

To: Jackson, Ryan[jackson.ryan@epa.gov]
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Subject: [SPAM] May 26 -- Energy and Climate Report - Afternoon Briefing



Energy and Climate Report

Afternoon Briefing - Your Preview of Today's News

The following news provides a snapshot of what Bloomberg BNA is working on today. Read the full version of all the stories in the final issue, published each night.

Trump `Leaning' to Understand Europe View on Climate, Cohn Says

Posted May 26, 2017, 8:37 A.M. ET

By [Margaret Talev](#)

Donald Trump is working to understand the European view on climate change, his chief economic adviser said, suggesting the U.S. president is sensitive to the diplomatic backlash he'd face in scrapping the Paris Agreement on global warming.

"I think he's leaning to understand the European position," Gary Cohn, director of the National Economic Council, said on the sidelines of a Group of Seven summit in Sicily, Italy.

Climate is one of the most contentious issues facing leaders at the two-day G-7 meeting in the resort town of Taormina, where Angela Merkel of Germany and France's Emmanuel Macron are among those advocating a commitment to the landmark Paris accord. Trump has derided climate change as a hoax, and members of his administration are deadlocked about whether the U.S. should uphold the pact, brokered by nearly 200 nations in 2015.

"Look as you know from the U.S., there's very strong views on both sides," said Cohn. "Both sides are running ads. So he knows that in the U.S. there's very strong opinions on both sides but he also knows that Paris has important meaning to many of the European leaders. And he wants to clearly hear what the European leaders have to say."

--With assistance from Reed Landberg.

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Shell Sees Solution to Energy-System Gaps in `Hydrogen Grid'

Posted May 26, 2017, 8:57 A.M. ET

By [Anna Hirtenstein](#) and [Rakteem Katakey](#)

Royal Dutch Shell Plc is looking to build a hydrogen empire in a bid to fix the biggest problem the energy transition faces: the question of how to store power in the long term.

“Hydrogen can sit there as a storage medium, similar to batteries,” said John Abbott, downstream director at Shell. “I can see a world where there’s even a hydrogen grid. You use it for your car, you heat your home, your electricity, through that network.”

Shell has begun to use the lightest element at its retail stations, starting with Germany and the U.K. It entered a [joint venture](#) with partners such as Daimler AG to dispense hydrogen from its filling stations in Germany, aiming to roll this out at 400 locations by the early 2020s. The first station in the U.K. was introduced in February on the outskirts of London. Shell is aiming to add another 10 before the end of the year.

Hydrogen can be derived from natural gas or from water by splitting the molecules, a process which uses energy. The supply chain has been criticized for being overly energy-intensive. However, if the energy that is used to make the gas is renewable, it can be seen as a form of green power storage. Technically, it can be stored almost indefinitely.

“Hydrogen has the potential to be a form of long-term seasonal energy storage. It can store power from days to months at a time, compared to batteries which are typically limited to a few hours,” said Logan Goldie-Scot, energy-storage analyst at Bloomberg New Energy Finance. “Globally, current markets neither incentivize the use of hydrogen nor highly value the long-duration flexibility that it offers.”

Long-term Storage

Storage of different lengths will be needed to wean the energy system off fossil fuels. Plugging the short-term gaps between wind and solar generation may be able to be covered by batteries, but the peaks between seasons requires huge amounts of energy to be stored for months at a time.

Shell has previously said that it sees hydrogen as a solution for shipping, aviation and trucks -- heavier machinery that’s unlikely to be powered by batteries, which still face questions on energy density. Now Abbott expands the vision to include heating houses, providing electricity to the grid and storing power.

Shell’s views contrast with those of BP Plc. The British oil major doesn’t believe that the gas will play a major role for fueling passenger vehicles or trucks, according to chief economist Spencer Dale. The company expects that natural gas in the form of LNG will instead be used for long-distance trucking and shipping instead of diesel and bunker fuel.

It’s adding charging points for electric vehicles at some of its retail units. It has sold some hydrogen at a station outside London, but volumes are not high.

“It’s a question of the chicken and egg, what’s coming first,” said Istvan Kapitany, executive vice president of Shell Retail. “Right now the number of fuel-cell cars is very low, but we need to be putting down the facilities to have a chance for the customers buy a fuel cell car, so when they buy it they can drive it properly.”

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Six to One Against Trump on Climate in ‘Honest’ Exchange at G-7

Posted May 26, 2017, 03:58 P.M. ET

By Arne Delfs and Margaret Talev

German Chancellor Angela Merkel said Donald Trump was isolated on climate change at the Group of Seven, as the president said he's in no rush to decide whether to scrap U.S. involvement in the Paris Agreement.

A closed-door session on the first day of the G-7 summit in Sicily found unity on stepping up efforts to combat terrorism, but entered stormier waters on trade and on climate, Merkel said. At that stage it was six against one as leaders pressed Trump to hold to U.S. agreements made under the landmark Paris climate accord.

"We made it clear that we want the U.S. to stick to its commitments," Merkel told reporters after the meeting on May 26. "There were very different arguments from us all urging the president to hold to the climate accord." She said the discussion was conducted in a very "honest" atmosphere, leading to a "very intense exchange."

After deriding climate change as a hoax and pledging to pull out of the Paris deal during his election campaign, Trump has sidestepped the issue and passed up a number of opportunities to outline his international stance toward global warming. Members of his administration are deadlocked about whether the U.S. should uphold the pact.

Merkel said that the U.S. side made clear that it hasn't yet taken a decision on whether to scrap Paris "and won't make a decision here" at the G-7.

Taking Time

In the meeting, G-7 leaders asked Trump his timeframe for making a decision, according to a briefing by his top economic adviser, Gary Cohn. Trump said, "I'd rather take my time" and get to the right decision, Cohn told reporters traveling with Trump in Sicily.

Trump also expressed concerns that other countries that had tried to dial back their climate emissions like China and India had seen job growth suffer—and made clear he was not prepared to live with that trade-off, Cohn said.

Trump told the leaders, "he didn't want to be in second place," Cohn said, especially because he ran on a platform of job creation and improving working-and middle-class opportunities and is committed to keeping that promise, Cohn said.

Italian Prime Minister Paolo Gentiloni, the summit's host, said separately that there was "no agreement" on the Paris accord.

"President Trump will take time to reflect on it, and the other countries are taking note of that," Gentiloni said.

"His views are evolving," Cohn said, but Trump's decision will be based on what's best for the United States. The president "is thinking about what his options are." Trump "feels much more knowledgeable on the topic now," said Cohn.

—With assistance from Flavia Krause-Jackson.

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