

**To:** Jackson, Ryan[jackson.ryan@epa.gov]  
**From:** Morning Energy  
**Sent:** Wed 6/28/2017 2:07:48 PM  
**Subject:** POLITICO's Morning Energy, presented by Exelon: Tribes gather at White House — House looks at DOE budget — Yucca and more on the move at E&C

By Ben Lefebvre | 06/28/2017 10:00 AM EDT

*With help from Nick Juliano, Alex Guillen and Eric Wolff*

**TRIBAL ENERGY FRONT AND CENTER:** The White House is inviting state officials and Native American tribal leaders to discuss local energy issues with Trump administration officials in today's chapter of Energy Week. ME expects part of the topic du jour will be promoting energy development on tribal land, something Interior Secretary Ryan Zinke has floated in budget hearing talks and actually worked on during his time in Congress.

At least one of the attendees - Navajo Nation Speaker Lorenzo Bates - could bring up a topic close to Trump's heart. The tribe is working to save a coal-fired power plant and associated mine that employ hundreds of its members. The Navajo Nation voted Tuesday to extend a lease for two more years on the 2.25-gigawatt Navajo Generating Station, one of the largest coal-fired plants in the country. The Navajo lease the station from Arizona utility Salt River Project, and Interior owns about a quarter of the plant.

Despite the lease renewal meaning the plant will continue burning coal through 2019, its long-term future is still in doubt. The plant's coal-fired electricity is too expensive compared to gas, no one wants to buy the site to update it, and it will need more than \$100 million in maintenance done by the end of this decade. We'll see what comes out of today's meeting.

**Guest list:** Expected attendees include three Republican governors - Iowa's Kim Reynolds, Nebraska's Pete Ricketts, Maine's Paul LePage - and Alaska Gov. Bill Walker, an independent, among other state officials. Other tribes anticipated to send a representative include the Crow Nation Reservation in Montana, Chickasaw Nation in Oklahoma and Sault Ste. Marie Tribe of Chippewa in Michigan, among others.

**Otherwise, we're halfway done with Energy Week.** Things seem to be par for the course so far with the White House's theme-weeks. DOE Secretary Rick Perry tried bravely to keep on topic during a White House briefing while TV screens flashed the latest news on the Senate bill, which seems headed to the ER, POLITICO's Andrew Restuccia reports. "Perry's remarks made for a bizarre split-screen moment, underscoring the disconnect between the policy themes selected by the White House - this week's focus is energy - and the news cycle, which this week has been dominated by the health care bill," Andrew writes.

**Welcome to Morning Energy!** I'm your host Ben Lefebvre, filling in for Anthony Adragna. Anthony will be back tomorrow, newly married and relatively safe from a life of sin. Send your tips, confetti and uneaten wedding cake to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@bjlefebvre](https://twitter.com/bjlefebvre), [@aadragna](https://twitter.com/aadragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

**FIRST UP ON THE CHOPPING BLOCK:** House Republicans are willing to go along with at least some of Trump's proposals to eliminate Energy Department programs designed to foster new clean energy technologies. And their energy and water spending bill begins its journey through the legislative process today with a House Appropriations subcommittee markup. The bill appropriators released Monday would eliminate the Advanced Research Projects Agency-Energy, prevent DOE from issuing new clean energy loan guarantees and cut nearly \$1 billion from the Energy Efficiency and Renewable Energy Office, effectively halving its budget, Pro's Nick Juliano [reports](#). What's not having such a hard time is the DOE's Office of Fossil Energy, which will get a mere \$33 million trim for a total budget of about \$635 million. Nuclear programs would see \$969 million, a \$48 million reduction.

**If you go:** The [fun](#) starts at 11 a.m. at Rayburn 2362-B.

**More approps fun:** Over on the other side of Capitol Hill, the Senate Appropriations energy and water subcommittee will hear from representatives of the Army Corps of Engineers and Bureau of Reclamation about their budget request. That hearing starts at 2:30 p.m. in Dirksen 138.

**\*\* A message from Exelon:** Innovation always begins with the spirit of discovery-the search for new ideas and answers to our biggest questions. As America's largest clean energy provider, what happens when 34,000 Exelon engineers, analysts, and innovators put their heads together to tackle the energy industry's biggest challenges? Find out here: <http://bit.ly/2szvZN4> \*\*

**OZONE, YUCCA, BROWNFIELDS AND MORE!:** The Energy and Commerce Committee meets this morning to vote on eight bills, including nuclear waste legislation aimed at advancing Yucca Mountain, a reauthorization of EPA's brownfields program and a bill to delay tighter ozone standards. The markup also will include bills that would ease hydropower permitting, make it easier to build energy infrastructure across the border and promote new natural gas pipelines.

**If you go:** The markup begins at 10 a.m. in 2123 Rayburn. A full agenda is [here](#).

**DOJ ENVIRO NOMINEE IN HOT SEAT:** Jeffrey Bossert Clark, the president's pick to run the Justice Department's Environment and Natural Resources Division, is scheduled to testify at a Senate Judiciary Committee hearing today, alongside several other nominees. [Nominated](#) earlier this month, Pros will recall that Clark has been an attorney at Kirkland & Ellis for years, and previously served as ENRD's deputy under George W. Bush. Clark is also connected to the Clean Power Plan lawsuits, where he represented a consumer group that filed a "friend of the court" brief urging the court to strike down the rule. That could require him to recuse himself from litigation over the rule. The Judiciary Committee hearing starts at 9:30 a.m. in Dirksen 226.

**NOMINATIONS ON HOLD AT EPW:** The Environment and Public Works Committee has postponed a vote that had been planned for this morning on Nuclear Regulatory Commission nominees Annie Caputo and David Wright and Susan Parker Bodine, who has been nominated as assistant administrator of the EPA's office of enforcement and compliance assurance. The committee has not said when it will reschedule the business meeting.

**GROUP SUES FOR ICAHN, PRUITT DOCS:** American Oversight, a liberal-leaning policy group said it is suing the EPA to turn over emails between Administrator Scott Pruitt and billionaire Carl Icahn, or representatives of the refinery he owns, Pro's Eric Wolff [reports](#). The group says in its [complaint](#) that it has submitted two requests under the Freedom of Information Act, but it has not yet received any materials. The group wants Pruitt's calendars, phone logs and emails to examine whether he was in communication with Icahn or other officials. As Icahn runs CVR Energy, that could put him in conflict of interest depending on what comes up in Pruitt's records.

**EPA STAFF FOUND IN MEMO:** An internal EPA [memo](#) sent Tuesday listing political appointees at the agency includes at least eight previously unknown names, Pro's Alex Guillen reports. It also reveals one possible departure: Missing from the list is J.P. Freire, formerly the associate administrator for public affairs. That spot is filled in an acting capacity by Liz Bowman, formerly Freire's deputy, according to the memo. Neither Freire nor EPA immediately responded to questions about his apparent departure. Of the eight new names, the highest-ranking is Erik Baptist, the senior deputy general counsel. Baptist was an attorney with the American Petroleum Institute since 2011. Before that, he was an attorney for FERC for two years and an associate at the law firm McDermott Will & Emery, according to his LinkedIn profile.

**MARK YOUR CALENDARS:** The 10th Circuit has scheduled oral arguments over Interior's Obama-era fracking rule for July 27 in Denver. The appeal deals solely with whether Interior has the authority to regulate fracking on federal lands. A lower court judge previously struck down Interior's fracking rule as unconstitutional, saying it was a power delegated explicitly to the states. The Trump administration tried (apparently unsuccessfully) to pause the case while it rethinks and presumably repeals the rule. It's not clear what DOJ lawyers will do on July 27, but environmental groups have signed up to defend the rule at least. A loss for the Trump administration here could eventually lead to some type of federal control over fracking on public lands.

**ZINKE A COLD ONE IN MONTANA:** It turns out Zinke didn't have any big announcements for the Western Governors' Association annual meeting Tuesday in Montana, but an Interior source assures ME something is coming later this week. Zinke may have been upstaged by beverage makers, however. The official WGA account dedicated six Tweets to Zinke's presentation, compared to a whopping 14 Tweets dedicated to a round table on craft brewers that followed him.

**YOU WOULDN'T LIKE HIM WHEN HE'S ANGRY:** Newly elected Montana Rep. [Greg Gianforte](#) will join the House Natural Resources Committee, Chairman Rob Bishop announced Monday. He will sit on its subcommittees on federal lands and water, power and oceans. Gianforte won Zinke's old seat earlier this year, after he infamously assaulted a reporter just before the special election.

**DEMS DEMAND DOE FIRING:** Sens. [Mazie Hirono](#) and [Maria Cantwell](#) are calling on DOE to fire a Trump appointee over racially insensitive remarks on social media. William Bradford, who was recently appointed to lead the DOE's Office of Indian Energy, referred to President

Obama a "Kenyan creampuff," and called the internment of Japanese-Americans during World War II "necessary" in Twitter posts he has since deleted, according to press reports. In a [letter](#) to Perry the senators call it "disturbing" how someone with Bradford's history of offensive comments got through the administration's vetting process and ask DOE to explain what role it played in the hiring.

**THE 47 PERCENT AT THE BLM:** Oil and gas companies are not operating on nearly half of the onshore land they've leased from the federal government, The Wilderness Society points out via [BLM data](#). How much the drilling should be done on public land is an argument almost as old as Spindle Top. But what's new is how low operating levels have fallen. Drills working on only 53 percent of leased land is the lowest level since BLM started keeping records in 1998, according to some ME napkin-math. Another sign of the times: Drillers only spudded 847 new wells last year, half of what they drilled the year before and a third of what they did in 2014, BLM data shows. "There is no reason oil, gas, and coal companies need more public land," The Wilderness Society said in a [memo](#) flagging the BLM data.

The API chalks up the decline to excessive regulations. "Federal acreage has been mired in excessive red tape for years, and this has effectively discouraged investment in oil and gas projects on BLM managed lands," spokeswoman Brooke Sammon tells ME via email, although did not mention of the steep decline in oil prices that occurred in the past several years.

**PROPOSITIONAL POLITICS:** Shareholders at public companies are currently offering more environment-related proposals than any other type, a Manhattan Institute-sponsored [study](#) finds. ExxonMobil shareholders pushing through a "2-degree scenario stress test" proposal earlier this year garnered most of the attention, but environmental proposals now beat out those touching upon lobbying disclosure, executive compensation and other issues, according to the study. And it found that support is rising among shareholders for the environmental proposals, which averaged 27 percent approval so far this year, up from 13 percent at the beginning of the decade.

**MOVER/SHAKER:** James M. Owendoff has been named DOE's Principal Deputy Assistant Secretary in the Office of Environmental Management. He had been senior adviser to the assistant secretary in the Office of Environmental Management since January 2010.

#### **QUICK HITS:**

- In disaster's wake, BP doubles down on deepwater despite surging shale, [Reuters](#).
- Wanted In Saudi Arabia: An Extremely Careful Drive, [Bloomberg](#).
- Kinder Morgan secures financial backing for Canadian pipeline, [Fuel Fix](#).
- Saudi Aramco called on to improve data disclosure ahead of IPO, [Financial Times](#).
- This Shipping Magnate Is Calling a Bottom in the Oil Rout, [Wall Street Journal](#).

**THAT'S ALL FOR ME! Anthony takes charge tomorrow.**

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