

**To:** Jackson, Ryan[jackson.ryan@epa.gov]  
**From:** Morning Energy  
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**Subject:** POLITICO's Morning Energy: Perry preps for House grilling today — McConnell tees up Svinicki vote — Health groups press Pruitt on air issues

By Anthony Adragna | 06/20/2017 10:00 AM EDT

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

**PERRY V. CLIMATE SCIENCE:** Energy Secretary Rick Perry has set himself up for a fierce grilling before a House Appropriations subcommittee today after he said Monday - contrary to the overwhelming scientific consensus - that he doesn't think carbon dioxide emissions from human activity are the main driver of climate change. Greens quickly pounced, with the Sierra Club saying that "Rick Perry's outrageous comments are the latest indication that this administration will do everything in its power to put polluter profits ahead of science and public health." Remember EPA Scott Pruitt faced weeks of criticism and a [scientific integrity probe](#) when he made similar remarks about CO2 on the same show, CNBC's "[Squawk Box](#)." Following his comments, Oregon Rep. [Earl Blumenauer](#) sent Perry [a host of educational materials](#) outlining the basic established science of climate change.

This is both Perry's first public appearance on Capitol Hill since his nomination hearing in January as well as the first hearing in 2017 of Rep. [Mike Simpson](#)'s energy spending subcommittee, so there's plenty to discuss. Simpson doesn't support a lot of the deep cuts Trump's 2018 budget suggests for DOE, but he has also said that the proposal is "Mulaney's budget" rather than a document with buy-in from the Cabinet secretaries so don't expect him to call on Perry to defend the funding decisions made by the White House. Democrats, on the other hand, will likely needle Perry over funding cuts for renewable energy programs, climate-related work and the elimination of ARPA-E. There aren't any big climate hawks on the panel but issues further afield, like Perry's comments Monday that carbon dioxide emissions aren't the primary "control knob" of climate change, are almost certain to squeeze their way into the discussion. The [hearing](#) starts at 1 p.m. in Rayburn 2359.

**VOTE TEED UP ON SVINICKI:** Senate Majority Leader [Mitch McConnell](#) filed cloture on the renomination of NRC Chairwoman Kristine Svinicki, lining up a final vote on her confirmation before the end of the week, Pro's Darius Dixon [reports](#). Svinicki's term expires June 30 - she'd have to step down, at least temporarily, if not confirmed by then - but Republicans have been fast-tracking her to a third term. But it's likely to be a slow walk after Democrats vowed Monday to [object](#) to all unanimous consent agreements in opposition to GOP efforts to repeal Obamacare.

**NUCLEAR TAX BILL TO GET SOME HOUSE LOVE:** The House is slated to vote tonight on a bipartisan bill to rewrite a nuclear energy production tax credit that will likely to decide the fate of two power plants in South Carolina and Georgia. The House Ways and Means Committee approved the legislation, [H.R. 1551](#), last week and quickly got it on the floor calendar. The bill, which extends the start-up deadline for reactors to qualify for the credit, garnered plenty of support in committee and is expected to be considered under suspension of the rules, which is

usually reserved for uncontroversial legislation. Assuming the full House gives its blessing, it's still unclear if the measure gets cobbled into a larger tax bill or if the Senate will take it up in time to help Southern Co. and SCANA, the companies building the plants. The vote series, which includes more than a dozen bills, starts at 6:30 p.m.

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and a tip of the hat to Stoel Rives' Gregory Jenner for identifying Joseph Welch as the man who asked Joseph McCarthy "have you no decency sir?" Today's trivia: What future U.S. senator served as minority counsel on the Senate Watergate Committee? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto: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).

**ZINKE HEADS TO SENATE ENERGY:** Interior Secretary Ryan Zinke heads to the Senate Energy and Natural Resources Committee today at 10 a.m. for a hearing to review his agency's budget request for Fiscal 2018. A Democratic committee aide told ME to expect fierce questioning about Zinke's decision to suspend key parts of BLM methane waste rule and "his assault on national monuments after conspicuously cloaking himself in Teddy Roosevelt's legacy during his confirmation." ME also expects Democrats to press Zinke for prompter responses to oversight requests and to raise concerns on proposed budget cuts for the agency, including its climate change research.

**HEALTH GROUPS PRESS PRUITT ON AIR QUALITY:** A coalition of public health groups met Monday with EPA Administrator Scott Pruitt to press him on Clean Air Act implementation and enforcement (shortly before he met with utility CEOs on the future of the Clean Power Plan). According to Lyndsay Moseley Alexander, assistant vice president of the American Lung Association and an attendee, the groups brought up the need to base policy on science, the "importance of preventing harm before it occurs," and reductions in smog and soot pollution. She said they also stressed the connection between climate change and improving air quality, a topic the groups said in a new declaration requires "bold action." Moseley Alexander declined to characterize Pruitt's response beyond calling the dialogue "important."

**Full list of attendees:** Harold Wimmer, American Lung Association, along with Moseley Alexander; Georges Benjamin, American Public Health Association; Mark Del Monte, American Academy of Pediatrics; Katie Huffling, Alliance of Nurses for Healthy Environments; Jeff Carter, Physicians for Social Responsibility; John Auerbach, Trust for America's Health; Martin Hamlette, National Medical Association; Jessica Wolff, Health Care Without Harm; Lynda Mitchell, Asthma and Allergy Foundation of America; David Dyjack, National Environmental Health Association; Laura Hanen, National Association of County and City Health Officials; George Thurston, American Thoracic Society's Environmental Health Policy Committee; Cindy Pellegrini, March of Dimes.

**PUSHING ENERGY INNOVATION:** Sen. Lamar Alexander, who oversees Energy Department appropriations, speaks today at a panel hosted by the American Energy Innovation Council about DOE and investing in innovation technologies. The event kicks off at 3 p.m. in Dirksen 430.

**That comes as the group** releases [a new report](#) this morning with a series of "specific steps to spur innovation in the energy sector." Among the suggestions are investing \$16 billion annually in advanced energy innovation, funding ARPA-E at \$1 billion a year, creating a new energy challenge competition for high-impact energy projects with a \$20 billion appropriation over ten years, and establishing regional innovation programs. The American Energy Innovation Council boasts such heavy hitters as Microsoft co-founder Bill Gates and Southern Co. Chairman Thomas Fanning.

**CELEBRATING TEN YEARS:** The U.S. Chamber of Commerce's Institute for 21st Century Energy is teasing a "big announcement" today as it celebrates its tenth anniversary and they've certainly got the VIPs lined up for the party. Pruitt, Perry (by video) and Zinke are all slated to give remarks, along with other energy luminaries. The program kicks off at 9 a.m. at Chamber headquarters.

**HOUSE DEMS HOST CLIMATE ROUNDTABLE:** House Science ranking member [Eddie Bernice Johnson](#) hosts a roundtable today from 10 a.m. to 1 p.m. looking at current climate change effects and possible preventative actions and solutions. Some VIPs on the second panel: Christiana Figueres, one of the key negotiators of the Paris agreement; Jonathan Elkind, a former senior DOE official; and David O'Sullivan, European Union ambassador to the U.S. More details and livestream of the event [here](#).

**TRUMP'S PUSH TO KILL A RUSSIAN PIPELINE:** Germany and Austria are furious after the Senate approved legislation imposing new sanctions against companies supporting Russian energy export projects, POLITICO Europe's Anca Gurzu [reports](#). Both countries have companies helping Russia's Gazprom with the \$5.5 billion Nord Stream 2 pipeline that the Trump administration is on a diplomatic offensive to kill. "They are actively trying to promote their LNG in Europe and make a business case out of it," Severin Fisher, senior research at the Center for Security Studies in Zurich, said of U.S. lobbying.

**CHAFFETZ: TRANSPARENCY AS BAD AS UNDER OBAMA:** Outgoing House Oversight Chairman [Jason Chaffetz](#) told [CNN](#) that Trump administration federal agencies share Obama-era offices' low levels of transparency. "The reality is, sadly, I don't see much difference between the Trump administration and the Obama administration," the Utah Republican said. "In many ways, it's almost worse because we're getting nothing, and that's terribly frustrating."

**LOTS OF KLOTZ:** There's a lot of Beltway chatter these days about how long retired Lt. Gen. Frank Klotz will be leading the Energy Department's nuclear weapons arm, but there are gears in motion. Klotz, the only Obama administration holdover at DOE, has led the agency's National Nuclear Security Administration since April 2014, though sources tell ME that interviews for a successor have begun. In the final days of the Obama administration, it wasn't [clear](#) whether Klotz would have to resign on Inauguration Day like the vast majority of other Obama political appointees. He was ultimately asked to stay for the sake of an "orderly transition."

**The White House hasn't announced a NNSA nominee,** and in January, some people tracking the agency said Klotz might be willing to serve in the job as long as a year. However, some DOE watchers now say that Klotz could be out over the summer. Still others said that, if he has any

say, Klotz wouldn't leave NNSA without at least a successor being announced by the White House.

**REPORT SAYS RENEWABLES NOT TO BLAME FOR COAL WOES:** A new [report](#) by the Analysis Group contends cheap natural gas prices, the addition of efficient gas-fired power plants and flat electricity demand from customers are prompting closures of coal, older gas-fired and nuclear power plants. The report, commissioned by the Advanced Energy Economy and American Wind Energy Association, says state and federal policies promoting renewables and new energy technologies are a "distant second" factor behind the closures and any claims that plant retirements are causing grid problems are unsubstantiated. The groups are sending the report to DOE which is preparing its own report on grid reliability.

**CO-OPS BACK VEGETATION MANAGEMENT BILL:** National Rural Electric Cooperative Association President Jim Matheson sent House Natural Resources Chairman [Rob Bishop](#) a [letter](#) Monday urging lawmakers to back the [Electricity Reliability and Forest Protection Act](#) (H.R. 1873) in a floor vote this week. "The bill allows sensible procedures that would cut through federal bureaucratic red tape and reduce delays that currently impede our ability to adequately manage dangerous vegetative overgrowth in existing utility rights of way," he wrote. "Such delays not only add to the costs our electricity consumers pay for their electricity, but present a major threat to human safety, wildlife habitat and the reliable delivery of electricity."

**CHALLENGING CHALLENGE OF CARBON REDUCTIONS IN A COALITION OF COALITIONS:** The myriad alliances of cities, states and businesses that have pledged to continue with carbon emission reductions despite Trump's withdrawal from the Paris climate agreement would confuse even professional observers: We're Still In, Under 2 MOU and C40, to name just a few. Together these groups make up 36 percent of American carbon emissions and about half of U.S. GDP and population, according to a [presentation](#) from the Rocky Mountain Institute. Coordinating all those groups and focusing on a single carbon reduction number will be challenging. Companies have long, nationwide supply chains, and most of the cities and towns are in states that already have climate commitments, making double counting is a problem. RMI's presentation asks whether a single "societally determined contribution" is worth the difficult analysis required, or whether simpler targets could be worked out.

**BIG OIL JOINS CARBON TAX PUSH:** BP, Exxon Mobil, Shell and Total are just a few of the large corporations joining the Climate Leadership Council, a group dedicated to promoting a carbon tax as a solution to climate change. The group is marking the moment with a [full-page ad](#) in The Wall Street Journal, an op-ed in The Washington Post by former Secretary of State George Schultz and former Obama White House adviser Larry Summers, and an op-ed in the Financial Times by CLC CEO Ted Halstead. The group [launched](#) in February with a meeting between Republican luminaries and Vice President Mike Pence, National Economic Council Chairman Gary Cohn, and others. GM, Unilever, Pepsico and Johnson & Johnson have also joined the group.

**FRACKING REPEAL UNDER REVIEW:** The OMB is reviewing a proposed rescission of the Bureau of Land Management's fracking rule, according to the OIRA [website](#). BLM had

hinted it would make this move when it asked a judge in March to stay an appeal made by the agency during the Obama administration after a lower court ruled BLM didn't have standing to enforce the rule. The rule required companies to publicly list the ingredients in their fracking chemicals and also conduct well integrity tests before they started pumping oil and gas from fracked wells.

**PHMSA REVIEWING GAS STORAGE RULE:** The Pipeline and Hazardous Materials Safety Administration will not enforce certain aspects of an Obama-era safety rule for underground natural gas storage sites while it crafts a new version, Pro's Ben Lefebvre [reports](#). The federal pipeline safety regulator hopes to have a new rule out for review by January.

**EXAMINING METHANE RULE'S LONE STAR IMPACTS:** The Texas Grassroots Network released [a report](#) today highlighting how it says oil and gas development in Texas has exacerbated air pollution and public health issues. It argues doing away with EPA's methane standards for new and modified oil and gas sources means Texans will "continue to suffer serious health issues from preventable air pollution."

**MAIL CALL! ODD GROUP PRESSES ON CITGO:** Senate Finance ranking member [Ron Wyden](#) and Senate Foreign Relations ranking member [Ben Cardin](#) sent [a letter](#) to the State and Treasury departments asking for the likelihood of Russia's Rosneft gaining control of CITGO. The letter rings the same alarm bells [Robert Menendez](#) and [Marco Rubio](#) sent in April. Rosneft obtained bonds worth about 49 percent of CITGO from the refiner's parent company, Venezuela's state-owned Petroleos de Venezuela, as collateral for a loan. If PdVSA defaults on that loan, Rosneft - a company whose executive chairman is under U.S. sanctions - could wind up owning a company operating three major refineries and interstate gas and oil pipelines in the U.S. "The Treasury Department must immediately determine the likelihood of Rosneft acquiring a controlling stake in Citgo," Wyman's letter states.

**NEW PUBLIC LANDS PUSH LAUNCHED:** The League of Conservation Voters today is launching the "Our Lands, Our Vote" campaign with an initial \$600,000 investment in paid advertising, online organizing and on-the-ground mobilization into protecting public lands and national monument designations from efforts to roll them back.

**REPORT: QUANTIFYING CALIFORNIA'S CLEAN ENERGY CONTRIBUTIONS:** Environmental Entrepreneurs released a [new analysis](#) Monday finding clean energy technologies are responsible for 519,000 jobs in California and the state's climate policies have added \$45 billion in public and private investments into the economy. The top counties for clean energy jobs are Los Angeles (117,000 jobs), San Diego (61,500) and Orange (45,200).

**MOVERS, SHAKERS:** Ana Unruh Cohen has joined the Natural Resources Defense Council as government affairs director; she's served as Sen. [Ed Markey](#)'s top climate aide for the past four years. Ed Yoon has been named permanent director of NRDC's Center for Policy Advocacy after having worked there for the past four years.

## QUICK HITS

- EPA warned Fiat Chrysler about diesel defeat devices in 2015. [WSET](#).
- A bitter scientific debate just erupted over the future of America's power grid. [Washington Post](#).
- Insurers Talk A Lot About Climate Change, But Most Still Do Business In Coal. [Huffington Post](#).
- A third of the world now faces deadly heatwaves as result of climate change. [The Guardian](#).
- Coal's Decline Spreads Far Beyond Appalachia. [Wall Street Journal](#).

**THAT'S ALL FOR ME!**

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