emissions to address the risk of climate change. Visit the Energy Factor to learn more about some of the bold ideas and next-generation technologies we're working on to meet this challenge: [EnergyFactor.com](#) **

To view online:

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/reading-the-tea-leaves-on-clean-power-plan-repeal-024987>

Stories from POLITICO Pro

Trump administration takes ax to climate rule [Back](#)

By Emily Holden | 10/10/2017 02:16 PM EDT

The Trump administration officially moved to kill the Obama-era climate change rule for power plants Tuesday, fulfilling a campaign pledge but setting off what is expected to be a bitter legal battle between the EPA and several states, health and environmental groups.

EPA Administrator Scott Pruitt signed an agency proposal to repeal the Clean Power Plan, which would have sped the nation's shift away from coal-burning power plants and toward renewable power and natural gas, which emits less planet-warming carbon dioxide. Less than a third of U.S. emissions come from the power sector, and the rule aimed to shrink them to about 15 percent below 2015 levels by 2030.

Pruitt, the former Oklahoma attorney general who sued Obama's EPA over the rule, claims that it would have cost \$33 billion and is illegal because it pushed for a transition away from coal rather than directly limiting emissions from coal plants. EPA released a photo of Pruitt signing the document but did not hold a public event.

EPA is exploring writing a replacement that would let states set their own standards to require coal plants to run more efficiently, or burn less coal while producing the same amount of power. That would likely achieve few emissions reductions.

"The Obama administration pushed the bounds of their authority so far with the CPP that the Supreme Court issued a historic stay of the rule, preventing its devastating effects to be imposed on the American people while the rule is being challenged in court," Pruitt said in a press release. "We are committed to righting the wrongs of the Obama administration by cleaning the regulatory slate. Any replacement rule will be done carefully, properly, and with humility, by listening to all those affected by the rule."

The Trump administration has hailed the withdrawal as a victory for coal, but market experts say the outlook for the fuel is still dim.

"Withdrawing the Clean Power Plan won't clear the deck for new coal generation. The economics of natural gas and renewables are more favorable, now and in our future scenarios," Bloomberg New Energy Finance Policy Editor Steph Munro said.

During President Barack Obama's two terms, the fracking boom turned the U.S. into a natural gas super power, cutting the cost of the fuel by 75 percent and leading to a boom in natural gas-power generation, which tripled between 2009 and 2016, according to the U.S. Energy Information Administration.

Wind power also surged under Obama, tripling in capacity, while solar power grew from virtually zero to become the leading source of new power generation in 2016.

Jim Matheson, CEO of the National Rural Electric Cooperative Association, said the withdrawal will give cooperatives, which are owned by customers rather than investors, flexibility to decide when to take coal plants offline. Those co-ops got 62 percent of their power from coal in 2016,

compared to 71 percent just two years before, he said.

Still, Matheson wants EPA to write a replacement rule to provide business certainty to the utilities, although he acknowledged that process could take years.

"To the extent we can have a level of clarity over time about what the playing field looks like, that matters," he said. Many electricity companies believe that if Pruitt's EPA can write a replacement rule, it will be more difficult for a future administration to challenge than if he takes no action at all. Critics have contended that Pruitt plans to slow-walk the process.

Conservative groups praised the repeal, with lobbying group Americans for Prosperity saying it would prevent "dramatically higher" energy costs.

Health advocates say Trump's EPA is vastly overstating the costs of the rule while ignoring the impacts of climate change and other pollutants that come from coal plants, especially by declining to count the benefits of reducing those emissions in an analysis of the Clean Power Plan.

When EPA finalized the Clean Power Plan, the agency estimated that by 2030 it would annually prevent 3,600 premature deaths, 90,000 childhood asthma attacks and 1,700 heart attacks.

"These are not insignificant benefits, health effects," said Paul Billings, senior vice president of advocacy at the American Lung Association. "I don't necessarily agree with the dollar amount they place on the cost of a human life, but it does create a basis for doing comparisons across rules ... to translate those health effects into dollars costs."

More than half of states sued to stop the Clean Power Plan, and the Supreme Court in early 2016 stayed its implementation while a lower court considered the challenge.

EPA has been asking the court to withhold its decision about whether the rule was legal until the agency has had a chance to withdraw it and explore an alternative.

Tim Profeta, director of Duke University's Nicholas Institute for Environmental Policy Solutions, said EPA is nixing the rule now to keep the court from issuing a decision.

"The court should decide the case that it has before it in order to clear up any dispute over the extent of EPA's authority to regulate greenhouse gas emissions from power plants," Profeta said.

Since Trump's election, 14 green-leaning states have banded together as part of the Climate Alliance and said they will aim to curb emissions even without the federal government.

"We will push ahead and work with states that share our belief in science and the imperative to combat global warming," California Gov. Jerry Brown said.

Washington Gov. Jay Inslee added that "Washington state is already feeling the harmful and costly effects of climate change — in more devastating wildfire seasons, strained water

resources, increasingly acidic coastal waters, and more. And we are taking action to respond."

Inslee argued that "the United States Supreme Court has ruled on three separate occasions that the EPA has a responsibility, under the Clean Air Act and other federal laws, to protect American communities from harmful carbon pollution."

The Supreme Court in 2007 ruled that EPA would have authority to regulate carbon if the agency found it to be a danger to public health. EPA subsequently decided that carbon is a pollutant. For Pruitt to avoid climate regulations outright, he would have to fight that finding, which many legal experts say is a losing battle.

Eric Wolff contributed to this report

To view online [click here](#).

[Back](#)

EPA lays out options for replacement to Clean Power Plan [Back](#)

By Emily Holden | 10/10/2017 02:06 PM EDT

EPA is considering allowing states to set their own efficiency standards for coal-fired power plants to replace the Obama administration climate regulation that would have imposed stricter pollution limits across the electricity sector, senior agency officials said during a conference call with conservative groups Tuesday.

EPA Administrator Scott Pruitt has long argued that the Obama-era Clean Power Plan, which he proposed to withdraw Tuesday, was agency overreach because it set state carbon goals that would have forced a shift away from coal and toward natural gas and renewable power, rather than requiring changes solely at individual coal plants.

A [proposal](#) issued Tuesday raised the possibility of a coal plant-focused replacement, but the comments on the phone call give a clearer indication of what EPA is considering as a replacement.

EPA is proposing to return to its "traditional view of scope and authority" under the law, one administration official said on the call, "which means we are going out to the facility and setting source-by-source specific standards.

"EPA has authority to set up a process. It is then the states that take that process and based on their source-by-source analysis and respective localized environmental characteristics set standards that are actually feasible and achievable," the official said on the call that POLITICO monitored.

That would "ensure that states can still make the decision to keep a diverse fuel supply,"

according to the official.

EPA plans to issue an advance notice of proposed rulemaking in a few weeks to take comment on crafting the replacement to the Clean Power Plan, officials said. EPA will also hold a public hearing and take comments for 60 days after the proposal signed Tuesday is published in the Federal Register, according to officials on Tuesday's call.

Another administration official described the Clean Power Plan as a "novel and expansive view of agency authority" that would have cost consumers \$33 billion and forced companies to shut down coal plants.

"Repealing the Clean Power Plan is another step advancing the president's America First strategy and is an example of President [Donald] Trump keeping his promises to the American people," the official said, hewing to [talking points](#) acquired by POLITICO on Oct. 7.

The officials on the conference call with more than a dozen participants heard from climate science opponents who urged the administration to convince Americans that, contrary to mainstream research, carbon dioxide does not cause global warming. And they called on EPA to fight the legal finding that requires it to write a replacement rule and regulate emissions.

"Eventually we really need to move to get rid of the endangerment ruling of the Supreme Court," said Jay Lehr, science director for the Heartland Institute, which argues that human activity does not affect the climate. "I think in order to do this in everything EPA does and the president does, we need to begin laying the groundwork for the American public to understand that carbon dioxide is not a contaminant. It is in fact why we live on this planet, it is a breath of life, it has no endangering aspects."

One official suggested Lehr file that idea as a comment in response to the agency's upcoming notice about replacing the Clean Power Plan.

"That will be especially beneficial for us to consider as we move forward," the official said.

Another questioner from Heartland, research fellow Sterling Burnett, suggested the Obama rule might have cost even more than the \$33 billion that Pruitt's EPA is contending, although that figure has been criticized as too high by former EPA officials and think tanks.

Burnett also urged EPA not to allow states like California to set higher climate standards than the federal government. The administration officials encouraged him to submit that idea to the agency in the comment-gathering period.

The official also noted that EPA's cost estimates were "interim" figures that might be adjusted.

A third administration official added that "if any stakeholders out there feel that the figures presented in this proposal do not adequately reflect costs for one reason or another, that would be a very good thing I think to submit in comment because that may shape the analysis that's attached with any final action we may take on this proposed repeal."

To view online [click here](#).

[Back](#)

5 big things Trump is doing to reverse Obama's climate policies [Back](#)

By Alex Guillén and Eric Wolff | 10/10/2017 08:34 PM EDT

The Trump administration is gutting President Barack Obama's climate legacy with a series of moves designed to favor the fossil fuel industry while punishing solar and wind energy producers — and [Tuesday's proposal to repeal](#) an Environmental Protection Agency rule on power plants is just the most visible.

President Donald Trump's agencies have also taken steps toward buttressing coal's historically dominant role in the electricity markets, protecting it from rising competition from cleaner sources like natural gas and wind. The administration has opened the door to rolling back the stricter fuel-efficiency standards for cars and trucks that are due to take effect in 2022. And Trump's Interior Department is loosening Obama's limits on fossil fuel production on federal lands, while potentially clamping down on leases for wind and solar projects.

Also waiting in the wings is an upcoming trade decision that would allow Trump to sharply increase the cost of solar installations in the U.S. — eroding sun-powered electricity's ability to compete just as it weans itself off federal subsidies.

Trump's supporters say the steps are needed to protect jobs and American energy dominance. But clean-energy advocates say the actions imperil the planet's future.

"In the midst of flood and fire, our federal government is resolutely deciding to cover its eyes," said climate activist Bill McKibben, referring to the intense hurricanes and Western wildfires that have ravaged the U.S. "History will judge few things more harshly."

Here are five of the biggest U.S. energy policy shifts taking place under Trump:

1) Killing the power plant rule

The Clean Power Plan that the EPA is moving to revoke was the crown jewel of Obama's climate change legacy — representing the first time the U.S. had gone after the climate-warming pollution that's belched out of coal-fired power plants' smokestacks. EPA Administrator Scott Pruitt — a former Oklahoma attorney general who had sued to block the regulation — [signed the paperwork](#) Tuesday to begin the long process of withdrawing the rule, fulfilling a Trump campaign promise.

The power plant rule sought to capitalize on the U.S. electric industry's shift away from coal and

toward natural gas and renewables. The Obama EPA had estimated the rule would cut the power sector's carbon dioxide emissions 32 percent below 2005 levels by 2030. (The U.S. is already more than halfway to that goal even without the rule.)

"This is a policy that the world wants and that makes sense because of market forces and a policy the world needs because, hello, we're seeing climate change effects on people every day," said Janet McCabe, Obama's former EPA air chief.

EPA's new repeal proposal echoes the coal industry's arguments — and Pruitt's previous legal filings — in contending that the Obama administration overstepped its authority.

Pruitt's agency is considering a potential replacement rule, but one that would yield much smaller emissions cuts. If that effort succeeds, a future Democratic administration could find itself barred from imposing significant regulations on greenhouse gases from other major polluting industries.

2) Securing coal's place in the markets

Energy Secretary Rick Perry issued a surprise directive last month aimed at altering the nation's electricity markets by giving an economic advantage to power plants that keep large fuel supplies on site — a move clearly aimed at helping the coal industry ward off increasingly stiff competition. (It would also benefit nuclear power, another economically struggling sector.)

Coal is the nation's most abundant power-plant fuel, but a combination of environmental regulations, huge surges in natural gas and wind-energy production and slumping demand for electricity have prompted power companies to shutter many coal-burning plants in the past decade. As recently as 2007, coal fueled more than half the electric power sector's net electricity generation — but as of this summer, that had fallen to less than a third.

Green-energy supporters say simple economics are spelling coal's demise — but Perry has argued that the trend puts the "resiliency" of the nation's power grid at risk, endangering national and economic security. His plan, if enacted by the independent Federal Energy Regulatory Commission, would insulate coal and nuclear power plants from the low power prices that have put dozens of older plants into retirement.

DOE's proposal, according to one Montana utility regulator, would be "the largest change to electricity regulation in decades."

Critics say the rule could heap billions of dollars in additional energy costs on homes and businesses without a guarantee that they wouldn't lose power when the next hurricane rips out their power lines or a polar vortex freezes the pile of coal at a power plant.

But that decision will ultimately fall to the five commissioners of FERC, an agency made up largely of technocrats that has long sought to safeguard the energy markets. The markets aren't perfect, but Perry's rule is "a draconian way of fixing it," said Pat Wood, a former FERC chief who was appointed by President George W. Bush.

3) Launching a solar trade war?

A vote by a federal trade panel last month will allow Trump to impose tariffs or a quota on imported solar panels that make up the vast majority of the fast-growing U.S. renewables market — if he chooses to.

The decision by the U.S. International Trade Commission agreed with bankrupt solar manufacturers Suniva and SolarWorld that the low-cost imports had harmed U.S.-based producers. Now, people following the case expect that Trump will slap trade barriers on the imported solar equipment, which is largely produced by Chinese-based companies at factories across Asia.

Those barriers would help the small number of U.S.-based solar manufacturers that remain in existence but could send costs skyrocketing and hurt the much larger solar installation industry. It would also threaten to end the U.S. solar boom, which saw the technology become the country's biggest source of new power generation last year for the first time ever.

With the help of federal subsidies, which will be fully phased out by 2020, the solar industry has slashed costs far faster than predicted and grown more rapidly than expected. But the production of cells and panels has shifted to countries like Malaysia, Vietnam and South Korea.

The ITC will send its recommendations for trade remedies to Trump by Nov. 13 — though the White House can ultimately implement any barrier it chooses. That has solar installers and project developers in a panic, and many are stockpiling panels ahead of possible tariffs. The Solar Energy Industries Association is predicting up to 88,000 job losses, or nearly a third of the U.S. sector. And if domestic manufacturing ramps over the next year, 2018 is likely to see supply shortfalls and price spikes as production fails to catch even reduced demand.

4) Hitting the brakes on fuel economy

Trump announced in March that EPA would reconsider the tightened mileage standards that Obama had imposed for cars sold from 2022 to 2025, a move the former president's agencies had said would lift the average to about 50 miles per gallon. Trump's agency is expected to roll back the requirements.

In a review hastened to completion just before Obama left office, then-EPA chief Gina McCarthy affirmed that the aggressive mileage standard was feasible.

Trump's decision to review the target came amid pressure from U.S. automakers to cut back the standards, but it could backfire. The Clean Air Act includes an exception for California to set its own mileage standards, and if EPA changes the requirements, it won't affect California or the 11 other states that follow the Golden State's lead. For automakers, it opens up the nightmare scenario of producing cars for two different U.S. standards.

5) Opening federal lands to fossil fuels

Trump's Interior Department is seeking to boost oil, gas and coal production by taking a hatchet to Obama-era regulations that govern fossil fuel production on public land. One of the biggest moves so far would reverse Obama's tightened restrictions on leaks of planet-warming methane from drilling wells, pipelines and other infrastructure.

Interior also said it would postpone and rewrite a controversial Obama administration rule that requires drillers to publicly disclose the chemicals they used to frack wells on federal land, among other things.

Interior also has scuttled a review that probably would likely have increased the royalties that coal companies must pay to mine on federal land. And in August, Interior Secretary Ryan Zinke recommended that Trump shrink the size of several national monuments in Utah, Oregon and Nevada, a move that would potentially open them up for drilling or mining. Zinke is aiming to lift restrictions on grazing, mining, fishing and timber harvesting at those and a handful of other monuments.

Besides fighting against previous rules, Interior is trying to take steps it says will increase oil production off the Alaskan coasts and in the long-protected Arctic National Wildlife Refuge.

Darius Dixon, Ben Lefebvre, Emily Holden and Esther Whieldon contributed to this report.

To view online [click here](#).

[Back](#)

Zinke's travels: Ski resort and Alaskan steakhouse [Back](#)

By Esther Whieldon and Ben Lefebvre | 10/10/2017 07:32 PM EDT

Interior Secretary Ryan Zinke has attended at least two additional political fundraisers while traveling for official business, including a weekend ski getaway less than three weeks after he was sworn in that donors paid up to \$3,000 to attend, according to sources and documents reviewed by POLITICO.

Zinke's previously undisclosed attendance at the events adds to scrutiny he is facing over his habit of mixing political activities with official business when traveling outside of Washington, D.C., and to questions over travel expenses incurred by members of President Donald Trump's Cabinet. In addition to the fundraisers, Zinke has held at least a half-dozen other events with big donors or influential conservative organizations while on official trips.

Zinke, a former Montana congressman who became secretary March 1, started his fundraising

appearances even before attending a March 30 Virgin Islands Republican Party fundraiser in St. Croix that POLITICO reported last week, at which donors paid up to \$5,000 per couple for a photo with him. The Justice Department's Office of Special Counsel, which is investigating Zinke's use of travel and political activities in office, has been asked by a watchdog group to look into his appearance there.

In the first of the newly disclosed appearances, Zinke attended a mid-March fundraiser at a ski resort in Big Sky, Montana, organized by committees affiliated with Republican Sen. Steve Daines, according to two attendees who saw him there. And in May, Zinke briefly stopped by a fundraiser for GOP Rep. Don Young at a steakhouse in Anchorage, Alaska, a spokesman for Young's campaign told POLITICO.

All three fundraisers occurred on trips that Zinke took for official Interior Department business. The Hatch Act and other federal laws allow Cabinet secretaries to participate in partisan political activities only if they do so on their own time and do not use any governmental resources. Federal Election Commission records for the campaign committees do not list any reimbursement payments to Interior for the events.

"Both law and common sense tell us that taxpayer resources are supposed to be used when you're doing the taxpayers' business [but] are not supposed to be used to help candidates get elected," said Brendan Fischer of the nonprofit watchdog organization Campaign Legal Center.

An Interior Department spokeswoman did not respond to specific questions about Zinke's attendance at the events nor whether the campaigns reimbursed Interior for any of his travel expenses, but she said ethics officials sign off on the secretary's trips and all of them comply with the law.

"The Interior Department under the Trump Administration has always and will always work to ensure all officials follow appropriate rules and regulations when traveling, including seeking commercial options at all times appropriate and feasible, to ensure the efficient use of government resources," Interior spokeswoman Heather Swift said in a statement.

Other guests attending the Montana fundraiser included Sens. John Hoeven (R-N.D.) and Lisa Murkowski (R-Alaska), according to an invitation to the March 17-19 event posted by a local political blog earlier that month. Donors were asked to contribute \$3,000 if they were attending on behalf of a political action committee or \$1,500 for an individual. Another invitation for events that weekend obtained by POLITICO sought donations as low as \$500 to attend two dinners for Daines.

Hoeven hosted his own reception Friday night before the Daines dinner and a lunch Saturday, according to a campaign invitation obtained by POLITICO, which also informed guests that they could purchase "discounted ski lift tickets" at the resort.

Zinke was not named on the invitations, but his official schedule lists him as attending a "welcoming reception" for Daines on Friday night, spending "personal time with Senator Murkowski" at Big Sky Resort on Saturday and attending a "reception & dinner" for Daines that

evening.

Two sources who attended the Daines fundraiser recalled seeing Zinke there. One of the sources, a lobbyist, said Zinke attended the Friday night social and the breakfast buffet the next day. The lobbyist said that when Daines introduced Zinke, the Montana senator mentioned that Zinke was the state's first Cabinet secretary.

The Hatch Act bars Zinke from taking part in political events while acting in his official role as Interior secretary, which includes being identified by his title in invitations. But Richard Painter, a University of Minnesota professor and former White House chief ethics lawyer under President George W. Bush, said Daines referring to Zinke's Cabinet position doesn't appear to violate the law.

Zinke "should take reasonable steps to make sure people aren't using his official title" and not use the title himself at political events, Painter said. "But I don't know that he has an obligation to jump in and tell the senator he can't do that."

The secretary spent most of the day that Friday touring Yellowstone National Park, which the Interior Department manages through the National Park Service. He did not have any other official events listed on his schedule for Saturday and flew back to Washington, D.C., on Sunday.

A [report](#) posted by Interior on Zinke's March travel expenses shows that he claimed 75 percent of his per diem that Friday and did not claim any lodging or reimbursements over that weekend, which he took as personal days off. He did fly home on official taxpayer-funded travel, however.

The Young fundraiser occurred May 31, when Zinke was in Anchorage for a speech to the Alaska Oil and Gas Association's annual conference, where he signed a secretarial order for an updated assessment of how much oil exists in part of the Arctic National Wildlife Refuge. The invitation to the reception, a copy of which was obtained by political blog [Must Read Alaska](#) and shared with POLITICO, does not list Zinke as a special guest, nor does it say how much donors had to contribute to attend.

FEC records for the Alaskans for Don Young campaign committee show it received \$9,800 in campaign contributions from individuals and political action committees on that day.

Young's campaign spokesman, Matt Shuckerow, said in an email that Zinke made "only very brief remarks" at the event, and that the campaign did not confirm his attendance in advance and did not require guests to pay to attend. "Not only did the campaign seek out the guidance of the Interior Department's ethics personnel prior to the event, it took concerted efforts to follow their strict guidance," Shuckerow said. He did not say whether the campaign reimbursed the Interior Department for any costs associated with Zinke's trip.

Zinke's calendar for that day includes a brief stop at Sullivan's Steakhouse in Anchorage, the same venue listed on the invitation, for a "Rep. Don Young Reception." Later that night, Zinke went to dinner with representatives of sportsmen's groups, according to his schedule.

The Anchorage stop came in the middle of a weeklong trip that included the use of a military plane to fly from Washington, D.C., to Norway, Greenland and then Alaska. Interior paid for Zinke and three Interior staff members to take the flight. Zinke's wife, Lola, also accompanied him on the trip but reimbursed the government for the cost of her seat, Interior has said.

In both of the newly disclosed appearances, Zinke did not pose for photos with high-dollar donors, as had been the case with the Virgin Islands Republican Party fundraiser. POLITICO's report on Zinke's appearance in that photo line led Walter Shaub, a former director of the U.S. Office of Government Ethics who is now with the Campaign Legal Center, to ask the Office of Special Counsel to open a [Hatch Act investigation](#). The OSC typically opens investigations in response to complaints it receives, but a spokesman declined to comment on the status of Shaub's request.

Still, some watchdogs question whether Zinke is focused enough on his day job given how much attention he has paid to politics.

"There's always the risk that a high-level government official spending more time involved in political events may not be attending to their official duties," said Nick Schwellenbach, director of investigations at Project On Government Oversight.

To view online [click here](#).

[Back](#)

White House seeks \$4.9B to shore up Puerto Rico finances [Back](#)

By Sarah Ferris | 10/10/2017 07:11 PM EDT

The Trump administration today sought an additional \$4.9 billion in emergency hurricane aid to stave off what Puerto Rico's governor recently warned could become a fiscal catastrophe.

The OMB sent a formal request to House leadership this afternoon, revising its most recent recovery package request to nearly \$35 billion.

The extra \$4.9 billion would "address the immediate liquidity issue that Puerto Rico is having," OMB spokesman John Czwartacki told POLITICO. It would allow the island government to make its payroll and fund pensions amid its worst natural disaster in decades.

The White House's request exceeds the \$4 billion request from Puerto Rico Gov. Ricardo Rosselló last week, though it would be delivered in the form of a loan, rather than a grant.

In his letter to the White House, Rosselló warned that Puerto Rico's government needed an immediate cash infusion.

"In addition to the immediate humanitarian crisis, Puerto Rico is on the brink of a massive liquidity crisis that will intensify in the immediate future," the governor wrote to the White House.

The loan funds would likely be added to the storm recovery package that the House is expected to approve this week.

The House Appropriations Committee has received and is reviewing the request, a GOP aide confirmed.

To view online [click here](#).

[Back](#)

Drinking water utilities push for farm bill water protections [Back](#)

By Jenny Hopkinson | 10/10/2017 07:17 PM EDT

The American Water Works Association — a group representing drinking water utilities — is urging lawmakers to include in the next farm bill provisions and funding to better protect drinking water sources from agricultural runoff.

Tracy Mehan, AWWA's executive director of government affairs, said the group is getting more involved in the farm bill process than in years past in light of high-profile instances of utilities' source water being contaminated by nitrate and other agriculture-related pollutants — including the Des Moines Water Works' unsuccessful challenge of upstream counties over farm runoff and the algal bloom that shut down Toledo's water supply in 2014.

AWWA is asking lawmakers to include "robust overall funding" for the conservation title — keeping it at \$6 billion, if not adding to the current allotment. The group also wants farm bill conservation programs to prioritize protection of drinking water, increase benefits to farmers for practices that safeguard source water, and ensure at least 10 percent of conservation funds are devoted to water-quality efforts.

"We need to sensitize USDA and the relevant committees to the importance of public health" and the issues that arise from farm runoff and chemicals that make their way into bodies of water, Mehan said. For example, nitrogen, a key ingredient in fertilizer, can cause developmental problems and pose cancer risks if present at high levels in drinking water. [A report](#) earlier this year from the Environmental Working Group found the contaminant to be present in the drinking water of 218 million Americans.

While conservation programs already address water-quality issues, Mehan said AWWA's focus is to get more resources and reporting aimed at potable water sources. "We assume that a lot of the money that they are spending already is probably useful and could be legitimately categorized as [being spent on] source water protection; we would just like to be more specific

and track it," Mehan said of his group's requests.

To view online [click here](#).

[Back](#)

Was this Pro content helpful? Tell us what you think in one click.				
Yes, very	Somewhat	Neutral	Not really	Not at all

You received this POLITICO Pro content because your customized settings include: Morning Energy. To change your alert settings, please go to <https://www.politicopro.com/settings>

This email was sent to jackson.ryan@epa.gov by: POLITICO, LLC 1000 Wilson Blvd. Arlington, VA, 22209, USA
