

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: POLITICO Pro Energy
Sent: Mon 7/10/2017 9:44:17 AM
Subject: Morning Energy: Methane rule delay gets public spotlight today at EPA — U.S. lone climate holdout at G-20 — Tillerson gets oil industry award

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By ANTHONY ADRAGNA (aadragna@politico.com; [@AnthonyAdragna](https://twitter.com/AnthonyAdragna))

With help from Annie Snider

FEEDBACK WELCOME! EPA Administrator Scott Pruitt's [proposal](#) to delay key methane leak detection and repair requirements for new oil and gas wells for two years is the subject of hours of public comment today. A [list](#) of speakers scheduled to show up at agency headquarters shows a bevy of appearances on behalf of green groups with the Sierra Club and Moms Clean Air Force especially well-represented. "Most of the land where our children live, learn, and play is leased to the natural gas industry," Patrice Tomcik, a mother of two from Butler County, Pa., plans to say at the hearing. "The prospect of future operations unleashing harmful air pollution in proximity to children — among the most vulnerable to the impacts of air pollution — is a totally unacceptable risk for any family." ME is also curious to hear from the creatively-named Patriots From The Oil & Gas Shales.

Look for oil and gas representatives to tout their successes at reducing methane emissions even as production has surged over the past decade, while voicing strong support for Pruitt's two-year pause as the agency reconsiders the regulation. "We're doing our part and these trends are indicative of what our industry, when given the freedom to innovate, can achieve to improve the environment while protecting our nation's energy security," Howard Feldman, the American Petroleum Institute's senior director for regulatory and scientific affairs, says in his prepared remarks. "And progress will continue." Companies would, of course, not have to comply with the rule's requirements if Pruitt moves forward with the two-year pause on implementation.

The public hearing comes after a federal court rebuked Pruitt for trying to immediately pause the rule without taking public comment. As Pro's Ben Lefebvre [reports](#), EPA on Friday [asked](#) the D.C. Circuit Court of Appeals to delay its decision from earlier in the week requiring the agency immediately resume enforcing the methane rule. The filing argues that immediate mandate deprived the EPA sufficient time to consider a rehearing.

LAST CALL FOR MONUMENT COMMENTS! Today's the last day to [weigh in](#) on the Trump administration's review of nearly two dozen monuments designated since 1996 under the Antiquities Act. As ME went to bed, more than 1.2 million comments have already poured in for Interior Secretary Ryan Zinke to mull over. It'll be a tight

turnaround: He's due to deliver his final recommendations to Trump on Aug. 24. Comments on a separate, but related, review of national marine monuments are still being accepted until July 26 by NOAA.

WELCOME TO MONDAY! I'm your host Anthony Adragna, and we're unveiling a new, cleaner version of our ME selves here. What do ya think? Bracewell's Frank Maisano was first on Friday to name the four state capitals with city in their names (Salt Lake City, Carson City, Jefferson City and Oklahoma City). For today: What was the first college to go co-ed in the U.S.? 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).

President Donald Trump talks with German Chancellor Angela Merkel during the G-20 in Hamburg | AP Photo

ONE IS THE LONELIEST NUMBER: It was 19 versus an increasingly isolated U.S. at the end of the G-20 summit in Germany Saturday as world leaders took "note" in the final declaration of Trump's decision to leave the Paris climate agreement but declared the 2015 landmark accord to be "irreversible" and vowed to continue "moving swiftly towards its full implementation." As POLITICO's Andrew Restuccia reports, last-minute negotiations arose after several countries, including France, objected to U.S. insistence on mentioning fossil fuels in the final document, though the final version maintained the reference while pairing it with a call to use renewable energy. As POLITICO Europe's Matthew Karnitschnig reports, German Chancellor Angela Merkel acknowledged Europe's frustration with the U.S. withdrawal ran deep. "Everyone was against the United States of America," on climate policy, Merkel said at her closing press conference. "The dissent wasn't plastered over, but made clear."

Look no further than French President Emmanuel Macron for visible signs of the frustration with the Trump administration's climate posture. He announced plans to hold a climate summit this December on the two-year anniversary of the Paris accord and tweeted Saturday his country and China were united on climate action, provocatively adding in English the hashtag #MakeOurPlanetGreatAgain. British Prime Minister Theresa May added during a press conference Saturday she was "dismayed" by the U.S. decision and personally urged Trump to rejoin the agreement, while pronouncing her own country's commitment to climate action "as strong as ever." (Also worth watching: Turkish President Recep Tayyip Erdoğan warned the U.S. withdrawal made his country less likely to ratify the climate deal, Reuters reports.)

Trump officials tried to downplay differences with Trump chief economic adviser Gary Cohn telling reporters on the flight back that the declaration "came together pretty reasonably" given the various perspectives present. "We do go out of our way to say in there that that doesn't mean that we don't support environment, and we're still working for the environment," he said. "It was not a situation where there was contentious discussion going on."

GETTING REAL ON RUSSIA NUCLEAR THREAT: With government officials [confirming](#) to The Washington Post over the weekend that Russian hackers got into the business systems of U.S. nuclear power and other energy companies, the calls for Congress and the White House to bolster cyber defenses for the energy sector and the electric grid are bound to get louder still. Sens. [Maria Cantwell](#) and [Angus King](#) sounded the alarm Friday, based on earlier reports that pegged Russia as the top suspect. As POLITICO's Eric Geller, Darius Dixon and Martin Matishak [report](#), a hard connection to Russia to the hacks would mark the latest evidence of Moscow's wide-ranging digital aggression and highlight the broad threats the Kremlin-backed digital army pose to the U.S.

Utility industry officials argued the power grid is ready for such threats and said their most sensitive systems are selectively disconnected from the internet. "This is not viewed as an escalation," said Marty Coyne, a spokesman for the North American Electric Reliability Corp. "Power utilities are routinely targeted by these types of actors." But past Obama cyber officials warn the threat is only likely to intensify. "It is probably the single greatest national security threat to the United States right now," one former official said. **Eric's tweetstorm [here](#) is worth your time.** And former Energy Secretary Ernest Moniz offers his own [here](#).

Speaking of Russia, House Republicans are mulling whether to change a Senate-passed sanctions bill to give U.S. energy companies a greater chance to stay in oil and gas projects involving Russian companies, Pro's Ben Lefebvre [reports](#). Energy interests have warned the the bill could force them out of projects around the world where Rosneft, Lukoil or other Russian oil companies may have as little as a 5 percent stake.

TAKING STOCK OF ZINKE'S SAGE GROUSE TEAM: Among the four Interior political appointees tasked with potentially revamping the sage grouse land-use management plans put in place in 2015 is Kathleen Benedetto, a former House staffer who worked to increase access for minerals production on federal lands and pressed to give local communities more control over endangered species, Pro's Esther Whieldon [reports](#). Other political appointees on the team include: Casey Hammond, also a former House Natural Resources Committee staffer, who was on the Trump administration's landing team at BLM; Timothy Williams of the Interior Department's Office of External Affairs and Vincent DeVito, a [political ally](#) of Zinke's who is now counselor to the secretary for energy policy. Zinke has asked for recommendations on the plans by Aug. 6, including how to encourage energy development on public lands.

ON THE HILL

CALIFORNIA DROUGHT LEGISLATION, ROUND 2: The historic drought in California is officially over, but the state's water woes aren't — and neither is House Republicans' bid to push some of their more controversial ideas, including many that got dropped from last year's compromise legislation. Rep. [David Valadao's](#) H.R. 23 is slated to come

to the floor this week with a hearing Tuesday evening before the House Rules Committee. The measure would grease the skids for permitting new dams across the West, attempt to rebalance water rights within the Golden State and block the federal permits from touching on issues related to water rights.

LET THERE BE MARKUPS! House appropriators are marking up their \$37.56 billion fiscal 2018 energy and water spending bill Wednesday at 10:30 a.m. ME readers likely remember the package zeroes out the late-stage research Advanced Research Projects Agency-Energy and prevents DOE from issuing new loan-guarantees, while also cutting spending on energy efficiency and renewables almost in half. Look to see if efforts to restore funding for those programs, some of which enjoy significant bipartisan support, are successful. Later that afternoon, an Appropriations subpanel takes up the as-yet unreleased Interior spending bill.

THIRD TIME'S THE CHARM? After two previous attempts were shelved, the Senate Environment and Public Works Committee on Wednesday at 9:45 a.m. intends to vote on the nominations of Annie Caputo and David Wright to the NRC as well as the selection to Susan Bodine to be EPA's top enforcement official. Lawmakers also intend to vote on legislation reauthorizing popular Brownfields and diesel engine retrofitting programs. Details here.

Secretary of State Rex Tillerson accepts an award at the World Petroleum Congress in Istanbul | AP Photo

PETROLEUM GROUP GIVES TILLERSON AWARD: Secretary of State Rex Tillerson dropped by Istanbul Sunday where he accepted the World Petroleum Council's Dewhurst Award for what the group described as "outstanding contribution to the oil and gas industry" through his decade-long run running Exxon Mobil Corp. "I have to share [the award] with the men and women of ExxonMobil, because I'm here because of what they did, not because of what I did," Tillerson said. "I miss you as colleagues, I miss you as partners, I miss you as competitors. I miss the healthy debates, the collaboration, the breakthroughs that were achieved that I witnessed during that 41 and a half years that have continued to deliver energy on a massive scale and a reliable way."

The award was announced before Trump picked Tillerson for his current position, though it is still raising eyebrows: "Secretary Tillerson's warped notion that it's appropriate to attend and accept an award at an oil industry conference proves yet again that he has no idea how to be the United States' chief diplomat," Greenpeace's Naomi Ages said in a statement. Tillerson is just the 10th person — past recipients have included heads of Shell and Chevron — to receive the "distinguished lifetime achievement award," according to the World Petroleum Council.

MAILBAG

ME FIRST — GROUPS RALLY AGAINST SENATE ENERGY BILL: More than 350 groups, including Food & Water Watch, League of Women Voters, Our Revolution and the Center for Biological Diversity, are sending [a letter](#) to Senate leadership urging them to oppose the Senate's [energy bill](#) (S. 1460). The bill largely resembles legislation that virtually all Democrats backed last year despite objections from environmentalists over issues like liquefied natural gas exports. "No energy legislation is better than bad energy legislation that serves to increase our dependence on dirty fossil fuel production instead of building on successful policies to expand clean energy sources," they write. "We find it astounding that any energy bill could contain a 'Renewables' subtitle but not include provisions on solar and wind energy."

HERE'S... A NEW ONE: Two senior House Science Republicans — Chairman [Lamar Smith](#) and Rep. [Randy Weber](#) — released [a letter](#) Friday in which they asked Treasury Secretary Steven Mnuchin to investigate whether Russia has been funneling money to U.S. environmental groups in an effort to influence the domestic market. The lawmakers argue Russian interests may be trying to stymie domestic fracking as a way to bolster their energy sector. "If the above allegations are true, Russian entities have funneled money through shell corporations to U.S. environmental activist organizations to influence U.S. energy policy," they wrote.

WEIRD FOURSOME! Vice President Mike Pence, Zinke, Sen. [Roy Blunt](#) and Medicaid chief Seema Verma walk into a park. On horseback. On Friday. Here's the [pic](#).

QUICK HITS

— Gov. Doug Ducey asks EPA for power to regulate Arizona streams. [Arizona Daily Star](#).

— Rooftop Solar Dims Under Pressure From Utility Lobbyists. [New York Times](#).

— Tillerson launches personal diplomacy in Persian Gulf dispute. [Washington Post](#).

— Greenpeace activists charged with scaling Trump Tower with banner. [Chicago Sun-Times](#).

— Gross Dam on its way to becoming the tallest dam in the state. [Denver Post](#).

HAPPENING THIS WEEK

MONDAY

2:00 p.m. — "[Religion and Climate Diplomacy in Small Island Developing States](#),"

Wilson Center, 1300 Pennsylvania Ave. NW

TUESDAY

9:30 a.m. — "20th Annual Congressional Renewable Energy and Energy Efficiency EXPO and Policy Forum," Environmental and Energy Study Institute, Rayburn Foyer and Rayburn Gold Room

2:30 p.m. — "The State of Ukraine's Energy Sector," Atlantic Council, 1030 15th Street NW

5:00 p.m. — Meeting for H.R. 2810 and H.R. 23, House Rules Committee, H-313

WEDNESDAY

9:45 a.m. — Meeting to consider various nominees and legislation, Senate Environment and Public Works Committee, 406 Dirksen

10:00 a.m. — "U.S. Fire Administration and Fire Grant Programs Reauthorization: Examining Effectiveness and Priorities," House Science Research and Technology Subcommittee, 2318 Rayburn

10:00 a.m. — "Evaluating federal offshore oil and gas development on the outer continental shelf," House Natural Resources Subcommittee on Energy and Mineral Resources, Longworth 1324

10:00 a.m. — Alliance for Innovation and Infrastructure electric grid discussion, Participant Dial-In: 877-888-4312

10:30 a.m. — House Appropriations Committee markup of Energy and Water Development legislation, 2359 Rayburn

11:00 a.m. — A delegation of Gwich'in from Alaska and from Canada hold a press availability on drilling in the Arctic National Wildlife Refuge, Alaska Wilderness League's offices, 122 C Street NW, Suite 240

2:00 p.m. — "The Uncertain Transition Away From Coal—Stories from China and the United States," Wilson Center, 1300 Pennsylvania Ave. NW

3:00 p.m. — Markup of the FY18 Interior Appropriations Bill, House Appropriations Subcommittee on Interior, Environment, and Related Agencies, 2007 Rayburn

THURSDAY

10:00 a.m. — "Comparing the 21st Century Trust Land Acquisition with the Intent of the 73rd Congress in Section 5 of the Indian Reorganization Act," House Natural Resources Subcommittee on Indian, Insular, and Alaska Native Affairs, 1324 Longworth

FRIDAY

9:00 a.m. — Legislative hearing on four bills, House Natural Resources Subcommittee on Federal Lands, 1324 Longworth

THAT'S ALL FOR ME!

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