

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Energy
Sent: Mon 6/19/2017 2:07:50 PM
Subject: POLITICO's Morning Energy: Zinke, Perry play defense on budget requests this week — Examining Trump's energy holdings — Checking in on coal country

By Anthony Adragna | 06/19/2017 10:00 AM EDT

With assistance from Annie Snider

KINGS OF THE HILL: Interior Secretary Ryan Zinke and Energy Secretary Rick Perry are barnstorming Capitol Hill this week, hitting multiple committees to defend the administration's requests for steep budget cuts. Expect lawmakers to be cool to the call to slash Interior's budget by \$1.1 billion, or ten percent, from last year's spending levels, and similar skepticism for the proposed 18 percent cut to DOE's non-nuclear security work. EPA Administrator Scott Pruitt drew some hostile questioning from both Democrats and Republicans during a similar budget hearing last week.

Zinke heads first to the Senate Energy and Natural Resources Committee at 10 a.m. Tuesday, followed by a 9:30 a.m. trip to Senate Appropriators the following day (Sen. Lisa Murkowski will chair both hearings). And then he'll get some face time with House Natural Resources Chairman Rob Bishop on Thursday for similar treatment. Look for intense questioning on Zinke's ongoing review of dozens national monument designations that were made under the Antiquities Act, as well his plans to shuffle several senior department staff. And ME would be shocked if House Natural Resources' top Democrat Raul Grijalva didn't push for some promise from Zinke to respond to his bevy of oversight letter requests.

Perry's turn in the hot seat kicks off Tuesday at 1 p.m. in a visit with House Appropriators, followed by a 2:30 p.m. hearing the following day with Senate energy spending cardinals. ME expects the former Texas governor (who tweeted about everything from live music to college baseball over the weekend) to get lots of questions about funding for clean energy research programs and national laboratories, both of which are targeted for deep cuts under Trump's budget. And look for climate hawks to press Perry to justify closing the Office of International Climate and Technology within DOE.

HITTING THE HOUSE FLOOR: Lawmakers are expected to consider legislation on the floor this week that backers say will improve grid reliability and reduce the risks of wildfires by making it easier to remove trees and other vegetation near electric equipment on federal lands. The Electricity Reliability and Forest Protection Act (H.R. 1873) cleared the House Natural Resources Committee by a 24 to 14 vote in late April. Also expected to get a vote is the Water Supply Permitting Coordination Act (H.R. 1654) (more on that below.) The House Rules Committee takes up both measures Tuesday at 5 p.m.

WELCOME TO A NEW WEEK! I'm your host Anthony Adragna, and I'm only with you for part of this week, as I'm off to get married at the end of it! But in the meantime, Christopher Pearcy was first to identify Philadelphia as the site of the First Continental Congress. For today: Who was the person who infamously asked Sen. Joseph McCarthy "Have you no sense of

decency?" Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning_Energy](https://twitter.com/Morning_Energy), and [@POLITICOPro](https://twitter.com/POLITICOPro).

GLANCING INTO TRUMP'S ENERGY PORTFOLIO: President Donald Trump made between \$149,719 and \$401,000 from holdings in the energy sector, according to his latest financial [disclosure](#) covering the 2016 calendar year and the early months of 2017. Trump reported energy holdings in GE, Halliburton, Kinder Morgan, Phillips 66, NextEra Energy, Chevron, Exxon Mobil and Shell, among others. Theodoric Meyer and Matthew Nussbaum have a closer look at the disclosure form [here](#).

ON THE WATER DOCKET: After winning a relaxing of environmental restrictions on pumping in California's water hub last year, the state's House Republicans are this week poised to move on Rep. [Tom McClintock](#)'s "Water Supply Permitting Coordination Act," which would change the way new water storage projects are permitted and put the Bureau of Reclamation in the driver's seat for approving new dams and reservoirs. The measure, which is slated to hit the House floor Thursday, passed the House Natural Resources Committee earlier this month over Democratic objections that it could short-circuit environmental review and arguments that the real challenge to new reservoirs is not permitting, but economics.

Not to be outdone, the Senate has its own full water agenda this week, with an Environment and Public Works Committee subpanel considering innovative financing options for addressing the country's water infrastructure woes Tuesday morning and the Energy and Natural Resources Committee holding a hearing that afternoon on federal and state partnerships aimed at restoring watersheds and other large scale restoration projects.

WHAT'S GOING ON IN COAL COUNTRY? James Higdon checks in on Eastern Kentucky for [POLITICO Magazine](#) and finds job losses continue in the coal industry there, but there's increased optimism that the bleeding has been staunched. There's also been surprise demand from Silicon Valley for the rare earth elements and a type of metallurgic coal needed to make silicon, the basic material for computer chips and solar panels. But the overall sense remains the federal government is not a benevolent force for the region: There's "a perception in communities like this that we're being done wrong. People around here get the feeling that the government is not being reputable with them." Pat White, the County Judge Executive for Whitley County, told James.

KLOBUCHAR: WHERE ARE THE PICKS? Asked on "[Fox News Sunday](#)" whether Democrats shared some of the blame for Trump's swath of unfilled federal agency positions, Minnesota Sen. [Amy Klobuchar](#) correctly pointed out the White House had yet to send over hundreds of nominees for the Senate to consider. "I'm not saying we are perfect throughout time, but I do know that all of his cabinet nominees are now in place, that they have been voted on, some with significant Democratic support," she said. And they "haven't put people up for a lot of those positions."

TAKING STOCK OF TEXAS SHALE: The Academy of Medicine, Engineering & Science of Texas is today releasing [a report](#) examining the environmental and community impacts of shale production in that state. Key findings: Texas produced more oil in 2015 than all but six

countries, oil and natural gas generated \$1.7 billion in property tax revenue for Texas schools, and earthquakes in the state jumped from around two a year before 2008 to between 12 and 15 since then. In addition, Texas ranks 11th in the country for at-risk species though the fact that 95 percent of state's land is privately owned limits study of land impacts, five percent of emitters account for about half all emissions and fracking accounts for less than one percent of statewide water usage. The group will hold a [webinar](#) at 11 a.m. EST today to discuss its findings.

EPA PULLS, RESENDS COAL ASH GUIDANCE: Last week, EPA withdrew from OMB its original draft guidance for states on setting up coal ash permitting programs, but promptly swapped in a new version, Pro's Alex Guillén reports in [Energy Regulation Watch](#). It's not yet clear why EPA had to pull its first version just three weeks after it sent the document over to the White House for regulatory reform.

WHAT'S HOLDING BACK CLEAN ENERGY? The Joint Economic Committee Democrats are out with a [report](#) today identifying the impediments they say are holding back the speedier deployment of clean energy technologies. Some of the holdups they highlight: "Implicit and explicit" subsidies that benefit fossil fuels and make it harder for clean energy to compete; underinvestment from the private sector in new energy sources; existing energy infrastructure that's built to accommodate fossil fuels and "inconsistent or unclear policy directions" that make it hard for investors to feel comfortable investing in new clean technologies.

OIL SECTOR DEFENDS NAFTA: Maintaining the current basic contours of NAFTA is crucial if the U.S. hopes to achieve energy independence, the American Petroleum Institute wrote in a [letter](#) to the U.S. Trade Representative. As Ben Lefebvre [reports](#), the group's priorities in negotiations include prohibiting tariffs, protecting intellectual property rights, ensuring mobility of labor and adding more flexible language for diluents, the light oil that Canadian oil sands producers mix into bitumen to make it easier to process and send through pipelines. "The overall functionality of the current NAFTA agreement works for the oil and natural gas industry," API said.

HOUSE DEMS: REVERSE COURSE ON PARIS: Nearly 90 percent of House Democrats, led by Rep. [Brad Schneider](#), introduced a [resolution](#) Friday saying that they "strongly disapprove" of Trump's decision to pull out of the Paris climate accord and urging him to reverse that decision.

MARKEY TO PERRY: DON'T CLOSE CLIMATE OFFICE: Avowed climate hawk Sen. [Ed Markey](#) sent a [letter](#) to Perry Friday urging him to reverse course on his [plans to shutter](#) the Energy Department's Office of International Climate and Technology.

KAINE SCREENS SEA-LEVEL RISE DOCUMENTARY: Virginia Sen. Tim Kaine today delivers opening remarks and hosts a screening of a new documentary, *Tidewater*, exploring the impacts of sea-level rise on the Hampton Roads region. It kicks off at 6 p.m. in the Congressional Meeting Room North of the Capitol Visitors Center.

LAWMAKERS TO PRUITT: KEEP WAIVER ABILITY INTACT: More than 75 House members urged Pruitt in a Friday [letter](#) to keep intact the ability for states like California and

others to set tougher vehicle emissions standards than federal ones. "If the administration is unwilling to support stronger fuel efficiency and emissions standards, it is more important than ever that states be allowed to continue driving innovation, consumer choice and environmental and public health improvements through strong state standards," they wrote. Pruitt told House Appropriators last week California's current waiver is "not under review." Republicans Carlos Curbelo and Mike Coffman joined dozens of Democrats in signing the letter.

RENEWABLE CREDIT EXTENSION SIGNED IN FLORIDA: Among the 13 bills signed into law by Florida Gov. Rick Scott Friday was one that extended a property tax break from residential to commercial for renewable energy source devices, POLITICO Florida's Bruce Ritchie reports. The bill, which implements a 2016 constitutional amendment, won the backing of environmental groups and solar panel installers even though the Florida House added some consumer protection measures.

POWERING THE NEXT GENERATION GRID: Eight national renewable energy groups released a vision statement today calling for correctly valuing both new and existing technologies, tax policy that protects existing credits for renewables and "expansion and modernization of the power grid." Signatories include the American Council on Renewable Energy, the American Wind Energy Association, American Biogas Council, Biomass Power Association, Energy Recovery Council, Geothermal Energy Association, National Hydropower Association and Solar Energy Industries Association.

MOVER, SHAKER: Jim Jones has joined Consumer Specialty Products Association as the executive vice president of strategic alliances and industry relations; he was previously the top chemicals official at EPA and played a key role in ushering through the bipartisan overhaul of the Toxic Substances Control Act.

ENERGY GROUP ADDS BOARD MEMBERS: Sen. Lamar Alexander and Rep. Dave Reichert are among the seven new members of the Alliance to Save Energy's Board of Directors. Also joining: Paula R. Glover, president of the American Association of Blacks in Energy; Microsoft's Bert Van Hoof; Andreas Schierenbeck, CEO of Thyssenkrupp Elevator AG; Maryrose Sylvester, president of Current; and Steve Wright, general manager of the Chelan Public Utility District.

QUICK HITS

- 'Pi' group makes first endorsements. The Hill.
- Scott Pruitt vows to speed the nation's Superfund cleanups. Communities wonder how. Washington Post.
- Lawmakers say GOP reining in DNR scientists who rebelled on climate change. Madison.com.
- Sweden's Largest Pension Fund Sells Off ExxonMobil & TransCanada Stock. CleanTechnica.
- Patagonia's CEO Is Ready To Lead The Corporate Resistance To Donald Trump. Huffington

Post.

- Qatar won't cut gas to UAE: Qatar Petroleum CEO. Reuters.

THAT'S ALL FOR ME!

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<http://www.politico.com/tipsheets/morning-energy/2017/06/19/zinke-perry-play-defense-on-budget-requests-this-week-220907>

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