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Daily Environment Report

Afternoon Briefing - Your Preview of Today's News

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EPA Regulatory Review Floodgates Open, Leaving Pruitt to Mop Up

Posted May 30, 2017, 7:01 A.M. ET

By [Andrew Childers](#)

When asked which EPA regulations stifle economic growth and should be reconsidered or rescinded, industry groups responded, "All of them."

High-profile Obama-era regulations limiting carbon dioxide from power plants or establishing the reach of the Clean Water Act, which Environmental Protection Agency Administrator Scott Pruitt had opposed, will certainly be targeted. However, businesses are left wondering whether the agency, which so far lacks political appointees to run the EPA's water, chemicals and air pollution offices, will have bandwidth to tackle a host of other, less splashy regulatory fixes that could reduce costs or ease burdens.

"We're in new territory. It's a process that has no clear precedent within the federal system," Randall Lutter, a professor of public policy at the University of Virginia and a former senior economist at White House Office of Management and Budget under President Barack Obama, told Bloomberg BNA.

Open the Floodgates

The EPA has received a barrage of requests from regulated industries to open and reconsider regulations from every sector the agency touches. The requests range from drastic changes to the way the agency regulates air pollution—Ameren suggested replacing the agency's ambient air standards with pollution trading programs—to the more targeted—the American Water Works Association recommended that the EPA streamline its application process for loans to improve drinking water systems.

While a host of industries are looking ease their regulatory burdens, chemical manufacturer Chemours Co. actually went to bat for Obama-era rules that approved new chemicals to replace ozone depleting substances and clamped down on leaks from refrigeration equipment. The chemical company recommended that Pruitt retain those rules.

Environmental and public health groups, of course, vow to fight any attempt to weaken EPA protections, with Earthjustice, the Sierra Club, and Clean Air Task Force calling the regulatory review process “an illegal and arbitrary sham.”

The Sierra Club has received funding from Bloomberg Philanthropies, the charitable organization founded by Michael Bloomberg, founder of Bloomberg L.P. Bloomberg BNA is an affiliate of Bloomberg L.P.

The Waterkeeper Alliance also dismissed the process as rushed and opaque, calling on the EPA to provide more details about how it will manage the review process and decide which regulations will be reevaluated.

Who’s Driving the Process?

Every new administration takes office vowing to streamline the regulatory process, but Trump has taken that further than ever before, requiring agencies to repeal two regulations for every new directive issued and capping costs that can be imposed on industries. It’s an ambitious plan to transform the regulatory state, but seeing that process through will require coordination and planning. Right now the EPA is short of the political appointees necessary to make those decisions.

“In any one of these big rulemakings, there are dozens of intermediate decisions made along the way,” Jeffrey Holmstead, a partner at Bracewell LLP in Washington, D.C., who previously served as the EPA’s assistant administrator for air pollution in the George W. Bush administration, told Bloomberg BNA. “If you have the administrator sign off on every one, you can only do two or three.”

Trump lags behind his predecessors in staffing the EPA, according to data provided by the Center for Presidential Transition. So far only Pruitt has been confirmed, and Susan Parker Bodine, Trump’s pick for the agency’s enforcement office, is awaiting confirmation. The Trump EPA lacks nominees to head the water, air and chemicals offices who will be central to the regulatory review process.

Unlike past administrations, though, Trump has made easing burdens on businesses central to his domestic priorities.

“The biggest single difference is that Trump has appointed someone to be EPA administrator whose primary focus is on reducing the regulatory burden,” Holmstead said.

When President George W. Bush took office, his EPA preferred legislative rather than regulatory approaches, Holmstead said. But when bills such as the Clear Skies Act faltered in Congress, that’s when the Bush administration attempted to regulate pollutants such as mercury emissions from power plants.

“In the air office, we were not as ambitious as the Trump administration when it comes to regulatory reform,” Holmstead said.

What’s unknown is how the EPA will make decisions on which regulations it will target and when that process will get started. An EPA spokesman could not be reached for comment.

Without assistant administrators to guide the process, Pruitt has appointed a regulatory reform task force of Ryan Jackson, the chief of staff; Byron Brown, the deputy chief of staff for policy; and

Brittany Bolen, deputy associate administrator of the Office of Policy, to oversee the effort. All three previously served on the Senate Environment and Public Works Committee with past Chairman James Inhofe (R-Okla.), who was a vocal critic of the Obama EPA's regulations.

"They are certainly knowledgeable enough to be looking for more regulations to be going after," Inhofe told Bloomberg BNA. "And they are doing the job pretty well."

While agencies are tasked with implementing the regulatory reform efforts, the White House will still play a significant role in reducing compliance costs through the Office of Information and Regulatory Affairs, which reviews regulations, said Tracy Mehan, executive director of the American Water Works Association's government affairs office.

"No doubt in a Republican administration, OIRA is very much empowered—not that they were pushovers in the Obama administration, but it's fair to say they're going to be more empowered," Mehan, who previously served as the EPA assistant administrator for water under President George W. Bush, told Bloomberg BNA.

However, Neomi Rao, Trump's pick to head that office, also hasn't been confirmed.

Smaller Fixes Have Big Benefits

While rolling back the Clean Power Plan and replacing the Waters of the U.S. rule are top priorities for Pruitt, more modest updates to the EPA's various regulations could provide the biggest long-term boons for businesses. Many industry groups in their comments are targeting smaller adjustments to existing regulations that they say can be quickly updated to reduce costs and make them more efficient.

For example, the Class of '85 Regulatory Response Group, a coalition of 30 utility companies, suggested the agency eliminate unnecessary air pollution monitoring requirements. The Association of Air Pollution Control Agencies recommended streamlining a variety of air pollution permitting provisions to ease burdens on both businesses and state permitting officials.

"Those [smaller fixes] would be valuable investments of time," Megan Berge, a partner at Baker Botts LLP who represents utilities and other industries, told Bloomberg BNA. "Those are the investments that have the possibility of having a lasting good in terms of making these programs efficient."

Taking on the EPA's largest regulations will spark an inevitable battle with environmental groups, which could bog down the entire effort. But tackling some of the smaller changes sought by businesses could be a way for the Trump administration to claim some quick victories.

"The good news is that, at least from EPA and the administration's perspective, these slight deregulatory acts are somewhat quicker than the big rules," Sam Batkins, director of regulatory policy at the American Action Forum, which has argued many EPA regulations have costs that exceed benefits, told Bloomberg BNA. "Maybe to some extent they can prioritize the small, minor tweaks to the rules and generate some savings."

—With assistance from Dean Scott in Washington.

Trump Decides Next Week If He'll Quit Paris Climate Accord

Posted May 27, 2017, 03:06 P.M. ET

By [Joe Ryan](#) and [Josh Wingrove](#)

Donald Trump continued to distance himself from fellow world leaders over climate change at the G-7 summit, and said he'll determine next week whether to pull the U.S. out of the landmark Paris climate accord.

"I will make my final decision on the Paris Accord next week!" the president told his almost 31 million Twitter followers on Saturday.

Trump, who for months has delayed a decision on the climate agreement, made his announcement at the conclusion of the Group of Seven summit in the resort town of Taormina, Italy.

In an unprecedented step, the U.S. broke from the other six nations in a joint statement issued at the summit's conclusion, saying America is reviewing its climate policies while the G-7 members others remain committed to the Paris Agreement.

Climate was among the most disputed issues separating Trump from other leaders at the two-day meeting on the Sicilian coast. A top White House adviser said the president's views were evolving on the issue, but Trump wasn't immediately swayed by arguments from Chancellor Angela Merkel of Germany, France's President Emmanuel Macron and others to honor the Paris Agreement, brokered in 2015 by almost 200 nations to slash fossil fuel emissions and boost funding to ease impacts of global warming.

"The whole discussion about climate has been difficult, or rather very unsatisfactory," Merkel told reporters after the summit. "Here we have the situation that six members, or even seven if you want to add the EU, stand against one."

'Stark Isolation'

Diplomats spent days trying to hammer out language for the G-7 joint statement. Past communiqués, which are painstakingly crafted to reflect common goals and values of all seven nations, have dedicated lengthy sections to climate change. At one point this week, the words "Paris Agreement" were nearly excluded from the statement, underscoring how contentious the issue became in Taormina, said a Canadian government official who spoke on the condition of anonymity to discuss private deliberations.

Trump, who once said the concept of global warming "was created by and for the Chinese in order to make U.S. manufacturing non-competitive," repeatedly vowed to pull out of the Paris deal during his election campaign, but has sidestepped the issue since taking office.

Delaying a decision about the accord provided opportunity for G-7 leaders and Pope Francis to press Trump to honor U.S. environmental commitments. Now the president heads back to Washington, where much of his party is pushing him to do the opposite.

Issue Deadlock

Last week, 22 Republican senators, including Majority Leader Mitch McConnell, sent a letter to Trump urging him to exit the Paris accord. Members of his administration, meanwhile, are deadlocked on the issue. Environmental chief Scott Pruitt and top strategist Steve Bannon are pushing for a pullout. Secretary of State Rex Tillerson, White House adviser Jared Kushner and

Ivanka Trump, the president's son-in-law and daughter respectively, have urged the president to stay in the deal.

John Kirton, director of the University of Toronto's G8 Research Group, said Trump's trip home may not bode well for those in favor of Paris. "If you let him go back to the civil war within the White House, Pruitt might win," he said.

Trump has criticized efforts to cut emissions, saying they limit U.S. economic competitiveness. The president's views on the Paris accord, however, are evolving, White House National Economic Council director Gary Cohn told reporters Friday in Italy. Trump may be willing to stay in the agreement, Cohn said, if the U.S. can scale back commitments made by former President Barack Obama.

"His views are evolving, and he came here to learn," Cohn said. "His basis for decision is ultimately going to be what's best for the United States."

The Paris Agreement is broader than any previous climate accord. It calls for reducing pollution in hopes of limiting global warming to 2 degrees Celsius (3.6 degrees Fahrenheit) above temperatures at the outset of the industrial revolution.

Hundreds of corporations and investors have endorsed the pact, including oil majors Royal Dutch Shell Plc, BP Plc and Exxon Mobil Corp., which was previously led by Tillerson. Alden Meyer, who's followed climate talks for two decades as director of policy at the Union of Concerned Scientists, said Trump's reluctance to support it puts him at odds with much of the world.

"He stands in stark isolation," Meyer said. "The leaders from Europe, Canada, and Japan have made it crystal clear that they intend to fully implement their national commitments under the Paris Agreement."

—With assistance from Jennifer A. Dlouhy.

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Climate 'Danger Zone' Seen If Trump Pulls U.S. Out of Paris Deal

Posted May 30, 2017, 02:53 P.M. ET

By [Jessica Shankleman](#)

Donald Trump wasn't exaggerating when he said during his election campaign that the U.S. could "cancel" the Paris Accord on climate change.

A decision due from the president this week on whether to pull the U.S. out of the deal involving almost 200 nations could have a domino effect on the participation of other countries in limiting fossil-fuel pollution, making it almost impossible and extremely expensive to stop catastrophic climate change.

That's the conclusion of researchers and scientists evaluating the impact of Trump on the health of the climate. While forecasting the state of the environment more than 80 years into the future is a notoriously inexact exercise, academics gathered by the the United Nations at the Intergovernmental Panel on Climate Change are concerned the world is headed for "extensive"

species extinctions, serious crop damage and irreversible increases in sea levels even before Trump started to unpick the fight against global warming.

“Four years of the Trump administration may have only modest consequences, but eight years of bad policy would probably wreck the world’s chances of keeping warming below the international target of 2 degrees Celsius,” Michael Oppenheimer, professor of geosciences and international affairs at Princeton University, said by email. “The odds of our avoiding the climate-danger zone would fade to zero.”

While a 2-degree shift wouldn’t be noticeable during the course of a day, it would represent a historic change for the Earth as a whole that’s faster than any change in the climate since the last ice age ended some 10,000 years ago. The scenarios that scientists are looking at depend on measurements of air and water temperatures taken at hundreds of sites around the world, as well as complex models about how trends will evolve in the coming decades.

Trump’s move would clearly make the outlook worse, according to [Climate Interactive](#), a team of modelers backed by institutions such as MIT Sloan School of Management and the Rockefeller Brothers Fund. They estimate that the world would warm by 3.6 degrees Celsius (6.4 degrees Fahrenheit) by 2100 when compared with pre-industrial levels if Trump quits Paris, more than the 3.3-degree baseline scenario.

As the world’s second-biggest polluter after China, a move by the U.S. to scrap the accord involving almost 200 nations would pour hundreds of billions of tons of carbon dioxide into the atmosphere and speed up the warming trend already taking place. It also would threaten a \$100 billion-a-year stream of funds that industrial nations have pledged to persuade developing nations to cut back their own emissions, endangering the political foundations of the global fight against climate change.

“The loss of U.S. finance would be the biggest headache, and of course the symbolism is not good,” said Michael Grubb, a professor at University College London who has advised the European Union on climate policy.

The Paris Agreement sealed in 2015 brought together the U.S. and European Union with big developing nations from China to India to Brazil in pledging limits on fossil-fuel pollution and funds to help poorer countries adapt to climate change.

Longer term, the impact of a U.S. withdrawal depends on how other countries and investors respond. Trump, who for months has delayed a decision on the climate agreement, told his almost 31 million Twitter followers to expect his verdict this week, and the signs are pointing toward a withdrawal.

G-7 Statement

In an unprecedented step, the U.S. broke from the other six nations May 27 in a joint statement issued at the Group of 7 summit, saying America is reviewing its policy. The political news website Axios reported that he’d told confidants he plans to pull the U.S. out of the deal.

“The big question is whether a U.S. withdrawal would lead to U.S. investors and utilities actually starting to build new plants that commit to high future emissions,” Myles Allen, professor of geosystem science at the University of Oxford’s Environmental Change Institute, said by phone.

So far, no other country, not even China or India, has said they’d follow the U.S. in pulling out of Paris. Instead, it’s catalyzed support for the deal.

The key variables are what policies Trump enacts and how long they remain in force. The targets agreed on global warming through the UN are for 2100, and shifts in the energy industry take decades to play out. U.S. inaction on greenhouse gases may eventually discourage other countries from continuing their own efforts to cut back, said Oppenheimer at Princeton.

The Paris agreement was designed in such a way that legally, no other country's action would be impacted by a withdrawal. Paris effectively sets up the reporting framework and the temperature goals, but each country's individual target is voluntary.

In reality, an eight-year delay on climate action would be accompanied by cuts to renewable energy research that could, in turn, harm emissions reductions rates. Those policies may encourage the use of polluting fuels such as coal.

All told, each of these changes could add a total of 350 billion to 450 billion tons of CO₂ into the atmosphere, if the rest of the world followed Trump, according to climate modelers, Ben Sanderson of the National Center for Atmospheric Research in Boulder, Colorado, and Reto Knutti of ETH, Zurich. The chances of meeting the UN target of staying well below 2 degrees of warming would drop to about 10 percent, from two-thirds now, they say.

"Delay is the worst enemy for any climate target and can only be made worse by cutting research and energy technologies that would be crucial to get back on track again for target," they wrote in the journal *Nature* earlier this year.

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EU Parliament, Nations at Odds Over Vehicle Emissions Testing

Posted May 30, 2017, 02:01 P.M. ET

By [Stephen Gardner](#)

The European Parliament and European Union national governments are at odds ahead of talks to finalize a reform of the 28-nation bloc's system for testing air pollution emissions from passenger vehicles.

The Council of the EU, which represents the bloc's national governments, would leave national authorities much of the responsibility for ensuring no repeat occurs of Volkswagen's rampant cheating on emissions tests for its diesel vehicles, according to position reached May 29. That's in contrast to the European Parliament, which backed a more centralized system in which the European Commission, the EU's executive arm, would have more power to fine automakers that violate the standards and to intervene in the compliance programs of EU countries.

Following the adoption of their respective positions, the council and parliament must negotiate over the final form of the regulation before an agreed text is put to ratifying votes.

Enforcement Among Differences

Among the chief differences to be worked out is whether individual countries or the broader European Commission should take the lead on enforcement.

The council's favored approach would let national authorities fine automakers up to to 30,000 euros

(\$33,500) per vehicle for violations. The commission would be able to step in and organize tests of vehicles if EU national authorities were seen to be failing in their market surveillance duties, but would not be able to impose fines in cases in which a national fine had already been levied. The European Parliament's proposal would give the EU's regulatory arm a more central role in enforcement.

Consumer advocates said the council's approach would water down the enforcement powers favored by the European Parliament.

"The commission will be prevented from issuing a penalty when a member state has already acted, even if the member state issues a completely insignificant penalty," the European Consumer Organization said in a May 29 statement.

While both the council and European Parliament agree that manufacturers should fund the emissions testing program, details of the payment system will need to be negotiated. The parliament advocated a system in which national authorities levy fees on manufacturers to cover testing costs and distribute the fees to test centers. That would avoid manufacturers directly paying the testing centers to ward off the appearance of impropriety. The council said instead that EU countries should be able to choose how they organize the financing of their market surveillance systems. European Consumer Organization Director General Monique Goyens said the council's position was "a package of half-baked measures that risk turning the entire reform into a paper tiger."

The council agreed that EU countries should check the emissions of at least one in every 50,000 new vehicles they register each year, and that checks should verify that the emissions of vehicles in everyday driving conditions comply with legal standards. Currently, EU vehicle emissions tests take place in laboratories, producing levels of emissions that are often significantly exceeded in real driving conditions. About 14 million new vehicles were registered in the EU in 2015.

Progress Welcomed

The European Commission, however, welcomed the council's agreed-on position and said a strengthened system for checking compliance of vehicles with emissions norms would complement changes to the way cars are tested in the EU. Tests that more accurately gauge emissions from cars in real driving conditions are being introduced.

EU Internal Market Commissioner Elzbieta Bienkowska said May 29 that the council's position was "a huge step in the right direction to the final legislation." The EU needed to act because nearly two years after the exposure of Volkswagen's emissions cheating in the U.S., "we continue to hear of new allegations, revelations and investigations," Bienkowska said.

Chris Cardona, economy minister of Malta, which presently chairs the Council of the EU, said the reform of the vehicle surveillance system would improve health and air quality. Once the new system is in place, "emission irregularities that occurred in the past will not happen again," he said.

No date has yet been agreed for the start of talks between council and parliament negotiators to finalize the market surveillance regulation.

EU Panel Seeks Deeper Cuts For Non-Emissions Trading Sectors

Posted May 30, 2017, 12:49 P.M. ET

By [Stephen Gardner](#)

A panel of European Parliament lawmakers May 30 backed changes to proposed binding greenhouse gas emissions cuts through 2030 for parts of the European Union economy not covered by the bloc's emissions trading system (ETS).

The lawmakers backed a proposal for sectors such as construction, waste management, agriculture and transportation to cut their emissions by 30 percent by 2030 compared to 2005, but said the starting point for the linear reduction of emissions should move forward from 2021 to 2018, resulting in a significant emissions saving over the whole 2018 to 2030 period.

Gerben-Jan Gerbrandy, a Dutch liberal lawmaker who proposed the changes, said that by adjusting the starting point of the linear reduction, the EU would emit 300 million metric tons less carbon dioxide through 2030, with the highest levels of avoid emissions in the early 2020s.

Gerbrandy added that the savings would increase to 390 million tons by limiting the use of carbon credits from forestry and other carbon sinks to offset emissions. An overall 390 million-ton emissions reduction compared to the original proposal would be equal to the annual emissions of 80 coal-fired power plants, he said.

The changes were made to a draft regulation, published in July 2016 by the European Commission, that specifies the non-ETS emissions cuts to be achieved through 2030 by each EU country. The 30 percent emission cut from non-ETS sectors would contribute to an overall EU reduction of 40 percent by 2030 compared to 1990.

Hurdles Ahead

The European Parliament environment committee approved Gerbrandy's proposed changes in a 42-4 vote with 20 abstentions. The large number of abstentions was caused by the center-right European People's Party European Parliament group not agreeing internally on the details of the proposed legislation.

The environment committee's position on the draft regulation must be approved by the full European Parliament, and a final version of the regulation must then be negotiated with representatives of EU member countries.

Caroline Westblom, climate policy coordinator with campaign group the Climate Action Network Europe, told Bloomberg BNA May 30 that bringing forward the starting point for linear emissions reductions from non-ETS sectors was possible because most EU countries have overachieved against the emission reductions they are required to reach by 2020. The bloc has an overall reduction goal for 2020 of 20 percent compared to 1990.

If the start of the linear reduction is not brought forward, the EU would be "rewarding the ones that have not met their targets," Westblom said.

However, it is unclear if EU countries will accept the change when it comes to final negotiations on the draft regulation, she added. "Many countries do not like this," she said.

The governments of EU countries, which meet in the Council of the EU, have not yet adopted a position on the non-ETS cuts. EU environment ministers will meet June 19 and could approve their position then.

Only Place in America Where Coal Demand Has Risen Is Nebraska

Posted May 30, 2017, 9:21 A.M. ET

By [Tim Loh](#)

Looking for a rare bright spot in U.S. coal?

Consider Nebraska, the only state producing more electricity from the fossil fuel than it did a decade ago, according to a Bloomberg analysis of U.S. government data.

While America's slashed its coal-fired electricity generation by more than a third between 2006 and 2016—creating havoc for the coal sector, which once dominated the country's utility space—Nebraska raised its coal-fired power output by 6 percent, according to data from the U.S. Energy Information Administration.

Nebraska's better known for corn. But it's home, too, to some of America's newest coal-fired power plants. In 2009, the Omaha Public Power District opened the almost 700-megawatt Nebraska City Station Unit II coal-fired facility. In 2011, the 220-megawatt [Whelan Energy Center Unit 2](#) plant came online. Meanwhile, the Fort Calhoun nuclear power plant shut down for good last year.

"That will bump up our reliance on coal a little bit," said David Bracht, director of the Nebraska Energy Office, in a phone interview.

While Nebraska doesn't mine its own coal, it's located conveniently close to Wyoming, which is home to the Powder River Basin, America's largest and cheapest coal-producing region. Nebraska is also unique in that all of its utilities are publicly owned—a result of Great Depression-era legislation—which may have slowed its buildout of alternative energy sources, according to Bracht.

That said, Nebraska's love affair with coal may have peaked in 2013, when it generated more than 26,000 gigawatt-hours of electricity from coal, according to the EIA. In 2016, it only generated about 22,000 gigawatt-hours from the mineral. Meanwhile, the state's roughly doubled the electricity it's generating from wind.

"We have significant wind resources to be developed," Bracht said. "We expect that to be increased as well."

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EPA Appeals Deadlines for Toxic Air Pollution Reviews

Posted May 30, 2017, 03:34 P.M. ET

By [Andrew Childers](#)

The Environmental Protection Agency wants more time to evaluate 13 air pollution standards that are overdue for review and is appealing the deadlines set by a federal judge ([Blue Ridge Env'tl. Def. League v. Pruitt](#), D.C. Cir., No. 17-5124, 5/30/17).

The EPA faces a Dec. 31, 2018, deadline to complete the review for seven standards for hazardous air pollutants with the remainder to be completed by June 30, 2020. The Clean Air Act requires the

agency to periodically review its toxic air pollution standards to determine whether any residual risks remain that must be addressed, but the agency missed the deadlines for those evaluations, drawing lawsuits from environmental groups.

The deadlines set by the U.S. District Court for the District of Columbia in March did not allow the EPA enough time to complete the required reviews, the agency had said, citing inadequate staffing. The EPA is now appealing the case in which the deadlines were set to the U.S. Court of Appeals for the District of Columbia Circuit.

Exelon to Close Three Mile Island Nuclear Plant in 2019

Posted May 30, 2017, 10:00 A.M. ET

By [Jim Polson](#)

Exelon Corp.'s Three Mile Island atomic power plant, site of the worst U.S. commercial nuclear accident in 1979, will close in 2019 after losing money for five years.

The Pennsylvania plant, with one reactor still in operation, has lost revenue as power prices fell, Chicago-based Exelon said May 30 in a filing. For the third consecutive year, the plant failed to win generating capacity payments last week in an auction held by PJM Interconnection LLC, the largest U.S. power market. Meanwhile, the generator has failed to win government subsidies or market reforms to enhance its viability, Exelon said.

The announcement underscores challenges facing U.S. nuclear power generators from plants burning cheap natural gas and rising output of wind and solar power. At least five nuclear power plants have retired in the past five years including Fort Calhoun in Nebraska, which closed in October. Entergy Corp. in December announced plans to close its Palisades plant in Michigan.

Pennsylvania "has an opportunity to take a leadership role by implementing a policy solution to preserve its nuclear energy facilities," Exelon Chief Executive Officer Christopher Crane said in a statement. "We are committed to working with all stakeholders to secure Pennsylvania's energy future, and will do all we can to support the community, the employees and their families during this difficult period."

Three Mile Island, about 90 miles (145 kilometers) west of downtown Philadelphia, was at risk of early retirement after failing to win capacity payments in this year's auction, Exelon said on May 24. The plant will close on or about Sept. 30, 2019. With the sector reeling from lower power prices and flat demand, plants have become more dependent on capacity payments for revenue to cover their costs.

Exelon will record one-time costs of as much as \$110 million in the second quarter to retire the plant before its license expires in 2034, according to the filing. Charges of as much as \$25 million a year may be recorded in 2018 and 2019. Cash costs related to the closing may reach \$70 million, mostly for employee-related expenses. The plant employs about 675 people, the company said in a separate statement.

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Exxon Squares Off with Shareholders in Annual Climate Showdown

Posted May 30, 2017, 9:14 A.M. ET

By Joe Carroll

This week will be a public trial by fire for new Exxon Mobil Corp. CEO Darren Woods.

Presiding over his first annual meeting since predecessor Rex Tillerson left to become U.S. secretary of state, Woods will be tested May 31 on everything from climate change to his own paycheck. Analysts and investors will be watching to see if he proves as adept as his mentor in striking a welcoming tone with restive activists while gently disagreeing with just about everything they say.

So far, Woods has been a stabilizing presence.

“He represents a continuation of what Mr. Tillerson was doing and so far we’ve seen no strategic shift,” said Brian Youngberg, an analyst at Edward Jones & Co. in St. Louis with a “hold” rating on Exxon’s stock. That’s comforting “for long-term holders who own Exxon for the dividend and not much else.”

Woods faces a vote on a resolution requiring Exxon to provide a detailed analysis of whether the energy giant can prosper under strict greenhouse-gas limits. Backers of the measure, which are as diverse as the California Public Employees’ Retirement System and the Church of England’s investment fund, are striving to improve upon the 38 percent support a similar proposal received from shareholders last year. Exxon opposes the resolution because it says it already discloses enough data.

For Exxon, the shareholder-centered event it stages every May in a Dallas symphony hall has become a donnybrook over the environment and corporate governance. Activist groups have shifted in recent years from rowdy bullhorn protests on the sidewalks outside to delivering measured shareholder appeals inside the meeting hall arguing for more prudent financial stewardship.

Woods, an electrical engineer by training who’s spent his entire career at Exxon, will be confronted by investors demanding that Exxon cut new spending on oil fields and hand the cash over to shareholders in dividends instead. And less than five months after his promotion to the jobs of chairman and chief executive officer, Woods and the board he leads will face rising opposition to his \$16.8 million pay package and the way it was calculated.

Activist shareholders are hitting Exxon, which produces about 2 percent of the world’s crude oil, with a version of the climate change accounting proposal for a second straight year. Despite the company’s steadfast opposition, the measure attracted more investor support than any of the four other environmental proposals put to a vote last year. This year there are almost 90 Exxon investors planning to support the measure, according to data compiled by investor advocacy group Ceres.

“Exxon’s business is extremely vulnerable to changes in climate regulation and consumer demand,” said New York State Comptroller Thomas P. DiNapoli, a lead sponsor of the climate impact resolution. The company “puts itself and its long-term investors at risk by failing to acknowledge this reality.”

Disclosures Sufficient

Exxon says its current disclosures, which include forecasts of how caps on carbon emissions will affect long-term petroleum demand, are sufficient.

Even with the strictest scenarios envisioned under the 2015 Paris Agreement, global population growth and economic expansion will need vast quantities of oil and natural gas to fuel power plants, vehicles and industrial society, Exxon said in a May 19 letter to shareholders. The Paris accord calls on nations to prevent worldwide temperatures from rising more than 2 degrees Celsius (3.6 Fahrenheit) from pre-industrial levels by slashing fossil-fuel pollution.

“The world will continue to require significant quantities of hydrocarbons for which Exxon Mobil is well-situated to compete,” according to the letter. “Substantial upstream oil and gas investment will be required through 2040, even assuming a 2-degree Celsius scenario.”

Thus far, this annual-meeting season has been bruising for oil producers seeking to beat back activists on the climate and compensation fronts.

Occidental Surprise

A majority of investors in Occidental Petroleum Corp. broke with company leaders and approved a climate impact proposal on May 12 that was almost-identical to the Exxon resolution. Calpers, representing California state retirees, and other backers persuaded fellow investors to validate the resolution by a 58 percent margin, compared to a 40 percent “yes” vote in 2016.

Such shareholder votes are advisory, and aren’t binding on the company.

In a significant change, the proposal was supported by Occidental’s largest shareholder, BlackRock Inc. The \$5.4 trillion asset manager voted in favor of a climate-change resolution for the first time ever after Occidental exhibited a “lack of response” on the issue after last year’s vote, BlackRock said in a [statement](#) on its website.

Occidental’s result was historic because it was the first time a proposal of this type succeeded despite company opposition, according to Gregory Elders, a Bloomberg Intelligence analyst.

BlackRock hasn’t yet made a decision on its Exxon vote, Zach Oleksiuk, head of Americas for BlackRock Investment Stewardship, said in an email May 25. Vanguard Group is considering voting for the proposal, Glenn Booraem, the firm’s investment stewardship officer, said in an email May 25.

Executive Pay

At ConocoPhillips, the world’s largest independent crude explorer, a majority of shareholders rejected CEO Ryan Lance’s pay package, even after his total 2016 compensation was cut almost 10 percent to \$19.2 million. It was the first time Conoco investors said ‘no’ on executive pay.

Sixty-eight percent of shareholders participating in the Houston-based company’s annual meeting either abstained or voted against the executive pay resolution.

Exxon holders have been urged to follow the lead of Conoco investors and turn thumbs down on executive pay. Proxy adviser Institutional Shareholder Services Inc. cited a mismatch between pay and performance as reasons to vote against the package. Exxon’s long-standing compensation system has remained unchanged even as “investors’ expectations around executive compensation” have evolved, ISS wrote in a May 18 report to clients.

“Our compensation program ensures that executives focus on the long-term performance of the

business and is aligned with shareholder interests,” Scott Silvestri, an Exxon spokesman, said in a May 19 email. “Exxon continues to demonstrate strong business performance relative to industry peers.”

—With assistance from Emily Chasan, Anders Melin and Alex Nussbaum.

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Daimler Said to Seek U.S. Lawyers for Executives in Diesel Probe

Posted May 30, 2017, 9:46 A.M. ET

By [Tom Schoenberg](#) and [Elisabeth Behrmann](#)

Daimler AG is conducting a search for U.S. criminal defense lawyers to represent company executives who may be swept up in the Justice Department’s investigation of possible diesel-emissions cheating, according to people familiar with the matter.

The outreach suggests that prosecutors have identified people at the company they plan to interview as they examine whether the Stuttgart, Germany-based automaker installed devices in its Mercedes-Benz diesel models in an attempt to evade U.S. environmental laws, said two people, who spoke on the condition of anonymity. It’s unclear whether the executives seeking counsel are based in the U.S. or Germany.

The developments at Daimler are part of a widening diesel-cheating scandal that has shaken the auto industry and cost Volkswagen AG more than \$24 billion in government penalties and owner restitution. Last week, truck owners filed a lawsuit against General Motors Co. and the Justice Department sued Fiat Chrysler Automobiles NV over similar allegations. Also last week, police and prosecutors in Germany raided nearly a dozen Daimler facilities as part of an emissions-rigging investigation that began in March.

Daimler spokeswoman Ute Wuest von Vellberg in Stuttgart, Germany, said the company wouldn’t comment on a pending investigation. Justice Department spokesman Wyn Hornbuckle declined to comment.

VW Admission

U.S. regulators have put greater scrutiny on diesel models after Volkswagen admitted in 2015 to using software that turned on emissions controls to pass tests but then turned them off during driving. The Clean Air Act requires carmakers to obtain certification from the EPA that a vehicle meets federal emission standards before selling it. Those applications require that automakers list all emission controls on the vehicle and guarantee that they don’t contain any so-called defeat devices, which are prohibited.

Daimler hinted in a filing last month that the U.S. investigation might be gaining traction. “It is possible that further civil and criminal investigative and enforcement actions and measures relating to Daimler and/or its employees will be taken,” Daimler said in the filing, in which it noted that subpoenas and other information requests could be forthcoming.

In another sign of an intensifying U.S. criminal investigation of Daimler, the Justice Department last month sought to intervene in a private lawsuit in New Jersey that alleges fraud involving Daimler’s BlueTEC diesel technology. Prosecutors sometimes ask judges to hit the pause button in a civil

matter if it might interfere with a criminal investigation.

Daimler Probes

Daimler disclosed in April 2016 that federal and state authorities in Europe and the U.S., including the Justice Department, the Environmental Protection Agency, the California Air Resources Board and the Securities and Exchange Commission, were investigating test results and emissions-control systems used in Mercedes-Benz diesel models.

The company hired investigators from Deloitte Touche Tohmatsu to help gather documents and emails on its diesel-engine emissions after the Justice Department asked it to conduct an internal investigation.

Daimler's Mercedes-Benz unit this month gave up an attempt to get U.S. approval for some 2017 diesel models. It cited an arduous certification process and said there wasn't enough demand for the vehicles to justify the certification effort.

In addition to the carmakers, Germany's Robert Bosch GmbH, which supplied software for Daimler's diesel engines, is also under investigation by the Justice Department for its role in the emissions rigging scandal, people familiar with the matter have said. Bosch, which has said it's cooperating with authorities, supplies Volkswagen and Fiat Chrysler, among other carmakers. The truck owners who sued General Motors last week over its emissions claims also named Bosch.

—With assistance from Karin Matussek.

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World Carbon Price Seen Needing to Increase Sevenfold by 2020

Posted May 30, 2017, 8:51 A.M. ET

By [Mathew Carr](#)

Carbon prices need to jump sevenfold by 2020 from current rates in the world's biggest market to meet climate goals cost-effectively, according to a commission of economists and scientists.

A price of about \$40 a ton along with adoption of other policies that encourage emission cuts would achieve targets in the 2015 climate deal agreed in Paris, according to a report published May 29 by a commission of economists and scientists. Under the Paris agreement, almost 200 countries will try to limit the global temperature increase to "well below" 2 degrees Celsius (3.6 Fahrenheit) above pre industrial levels.

Costs from the higher carbon prices would not hurt ordinary consumers much, said Joseph Stiglitz from Columbia University, who led the High-Level Commission on Carbon Prices with fellow economist Nicholas Stern.

"Businesses are already using prices in the range that we're talking about," Stiglitz said on a call with reporters.

New carbon prices in seven jurisdictions including China and South Africa will take the portion of global emissions covered to more than 20 percent in 2017, the World Bank [said last week](#) in a

separate report. In Europe, which has the world's biggest greenhouse-gas market, lawmakers are meeting May 30 to deal with an accumulated glut that's driven down prices by more than four-fifths in the past decade.

The commission concluded that a \$40 to \$80 a ton range in 2020, rising to \$50 to \$100 a ton by 2030, would be consistent with the Paris target.

EU carbon settled Friday at 5.19 euros (\$5.80) a ton on ICE Futures Europe in London.

From the report:

"Carbon pricing makes sense in all countries, but low-income countries, which may be more challenged to protect the people vulnerable to the initial economic impacts, may decide to start pricing carbon at a lower level and gradually increase over time": commission member Harald Winkler of the University of Cape Town, South Africa

Commission analyzed national emissions and development pathways, technological road maps and global economic models to reach its conclusions

Eliminating fossil-fuel subsidies would mean lower carbon prices are needed

"A well-designed carbon price is an indispensable part of a strategy for efficiently reducing greenhouse gas emissions while also fostering growth."

Report was put together starting last year by [The Carbon Pricing Leadership Coalition](#), a voluntary partnership of national and sub-national governments, businesses, and civil society organizations that agree to advance carbon pricing through the global economy. It's housed in the Washington-based World Bank Group.

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Brazil Green Bond Sales Seen Reaching Record \$5 Billion in 2017

Posted May 30, 2017, 8:49 A.M. ET

By [Vanessa Dezem](#) and [Gerson Freitas Jr.](#)

Brazil is set to sell a record \$5 billion of green bonds this year, even as the country's markets reel from growing political turmoil, according to the Climate Bonds Initiative.

The sales will raise funds mainly for sustainable agriculture and infrastructure projects, said Sean Kidney, chief executive officer of the Climate Bonds Initiative, a U.K.-based organization that seeks to mobilize capital market toward financing low-carbon solutions.

"We have talked to pension and investments funds and they're interested in green bonds," Kidney said in an interview in Sao Paulo. "There's a lot of distractions in Brazil, such as corruption and political problems, but the country will soon have its momentum."

Brazilian sustainable projects have raised \$1.76 billion through green bonds so far this year, led by a \$1 billion sale of seven-year debt by the country's development bank. Globally, the green-bond market is expected to almost double this year, reaching \$150 billion, according to estimates from the

Climate Bonds Initiative.

Brazilian stocks, bonds and currency slumped this month after Prosecutor General Rodrigo Janot said President Michel Temer helped obstruct the ongoing Carwash corruption probe.

“There’s not enough capital in Brazil now to reach its transition to a green economy, and green bonds are an opportunity to attract money for it,” Kidney said.

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Russia Starts Largest Renewable Energy Auction in Bid for Jobs

Posted May 30, 2017, 8:24 A.M. ET

By [Anna Hirtenstein](#) and [Stephen Bierman](#)

Russia is pressing ahead with its biggest-ever auction for renewable energy, seeking to award contracts to purchase 1.9 gigawatts of clean electricity as well as attracting foreign investment to support jobs at home.

The government tender, which started May 29, has attracted the interest of Fortum Oyj, Finland’s largest energy company, which is prequalified to participate in the auction. Enel SpA of Italy may also participate.

“Russia has had a long history of leadership in the energy sector and now has the opportunity to extend that leadership into renewable energy,” said Adnan Amin, director-general of the International Renewable Energy Agency. Developing the country’s renewable resources, he said, “can significantly contribute to the country’s economic objectives such as economic growth and employment.”

The Russian government enacted strict local-content rules in 2012 and 2014 in a bid to stimulate job creation. Clean energy plants aren’t allowed to be installed unless a certain percent of the equipment is made locally, and that portion rises every year. Since no company makes wind turbines in Russia, this has hampered the industry. In 2017, the portion is fixed at 40 percent.

The auction is from May 29 to June 9, in two stages, according to Victoria Cuming, head of policy analysis in Europe, the Middle East and Africa at Bloomberg New Energy Finance. Participants will begin to submit their bids on Monday, with the decision from the government expected for a later date.

“You bid to build a project of a certain capacity in a given year,” said Cuming. “This year it’s for 2018 to 2021. It takes time to build manufacturing capacity so even with a 2021 project, you’d be hoping that someone makes a move into Russia very soon.”

State-owned nuclear company Rosatom Corp. recently said it will retool existing factories to make turbines, marking a turning point for the industry. It sought to establish partnerships with some of the leading European manufacturers. Siemens AG, General Electric Co. and Vestas Wind Systems A/S have also shown interest, according to Rosatom. It made an agreement in February with Lagerwey Wind BV, a smaller [Dutch manufacturer](#). Vestas declined to comment. Siemens and GE did not reply to requests for comment.

Oil Producers

Other oil-producing nations such as Saudi Arabia and the United Arab Emirates are also making moves into renewable energy. Both countries burn vast amounts of their oil and natural gas domestically for power generation, with Saudi Arabia consuming about 1 million barrels a day to keep its lights and air conditioners on.

Russia's environment is more conducive to wind and hydro than solar, although some small-scale projects are being built in rural areas. Its appeal as a renewable energy market lies in the electricity prices it might pay, according to Fortum. It has previously signed a power purchase agreement with a fixed price significantly higher than in other markets, according to Fortum's Chief Financial Officer Markus Rauramo.

The Finnish energy company is building a 35-megawatt wind project in Ulyanovsk, east of Moscow. It received the right to build the project in 2015, when the local content rules were less stringent. It's using Chinese-made turbines from Dongfang Electric Corp.

"For our project in Ulyanovsk, the price was very considerable," Rauramo said. "It depends on what the ruble-euro exchange rate it is, but it was more than 150 euros per megawatt hour."

That's about 70 percent higher than the comparable average cost of onshore wind across Europe, data from Bloomberg New Energy Finance showed.

Fortum recently entered into a joint venture with Rusnano OAO, a state-owned Russian investment firm. The Finnish company said its long-term plan is to build approximately 500 megawatts of wind in the country. Fortum is in talks with European turbine makers on how to "match the local content requirements," Rauramo said.

Rosatom has applied to build 610 megawatts by the end of 2020.

—With assistance from Brian Parkin.

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Modi Signals India Will Hold to Paris Climate Deal If U.S. Quits

Posted May 30, 2017, 9:18 A.M. ET

By Arne Delfs

Indian Prime Minister Narendra Modi signaled that he'll stick to agreements made under the Paris climate accord even if the U.S. pulls out.

Asked in Berlin May 30 what he'll do if the U.S. decides to abandon the Paris Agreement, Modi stressed the importance of the fight against global warming, including Indian efforts to build out solar power. Politicians have "absolutely no right" to put in jeopardy the environment for future generations, he said.

"It becomes a morally criminal act on our part," he told reporters alongside German Chancellor Angela Merkel. "We have to accept this philosophy. And unless we do that, we won't be able to understand the climate issue."

—With assistance from Patrick Donahue.

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Daily Environment Report for EPA

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Energy
Sent: Thur 6/15/2017 2:04:57 PM
Subject: POLITICO's Morning Energy: Judge hands tribes major Dakota Access victory — Pruitt returns to Hill today — Uphill challenge seen for E15 bill

By Anthony Adragna | 06/15/2017 10:00 AM EDT

With help from Esther Whieldon, Darius Dixon, Eric Wolff and Alex Guillén

THIRD TIME'S THE CHARM! Opponents of the Dakota Access pipeline received a major legal victory late Wednesday as a federal judge ruled the government's environmental review of the project was inadequate and that the U.S. Army Corps of Engineers must redo its analysis under the National Environmental Policy Act. In his 91-page ruling, U.S. District Court Judge James Boasberg said the government "did not adequately consider the impacts of an oil spill on fishing rights, hunting rights, or environmental justice, or the degree to which the pipeline's effects are likely to be highly controversial."

But he stopped short of immediately ceasing the pipeline's operation, calling that a "separate question" subject to additional briefing to be discussed at a status conference next week. Tribal opponents of the pipeline, which began operating this month, had failed twice before in legal challenges seeking to block its completion. But they hailed Wednesday's decision: "We applaud the courts for protecting our laws and regulations from undue political influence, and will ask the Court to shut down pipeline operations immediately," Standing Rock Sioux Chairman Dave Archambault II said in a statement.

In a statement, the Grow America's Infrastructure Now coalition said the outstanding claims in the case "do nothing to impact the ongoing operation of the pipeline" and expressed confidence the Corps would allay the judge's concerns. "While we have little doubt that the Corps will ultimately be successful in satisfying the Court's concerns, tonight's decision continues the public saga of the project and jeopardizes ongoing infrastructure investment," Craig Stevens, a spokesman for the group, said.

PRUITT RETURNS TO THE HILL: Capitol Hill is still reeling after Wednesday's shocking shooting of House Majority Whip Steve Scalise and four others at a congressional baseball practice, but House appropriators plan to move forward as scheduled and hear testimony from EPA Administrator Scott Pruitt on President Donald Trump's fiscal 2018 budget request for the agency. That request sought a 31 percent cut for the agency, from \$8.2 billion to \$5.6 billion, though even fellow GOP lawmakers have bristled at such steep proposals. Look for lawmakers from both parties to press Pruitt - offering his first congressional testimony since being confirmed - on cuts to their pet programs but for Democrats to also press him on ongoing efforts to roll back a number of Obama-era regulations.

One key issue to watch: Whether Pruitt gives a full-throated defense of the budget that not only slashes climate change spending but does not spare his favored programs - including Superfund and brownfields. If he does, he's chaining himself to Trump's proposal and signaling even his own priorities are at risk. If not, he may double-cross the boss. On the other hand, Pruitt is

talented at sidestepping thorny issues and returning to his comfort zone, a high-wire act he could pull off once more.

Ahead of his appearance, Pruitt's critics will hold a "resistance rally" outside the Independence Avenue entrance to Rayburn at 10 a.m. Participating groups include Hip Hop Caucus, Green for All, Sierra Club, Environment America, Moms Clean Air Force, WE ACT for Environmental Justice, Sojourners, Green Latinos, Climate Action Campaign, the Union of Concerned Scientists and Franciscan Action Network, among others.

WELCOME TO THURSDAY! I'm your host Anthony Adragna, and NRDC's Edwin Chen was first to name President Gerald Ford as the last sitting chief executive to testify before Congress. For today (and in honor of the awesome [Congressional Baseball Game](#)): What congressman hit the first known grand slam during the game back in 1957? Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](#), [@Morning_Energy](#), and [@POLITICOPro](#).

ARIZONA REGULATOR JOINS EPA: Henry Darwin, Arizona's former environmental chief, has been named EPA's assistant deputy administrator, where he will help manage day-to-day operations. He's been the state's chief operating officer since 2015 but before that served five years as director of the Arizona Department of Environmental Quality, [Pro's Alex Guillén reports](#). Darwin "will deploy the same Lean Management System that he successfully deployed" in Arizona, EPA spokesperson Liz Bowman said. "He will focus the Agency on providing value to taxpayers by helping us measure performance, improve our processes and solve the issues that matter to Americans."

In 2014, Darwin [testified](#) before Congress that he did not believe EPA had the legal authority to regulate carbon emissions as it did with the Clean Power Plan. Darwin's position at EPA does not require Senate confirmation.

NUCLEAR ENERGY CREDIT BILL GETS A VOTE: The House Ways and Means Committee is set to vote today on legislation extending the nuclear energy production tax credit program that Southern Co. and SCANA need to [keep their nuclear projects](#) on sound financial footing. The credits - worth billions of dollars to the companies - currently require new reactors be in service by the end of 2020 to qualify, a timeline made just about impossible given the bankruptcy of contractor Westinghouse. The bill would open the credits to projects that power up after 2020. The markup is scheduled for 10 a.m. in Longworth 1100.

YUCCA, OZONE, BROWNFIELDS BILLS ON THE MOVE: House Energy and Commerce Environment Subcommittee members are expected today to advance their first three major environmental measures of this Congress. Chairman [John Shimkus](#) gets a vote on his [draft bill](#) rewriting the nation's nuclear waste policy. The measure contains language on interim storage sites, but seeks to advance Shimkus' long-held priority of completing Yucca's licensing process. Also on the docket is the [Ozone Standards Implementation Act](#) (H.R. 806), which would delay implementation of the 2015 ozone standard through 2025 and stretch the regular air quality standard review period from five years to 10. And the panel will consider [a draft bill](#) reauthorizing and tweaking the brownfields program to raise the cap on federal grant amounts

for individual sites. Similar versions of all three bills have been considered in prior Congresses, though none have come close to passage. The markup kicks off at 10 a.m. in Rayburn 2123.

NRC CHAIRWOMAN GETS PANEL VOTE: Moving quickly just two days after her confirmation hearing, NRC Chairwoman Kristine Svinicki gets a vote this morning at 10 a.m. at Senate EPW. Time is of the essence because her term expires June 30, and Svinicki would have to step down, at least temporarily, if the Senate fails to confirm her by then. Her biggest hurdle may be securing time on the Senate's floor schedule, with ranking member Tom Carper telling reporters after the hearing Tuesday that she'd have little trouble clearing the Senate.

LONG WAY TO GO FOR E15: Sen. Deb Fischer got her promised hearing Wednesday on a bill to promote sales of 15 percent ethanol gasoline, but she's going to need a lot of help to get the legislation out of the Senate Environment and Public Works Committee. Five cosponsors of the bill, S. 517, sit on the panel, but no other EPW members have declared their support, leaving it six votes short of a committee majority.

As Pro's Eric Wolff reports, Chairman John Barrasso, top Democrat Tom Carper, and Republican former chairman Jim Inhofe all opposed the bill or would require significant changes to win their support. GOP Sens. John Boozman and Richard Shelby told ME they oppose the E15 bill, and Republicans Roger Wicker and Shelley Moore Capito have sponsored anti-ethanol legislation in the past. The last Republican on the committee, Alaska Sen. Dan Sullivan, appears to have no public position on the RFS. Among EPW Democrats, Illinois Sen. Tammy Duckworth is the bill's only cosponsor. ME caught up with Sen. Ed Markey, who said he hadn't made up his mind, and Sen. Cory Booker told Eric he has "negotiations underway."

Markup? Two ethanol sources who have had conversations with Senate staff said they expect a committee vote on Fischer's bill in July, but everyone agreed that the timing was in flux.

X MARKS THE MOX: Top lawmakers on the Senate energy appropriations panel seem more prepared than ever to defund the controversial MOX nuclear project after years of holding back their frustrations. The Obama administration spent years urging Congress to put the project, which was designed to dilute weapons-grade plutonium into reactor fuel, into cold standby before it eventually called for killing MOX outright in favor of a "dilute and dispose" program last year. Interestingly, Trump's budget last month agreed. "I think the fact that successive administrations have come to the same conclusion is very important," Sen. Lamar Alexander, the energy spending chief, said of MOX at a hearing Wednesday afternoon, after noting that a special "red team" said the dilution effort would be faster and cheaper. "I think we have a formula," said Sen. Dianne Feinstein, the top Democrat on the energy spending panel. Last year, Alexander, faced with opposition from South Carolina Sen. Lindsey Graham, extended MOX's life so other committees could discuss it.

WAITING FOR REG REFORM: Sen. Rob Portman told ME the regulatory overhaul he and Sen. Heidi Heitkamp sponsored will get to the floor, "Soon now, I hope!" The bill advanced out of committee last month, but Heitkamp was the only Democratic backer. Sen. Claire McCaskill, a centrist Democrat whose support Portman and Heitkamp probably need, promised her own bill that day with the hopes she'd have it out by Memorial Day. Wednesday she told ME she said

reviewed a draft last week, but that it still needed work. She hopes she'll release it before the July 4 break.

Appreciate the scene: Portman gave his answer to ME while sitting on a Senate subway after a gaggle of reporters bombarded him with questions on the upper chamber's secretive healthcare bill. He called out his response on reg reform, a topic he would much rather discuss, as the train pulled away from the platform, almost as if the moment had been shot for a movie. ME would like to be played by Chris Pratt, thanks for asking.

ANOTHER KEYSTONE MEETING SCHEDULED: The Nebraska Public Service Commission has added a third public meeting on TransCanada's application for the controversial Keystone XL pipeline route through the state on June 28, Pro's Ben Lefebvre [reports](#). Comments during the meeting at the Divots Conference Center in Norfolk will be on a first-come, first-served basis. The commission expects to make a final decision before the end of the year.

PAST EPA CHIEFS PAN TRUMP: Former EPA administrators Carol Browner and Gina McCarthy got off a few jabs at President Trump during appearances at Wednesday night's League of Conservation Voters dinner. McCarthy said Trump's solar wall idea makes him "the definition of 'desperado,'" adding: "It's an interesting tactic, trying to pass a terrible idea by linking it with a good one. What's next? A wind-powered oil derrick?" Browner, meanwhile, joked that Trump's "covfefe" tweet "sounds like something EPA would regulate."

MAINE MONUMENT STILL IN SPOTLIGHT: Interior Secretary Ryan Zinke swings through Maine for a second day and again will focus on the controversial Katahdin Woods and Waters National Monument. Zinke today meets with tribal leaders, Gov. Paul LePage and other local elected and business representatives of varying opinions about the monument, according to the agency.

GRIJALVA QUESTIONS METHANE PULLBACK: House Natural Resources Ranking Member Raul Grijalva sent a [letter](#) to Zinke Wednesday questioning whether Interior violated the Administrative Procedures Act by [suspending](#) key parts of the methane waste rule. "Extending those compliance dates without another notice-and-comment period, and with only a cursory rationalization that is in large part based on written requests from oil and gas industry groups, is arbitrary and capricious," he wrote.

RECORDS SOUGHT OVER DOE GRID STUDY: The Center for Biological Diversity filed a FOIA [request](#) Wednesday seeking records of DOE communications with energy companies and other outside entities related to its ongoing electric grid reliability study. "We hope our request will shed light on the administration's communications with the dirty companies that would benefit most from hampering wind and solar," Howard Crystal, a senior attorney with the group, said in a statement.

PRO-WIND GROUP LAUNCHES CAMPAIGN IN D.C.: American Wind Action launched a multimillion-dollar digital, TV and radio advertising issue advocacy campaign Wednesday in Washington that [features](#) workers at an Iowa wind turbine manufacturing facility who say the industry "powers American jobs."

REPORT: CLEAN ENERGY MOMENTUM CONTINUES: A report released Wednesday by Deloitte finds renewable energy sources are competitive with conventional energy and 63 percent of residential consumers said they're very concerned about climate change and their carbon footprints. "Green energy no longer solely means environmental concerns, 'green energy' also means the dollars that can be saved by investing in wind, solar and other clean energy sources," Deloitte's Marlene Motyka said in a statement.

CLIMATE CAUCUS GROWS AGAIN: There are now 42 members of the bipartisan Climate Solutions Caucus with the addition of four more lawmakers: Reps. Jimmy Panetta (D-Calif.), Scott Taylor (R-Va.) and Barbara Comstock (R-Va.), as well as Del. Stacey Plaskett (D-V.I.).

MOVER, SHAKER: James Schindler, a member of the Trump administration's Interior beachhead team and prior legislative aide to former Sen. David Vitter, took an official job as special assistant in the Bureau of Ocean Energy Management effective May 28, according to a Public Financial Disclosure Report obtained by ME.

YOU'RE HIRED: Akin Gump has signed four new clients, including Gulfport Energy Corporation and Otis Eastern Service (h/t POLITICO Influence).

QUICK HITS

- Scott Pruitt used two government email addresses in his last job. He told Congress he used one. Washington Post.
- Even China-Backed Development Bank Won't Touch Coal Projects. Foreign Policy.
- Iowa regulator recuses himself from Dakota Access Pipeline case. Des Moines Register.
- Oil Tumbles to Lowest Since November as Gasoline Supplies Surge. Bloomberg.
- Morgan Stanley CEO says Saudi Arabia could be 'major opportunity'. Reuters.

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