

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Energy
Sent: Thur 5/25/2017 2:26:24 PM
Subject: POLITICO's Morning Energy, presented by POET: DOE, FERC nominees ready for their closeups — Keystone hints in Trump's Paris dilemma — Montana votes on Zinke's seat today

By Anthony Adragna | 05/25/2017 10:23 AM EDT

With help from Esther Whieldon, Eric Wolff, Darius Dixon and Bernie Becker

DOE, FERC NOMS STEP INTO THE SENATE SPOTLIGHT: The Senate Energy and Natural Resources Committee is trying to vet the energy appointees as quickly as possible, so today brings a three-fer: Deputy Energy Secretary candidate Dan Brouillette, and FERC picks Neil Chatterjee and Rob Powelson are all getting their time in the sun today. Brouillette is well liked among those who know him from his work on congressional affairs at DOE in the early years of the George W. Bush administration. But most of energy industry's interest is focused on the potential FERC commissioners, and they are hoping there are no hiccups for Chatterjee and Powelson so that they can be sped off to restore the agency's quorum.

Smooth sailing? Chatterjee, an aide to Senate Majority Leader [Mitch McConnell](#), is well-known to just about everyone on the energy committee (ENR Chairwoman [Lisa Murkowski](#) deemed Chatterjee the "energy whisperer" as he helped shepherd last year's energy bill through the Senate). Powelson, who has been a member of the Pennsylvania Public Utilities Commission since 2008, including several years as its chairman, has strong ties to his state's congressional delegation. He did an [extensive interview](#) with POLITICO last fall, shortly after he became the president of the National Association of Regulatory Utility Commissioners, discussing natural gas pipeline infrastructure, the drama unfolding in regional electricity markets and carbon pricing. But Powelson got in [hot water](#) in March for saying that people protesting pipeline projects were engaged in a "jihad" against natural gas.

Duty calls: Getting through the hearing is likely to be easier than giant backlog of work that awaits the two nominees at FERC should they be confirmed, as Darius [explained](#) earlier this month. Add to that the constant flow of tasks on physical and cybersecurity matters, income tax issues and conflict around PURPA. Both Chatterjee and Powelson have been in government for more than seven years, which makes their [financial disclosures](#) and [ethics agreements](#) fairly yawn-worthy. For his part, Brouillette is [giving up](#) interests he has in four small utilities, if confirmed. But with Memorial Day recess afoot, FERC's quorumless streak will hit the four-month mark before ENR can even vote on them, let alone the full Senate. The hearing starts at 9:45 a.m. in Dirksen 366.

GLIMPSES OF KEYSTONE IN PARIS DEBATE: President Donald Trump's drawn out decision of whether to leave the Paris agreement evokes a political dynamic oddly similar to the one that Hillary Clinton and Barack Obama faced on the Keystone XL pipeline, another largely symbolic decision, Pro's Nick Juliano [reports](#). He faces pressure from Washington elites and foreign allies who want him to stick with the Paris deal - echoing the D.C. establishment and Canadian government pressure for Obama and Clinton to back Keystone.

Trump is hearing arguments that sticking with the nonbinding pact would weaken his domestic energy agenda from attorneys general in energy-producing states like West Virginia and Texas, and conservative groups in Washington like the American Energy Alliance. But his most diehard supporters are hardly taking to the streets over the Paris deal, and even some conservative Republicans don't seem all that invested in his ultimate decision. "You know, I didn't like the way that President Obama got into that, but as I think one of my colleagues has pointed out it doesn't cost us any money, and it doesn't obligate us to do anything," Sen. John Cornyn (R-Texas) said Wednesday. "So it's more an appearances issue."

Trump is said to be leaning against remaining in the deal, which he promised to cancel during the campaign. But he has changed his mind on several other issues so far this year, and a decision has been slow in coming amid the divisions within the administration. Sticking with it would send a begrudging yet powerful signal that the U.S. acknowledges that climate change is a problem worth addressing, even as the administration is already in the process of rolling back Obama's rules that limit greenhouse gas emissions from power plants, automobiles and other major sources, while it hurries to open up vast new tracts of federal land and water to fossil fuel development.

IT'S ANOTHER BUSY DAY IN WASHINGTON! I'm your host Anthony Adragna, and the Renewable Fuels Association's Rachel Gantz was first to pick out Vice Presidents Spiro Agnew and John Calhoun as the only two to resign. For today: During the Civil War, who was Jefferson Davis' vice president? 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).

PROGRAMMING NOTE - Due to the Memorial Day holiday, Morning Energy will not publish on Monday, May 29. Our next Morning Energy will publish on Tuesday, May 30. Please continue to follow Pro Energy issues [here](#).

ME FIRST - 21 REPUBLICAN SENATORS: BID ADIEU TO PARIS: A group of Republican senators are out with a letter this morning to Trump urging him to leave the Paris agreement, arguing that sticking with it might allow environmentalists to force climate change regulations through litigation. "Leading environmental attorneys have been candid that they intend to use the Paris Agreement and the existing endangerment finding to force EPA to regulate under Section 115 of Clean Air Act," wrote the lawmakers, including Jim Inhofe, John Barrasso and Senate Majority Leader Mitch McConnell. Interestingly, they argue the U.S. will retain a voice in future discussions through its participation in the UNFCCC, which some conservatives have urged Trump to withdraw from as well.

But Brown thinks Trump will come around: California Gov. Jerry Brown told reporters at a climate change conference hosted by the Netherlands in San Francisco he considers Trump a political "realist" who will likely listen to what Pope Francis, China and other world leaders are saying on the issue, POLITICO California's Carla Marinucci [reports](#).

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innovation, from the ground up. Learn more [here](#). **

MONTANA FILLS ZINKE'S SEAT TODAY: Big Sky voters head to the polls today to fill Interior Secretary Ryan Zinke's congressional seat. Republicans are saying the race between Republican Greg Gianforte and Democrat Rob Quist is "[closer than it should be](#)" in the traditionally red state. Polls close at 8 p.m. Montana time so it may be a while before we know how this one turns out. There are late-breaking [reports](#) that Gianforte assaulted a reporter Wednesday.

OPEC EXTENDS QUOTA CUTS: OPEC members agreed today to extend their oil production cut to March 2018, POLITICO Europe's Sara Stefanini [reports](#). The move was widely expected.

NEVER GONNA GIVE YOU UP: Don't look now, but a bipartisan Senate group is coming together to get a group of energy tax credits finally over the hump. The group will be working on what a Democratic leadership aide called a "few small items that are well-vetted and should have already been processed," including clean energy tax credits that supporters say were mistakenly left out of a 2015 budget deal, a nuclear production tax credit that lawmakers from Georgia and South Carolina have been fighting for, and an incentive for carbon capture. [Tom Carper](#) (D-Del.), [Chris Coons](#) (D-Del.), [Lindsey Graham](#) (R-S.C.), [Heidi Heitkamp](#) (D-N.D.), [Tim Scott](#) (R-S.C.) and [Sheldon Whitehouse](#) (D-R.I.) are all expected to join the group - which might see a couple potential legislative vehicles pop up this year, given that lawmakers will have to deal with government funding and the debt ceiling, and are pressing ahead on tax reform. "The nuclear production tax credits just need to be done," Scott said Wednesday, adding he'd work with "any group that's willing to have the conversation about getting that accomplished."

One name not attached to the working group: Sen. [Dean Heller](#) (R-Nev.), a backer of renewable energy tax credits who also happens to be an endangered GOP incumbent next year. But the Democratic aide denied Heller was excluded for political reasons, instead saying he didn't take part in efforts to get the tax incentives extended in the most recent budget deal.

PRUITT MEETS PUBLIC HEALTH GROUP: EPA Administrator Scott Pruitt [met](#) Wednesday with representatives of the American Academy of Pediatrics to discuss "how we can continue to improve children's environmental health." The group tweeted, "whenever there is an opportunity to advocate for children to those in power, AAP leaders are there."

E15 WAIVER HEARING STILL COMING: It's not scheduled yet, but Senate EPW Chairman [John Barrasso](#) told reporters Wednesday that legislation allow year-round sale of gasoline blends with 15 percent ethanol would still get an EPW markup. "We haven't sent a date yet, but we'll do it," he said. ME readers likely remember the promise of a committee vote got a bloc of corn-state Republicans to back an ([ultimately unsuccessful](#)) effort to overturn an Obama-era methane regulation.

'First step' on RFS reform: The House Energy and Commerce Committee took its first official step in revamping the Renewable Fuel Standard with a roundtable discussion Wednesday. "We're looking forward to continuing our thorough review in order to better understand what's working, what's not, and whether the goals of the program are being achieved," a committee aide

told ME.

MURKOWSKI REMAINS COOL TO SPR SELLOFF: Don't expect Murkowski, chairman of the energy panel and senior appropriator, to get behind the Trump administration's desire to sell off half the nation's emergency oil stockpile. "I think the direction that the administration is taking or as I'm reading the lines there is 'we don't necessarily need as robust a Strategic Petroleum Reserve because what we're going to do is enhance energy production,'" she said. "I like that, but does that really happen? ... There are some things that need to be reviewed and considered." She promised to ask Brouillette about the matter during his confirmation hearing today.

MAIL CALL! SAVE THE WETLANDS FUNDING: [175 House members](#) and [45 senators](#) sent letters to top appropriators asking for robust fiscal 2018 funding for the North American Wetlands Conservation Act program. "NAWCa represents a reasonable, cost-effective approach to wildlife conservation," they wrote. "While we understand the fiscal constraints this year, we would like to point to this program's demonstrated success at developing non-federal sources and diverse partnerships for the conservation of wildlife habitat." Both letters received significant bipartisan support.

LAWMAKERS TO GAO: TAKE A LOOK AT HANFORD: An eclectic group of House and Senate lawmakers - Senate ENR ranking member [Maria Cantwell](#), House Energy and Commerce Chairman [Greg Walden](#), Sen. [Patty Murray](#), House Energy and Commerce ranking member [Frank Pallone](#), Sen. [Ron Wyden](#), Rep. [Dan Newhouse](#) and House Republican Conference Chair [Cathy McMorris Rodgers](#) - asked GAO in a [letter](#) to look at ongoing cleanup efforts at the Hanford Nuclear Reservation in Washington and examine what remediation still needs to be completed. "We were alarmed by the recent tunnel collapse at the Hanford site, and are concerned that future events could put the safety of workers, the public and environment at risk," they wrote.

DELAWARE TRADES WANT EPA TO CHANGE RFS OBLIGATION: The Delaware AFL-CIO and Delaware Building Trades are asking EPA's Pruitt to change which companies bear the obligation of complying with the Renewable Fuel Standard. In a [letter](#) sent yesterday, the union argues that the current system, which requires refiners to purchase credits to prove compliance, "puts merchant refiners like the [PBF Energy's] Delaware City at risk." The union joins the United Steelworkers in asking for the change.

REPORT: SIGNIFICANT PHISHING ATTACK AT INTERIOR: A major cybersecurity attack in January 2016 that likely originated outside the U.S. resulted in 1,500 Interior employees receiving phishing emails and approximately 100 compromised email accounts, according to a [report](#) released Wednesday by the agency's inspector general. In response, official accelerated the deployment of a two-step authentication process for email access and stopped the attack within 11 days of it beginning.

REPORT: ANTIQUITIES ACT FUELS LOCAL ECONOMIES: The Mountain Pact, a collection of Colorado towns, released a [white paper](#) today analyzing the importance of the Antiquities Act for sustaining local economies in the West. "Investment in, protection and

expansion of public lands is a vital part of ensuring that mountain communities can continue to sustain and grow their outdoor economies," it states.

PESTICIDES BILL CLEARS HOUSE AGAIN: Lawmakers voted 256-165 Wednesday in favor of the Reducing Regulatory Burdens Act, which would exempt pesticide applicators from Clean Water Act permitting requirements, Pro's Annie Snider reports. Similar measures have cleared the House multiple times since a 2009 court ruling that mandated the Clean Water Act permits, but the Senate has never taken them up.

SENATE DEMOCRATS CRY FOUL OVER OVERSIGHT OBSTRUCTION: Sixteen senior Senate Democrats, led by Minority Leader Chuck Schumer, sent a letter to Trump demanding answers on whether the White House had instructed federal agencies not to respond to the oversight requests of Democrats. "While some agencies have responded to limited number of these requests, most have gone unanswered," they wrote. "If at the instruction of the White House information is being intentionally withheld on a partisan basis, such actions would be simply unacceptable." Tom Carper, top EPW Democrat, has raised serious concerns about the lack of responsive information coming from EPA to his oversight letter requests.

LIKE A GOOD NEIGHBOR, PERRY'S THERE: Energy Secretary Rick Perry will receive the U.S.-Mexico Chamber of Commerce's Good Neighbor Award tonight at 9 p.m. in celebration of "his leadership in fostering collaboration between the U. S. and Mexico during his tenure as Governor of the State of Texas."

UTAH TOURISM OFFICE PROMOTING NATIONAL MONUMENTS IN CROSS HAIRS: The Utah Office of Tourism is promoting the Bears Ears National Monument even as the state's governor and congressional delegation is pushing Trump to rescind the monument. Gov. Gary Herbert signed a resolution in February urging the administration to remove the designation. But the tourism office within the governor's office has a page on its website dedicated to the monument. "This 1.35-million-acre national monument covers a broad expanse of red rock, juniper forests, high plateau, cultural, historic and prehistoric legacy that includes an abundance of early human and Native American historical artifacts," the website says. "Just as important to the Bears Ears designation are the modern-day connections that the Navajo Nation, Ute Mountain Ute Tribe, Hopi Nation and other tribes have to this land."

MOVER, SHAKER: Tom Starrs, vice president of market strategy and policy for SunPower Corp., has been named chairman of the Solar Energy Industries Association board; Michael Maulick, president of SunLink Corp., will be vice chairman.

QUICK HITS

- China Shuts Only Undersea Coal Mine Amid Production Rebound. AP.
- 9.8 million people employed by renewable energy, according to new report. CNBC.
- U.S. should act against proposed Russian gas pipeline, Democratic senator says. MarketWatch.

- Presidents can't undo national monuments, new study says. [Salt Lake Tribune](#).
- France's Macron to try to convince Trump to back Paris accords: diplomats. [Reuters](#).

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