

To: Maisano, Frank[frank.maisano@bracewell.com]
From: Maisano, Frank
Sent: Mon 11/20/2017 6:19:13 PM
Subject: Nov 20 PRG Energy Update: Giving Thanks for Energy, Climate Bonns

Friends,

Happy Thanksgiving Week!!!! So, as usual, you can expect some announcements – perhaps like the RVOs which are due at the end of the month, but always seem to find their way into pre-Thanksgiving roll out.

First off, special congrats to Ex. 6 - Personal Privacy s son Ex. 6 - Personal Privacy

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Breaking this late this morning, the Nebraska Public Service Commission voted 3-2 to approve the Keystone pipeline route through the state to transport up to 830,000 barrels per day of crude from Canada's oil sands and North Dakota's shale fields to oil refineries on the Gulf Coast. It is the last key approval. Head of the Chamber's Global Energy Institute Karen Harbert said: **“the Keystone XL pipeline project has unfortunately become the poster child for the need to reform our permitting process so that we may fully realize North America's energy potential. After years of government delays, the decision as to whether to move forward with the pipeline now rests with the company that will be making the investment.”** Connect with Matt Letourneau for more at 202-463-5945.

The Bonn climate conference has ended and one of the few items that garnered attention was the Friday announcement by 19 countries and six states and provinces that they were forming an international alliance to phase out coal-fired power generation by 2030. Key nations in the alliance, such as Canada, Denmark, France, Finland, Italy, Austria, Mexico and the Netherlands, aren't using very much coal anyway. In fact, members account for less than 3% of global coal use as my friends Brad Plumer and Lisa Friedman point out in the New York Times. Notably missing in the groups are some of the world's biggest coal-consuming countries, including Germany (who got significant heat on the topic during Bonn), China, India and the United States.

Perhaps more significant on Friday in Bonn was that Sweden became the 20th country to ratify the Kigali amendment, an agreement to phase down emissions of hydrofluorocarbons (HFCs) that will allow the plan to go into effect in 2019. Given this move, we expect to see potential US action on the agreement that was forged in partnership and requires developing/developed country reductions, unlike Paris. With the world using more and more refrigerants, and heating and cooling equipment, the move is expected to hold down climate change by 0.5° C [0.9° F] by 2100. Francis Dietz (703-600-0355) at AHRI can connect you with its President Steve Yurek, who was one of the key stakeholder negotiators.

Finally from Bonn, scientists actually remain skeptical that political leaders can reduce emission increase to 1.5-degree, according to our friend Eric Roston of Bloomberg (who by the way is heading back to the policy team... Welcome Back Eric!)

Despite it being Thanksgiving week, there are a few events on the table including a NAFTA field hearing in Texas today at 10:30e/9:30c featuring Texas trade and industry leaders and the annual release of the American Coal Ash Assn's Coal Ash Production & Use Survey at the National Press Club at 9:30 tomorrow. Finally, tonight at Midnight, the first comment period for the US Trade Representatives public comment period will close. Reply comments are due November 29th and the public hearing will be on December 6th. The Energy Trade Action Coalition, a group of utilities, contractors, retailers and Conservative groups, filed comments to add their voices to the opposition. You can see the ETAC comments here.

Enjoy the week to relax, watch some football and eat some turkey and the fixins' because next week we go right back to the grind with Clean Power Plan hearings in Charleston, WV, a SAFE Oil discussion with former EIA Head Adam Sieminski and much more.... Stay tuned... Call with questions. Best,

Frank Maisano

(202) 828-5864

c. (202) 997-5932

THIS WEEK'S LOBBY SHOP

The new episode of *The Lobby Shop* is live on [iTunes](#), [SoundCloud](#), and [Google Play Music](#). This week's episode features my colleagues Scott Segal and Dee Martin, *The Hill's* 2017 Top Lobbyists and explores the world of Washington lobbying, what it takes to be an effective lobbyist, and how they got into the field. Remember our address for listeners to reach out with topic suggestions, feedback, etc. – thelobbyshop@policyres.com.

FRANKLY SPOKEN

“There are many examples of a country switching from being a net energy exporter to a net importer: it is very rare to see the opposite, especially when the country in question is one of the world's largest importers of oil. Yet this is precisely what is happening as a result of the U.S. shale revolution -- both for oil and for natural gas. A remarkable ability to unlock new resources cost-effectively pushes combined United States oil and gas output to a level 50% higher than any other country has ever managed. ”

The International Energy Agency (IEA) in its World Energy Outlook.

“We would need an incredibly dramatic reduction in emissions in the very near future. The 1.5-degree target is a little ridiculous and implausible.”

Zeke Hausfather, a climate scientist with [Berkeley Earth](#) in a Bloomberg story on climate change and science.

IN THE NEWS

House Passes Tax Legislation – The House passed a bill to significantly change taxation, including \$1.5 trillion in cuts for individuals and companies. The overhaul, backed by President Trump, heads to the Senate, which is developing a bill that has major differences from the House measure. My colleague Liam Donovan has been in the nitty-gritty details – as well as the politics of it all – and can answer all your questions. Liam.donovan@bracewell.com or (202-828-5847)

Wind Urges Senate to Stand Firm on PTC Deal – Tom Kiernan, CEO of the American Wind Energy Association (AWEA) said the House missed an opportunity to stand up for 60,000 American workers and preserve \$50 billion in private infrastructure investment. The tax reform bill passed by the House retroactively changes how businesses can qualify for wind energy's primary investment tools, the wind energy Production Tax Credit (PTC) and Investment Tax Credit (ITC), which are already on a path to phase out by 2019. The House bill undermines wind development by implementing a retroactive change to qualification rules for wind energy tax credits. Because businesses can't go back in time to requalify for the credits after ordering wind turbines and inking construction contracts, tens of thousands of jobs and billions of dollars of investment could be lost, and new business has stalled. The House bill would also terminate an inflation adjustment, significantly cutting the value of the PTC. The Senate tax proposal that passed the Finance committee last night does not retroactively alter the wind energy PTC or ITC, leaving in place the phase out terms set in the bi-partisan PATH Act of 2015, keeping American workers on the job.

AHRI Weighs In – The Air-Conditioning, Heating, and Refrigeration Institute (AHRI), the trade association representing HVACR and water heating manufacturers, applauded House tax package passage. "Our member manufacturers strongly support Congress's efforts to simplify the tax code and reduce rates," said AHRI President & CEO Stephen Yurek. "AHRI applauds the inclusion in H.R. 1 of full and immediate expensing, a permanent reduction in the corporate rate to 20 percent rate, a reduced rate for pass-through entities, repeal of the estate tax, and extension of the tax credit for geothermal HVAC equipment – all of which will serve to make the U.S. a more competitive place to do business," he added. AHRI believes these provisions are all crucial to the continued growth of manufacturing in the United States, and we urge the Senate to follow the lead of the House to enact substantive reforms that will allow our industry and others to continue to innovate and create jobs.

Chamber, Partners Launch Gas Export Infrastructure Initiative – The Chamber's Global Energy Institute hosted the U.S. Trade Development Authority (USTDA), LNG Allies and others at U.S. Chamber Headquarters for the launch of the U.S. Gas Infrastructure Exports Initiative Friday. The goal of the initiative is to connect American companies to new export opportunities, with a particular focus on emerging economies. USTDA acting director Thomas Hardy focused on the goal of using American technology and innovation to advance gas infrastructure in partner countries, while providing new opportunities for U.S. companies. As part of the Initiative, USTDA announced a call for gas-related project proposals for U.S. companies that have identified project sponsors in high growth emerging markets. The Agency will be conducting gas sector reverse trade missions to bring prospective LNG buyers to the U.S. for site visits and meetings. Delegates from Senegal, China and others are already slated to participate. GEI is a natural partner for the Exports Initiative. We are strong advocates for policies and activities that

strengthen America's global energy leadership, which is good for both our economy and for global security. The continued export of American natural gas creates opportunities at home and contributes to stability abroad. For more information on the Initiative, visit www.usda.gov/program/us-gas-infrastructure-exports-initiative

IEA Says Shale Gas Boom Will Last – The International Energy Agency says the shale gas boom has positioned the US to become the world's largest exporter of liquefied natural gas by the middle of the next decade in its 2017 World Energy Outlook. By the late 2020s, the U.S. -- which only lifted its ban on oil exports in 2015 -- will ship more oil to foreign markets than it imports. IEA predicts that US shale oil producers will boost their output by 8 million barrels a day between 2010 and 2025, an increase that "would match the highest sustained period of oil output growth by a single country in the history of oil markets" -- rivaling even the massive increase posted by Saudi Arabia between 1966 and 1981. The expected U.S. surge will account for 80% of the increase in global supply over the time period.

Powell in WSJ Debate: Nuclear is Essential – ClearPath Executive Director Rich Powell argued this week in the *Wall Street Journal* that the future of U.S. nuclear power is not only bright—it's non-negotiable. A robust civilian nuclear sector is mandatory for the U.S. to remain a major geopolitical, economic, military and environmental leader, Rich wrote. After decades of policy neglect, Washington is finally addressing what is both a national and global necessity and a tremendous opportunity. That includes growing bipartisan support to reform new reactor licensing and improve tax incentives for new nuclear facilities, led in Congress by clean-energy advocates as well as national-security and energy-reliability hawks.

Henkel, Novozymes, P&G, Sasol Execs Named to ACI Board of Directors – Four executives from leading companies across the cleaning product supply chain were elected to the American Cleaning Institute (ACI) Board of Directors: Mike Clark, Vice President, Organics – Sasol Performance Chemicals; Charles Crawford, Ph.D., Head of R&D, Laundry and Home Care, North America – Henkel Consumer Goods Inc.; Rene Garza, Vice President, Household Care, Americas – Novozymes and Sundar Raman, Vice President, North America Fabric Care – Procter & Gamble. At its meeting in Washington, D.C., the ACI Board elected the new Directors to fill existing vacancies.

ON THE SCHEDULE THIS WEEK

USTR Comment Deadline on Solar Trade Case – November 20th