

Message

---

**From:** Maisano, Frank [frank.maisano@bracewell.com]  
**Sent:** 7/30/2018 5:42:58 PM  
**To:** Maisano, Frank [frank.maisano@bracewell.com]  
**Subject:** Jul 30 PRG Energy Update: Wheeler Testifies, Sens: No RFS Reallocation, HVACR Cos Ask SCOTUS to Take HFC Case

Friends,

Starting today with sports since August is close and over the weekend, Geraint Thomas survived the Pyrenees to win his first Tour de France title, concluding his transformation from a support rider into a champion of cycling's biggest race. The Welsh rider with Team Sky won over Tom Dumoulin and teammate/defending champ Chris Froome. Also, former Tiger greats Alan Trammell and Jack Morris were both inducted into Baseball's Hall of Fame in Cooperstown alongside Chipper Jones, Jim Thome, Vlad Guerrero and Trevor Hoffman.

But August really means that Fall Sports are right around the corner. NFL training camps are underway with the Hall of Fame game Thursday and HoF induction (Saturday's induction class includes Bobby Beathard, linebacker Robert Brazile, safety Brian Dawkins, guard Jerry Kramer, linebacker Ray Lewis, wide receiver Randy Moss, wide receiver Terrell Owens, and linebacker Brian Urlacher); NCAA College Football kickoffs Saturday August 25<sup>th</sup>; Hannah reports for Junior year at Wellesley (WOW, already) for field hockey on August 16<sup>th</sup> and my first college FH game is at Syracuse that weekend. Here in DC, the Citi Open – DC's long-standing professional tennis tour stop at the Rock Creek Park Tennis Center – is underway and runs to Sunday. Players include Andy Murray, world #3 Alexander Zverev, #5 Kevin Anderson (who just made a great Wimbledon run), #9 John Isner and many more.

Well, we have kind of made it to August recess. With the House out until Labor Day, the big show is Wednesday in the Senate at the Environment Committee where Andy Wheeler heads to testify for the first time since being named Acting Administrator. Before the Wheeler show, the Committee will vote on CEQ nominee Mary Neumayr (and others). And most think – after some speculation last week – that the fuel economy Phase II standards will be announced sometime this week. Our friends at the NYT detailed a draft of the plan on Friday. As well, my friend Bridget Bartol ([bbartol@secureenergy.org](mailto:bbartol@secureenergy.org)) at SAFE can also help you with the inside details. And with the fuel economy debate seeing heightened importance, MIT experts have a new White Board Video that explains how texture, roughness, and structural properties of the road all play a role in vehicle fuel efficiency and greenhouse gas emissions (it can be as high as 4%, which is pretty big when you think about how many drivers are out there). 17 State AGs also made a similar request.

The other interesting thing that happened Friday was the bipartisan group of 21 Senators that told EPA Administrator Andy Wheeler that they are strongly opposed any proposal to reallocate RFS compliance obligations from exempted small refineries to other refiners and importers. The senators wrote that “regardless of one's views on the merits of SRE decisions, there is little doubt that reallocating obligations would only compound the problems with the RFS and are illegal.” Pretty clear.

Also Friday, Five major HVACR companies (**Lennox, Carrier, Nortek, Rheem & Ingersoll Rand**) are asking the Supreme Court to review the lower court decision that blocked EPA implementation of HFC reductions using its SNAP program, saying the decision creates a regulatory mess that EPA has been unable to fix almost a year after the decision was handed down. (More below or in link)

Finally, our Bracewell PRG podcast – The Lobby Shop – is now on social media. It is a regular mix of politics, policy and fun. Please follow it on Twitter at [@TheLobbyShopPod](https://twitter.com/TheLobbyShopPod) and like it on Facebook at [@lobbyshop](https://www.facebook.com/lobbyshop) to get all the details and regular updates. It will be well worth the follow.

No updates over the next few weeks unless necessary. (Maybe updates on the Incubus or Godsmack shows we are attending). Call with questions...Best,

Frank Maisano

Ex. 6

c. ( Ex. 6

## FRANKLY SPOKEN

*“I have worked in the HVAC&R industry for 15 years and have seen many changes to our industry. I support the Kigali Amendment and I stand with President Trump on holding China accountable and creating good paying jobs right here in the United States of America. Our country is currently in desperate need of skilled labor and the Kigali Amendment will help to grow those skilled labor needs right here in the United States.”*

*Jason Lacey, Executive Vice President, Local 4501, Communications Workers of America (CWA), Columbus, Ohio*

## ON THE POD

**Bracewell Podcasts Looks at Trade, New EPA Head** – The latest episode of the Bracewell Podcast, *The Lobby Shop* is now live on [Stitcher](#), [iTunes](#), [SoundCloud](#), and [Google Play Music](#). This week, we're joined by Scott Lincicome, trade attorney and adjunct professor at The Cato Institute and Duke Law. We cover Scott's viral t-shirt design, the latest in retaliatory tariff news, and many other updates in the global Trade War.

**GTM Energy Gang Podcast: A Conversation With Vox's Roberts** – On this week's [Energy Gang](#), our friend Stephen Lacey holds a wide-ranging conversation with Vox's David Roberts. Roberts is known for his deep explainers and strong opinions and they discuss some of the most pressing energy/environment topics, including carbon taxes, nuclear bail outs, renewables and politics.

## FUN OPINIONS

**MIT Whiteboard Report: Pavement Can Impact Emissions** – With the fuel economy debate seeing heightened importance, we highlight that road quality impacts vehicle fuel efficiency and greenhouse gas emissions. In a new White Board Video, MIT CSHub researcher Dr. Mehdi Akbarian explains how texture, roughness, and structural properties of the road all play a role. [See it here](#).

**EIA: Energy Expenditures Lowest Since 1970** – EIA says U.S. energy expenditures declined for the 5<sup>th</sup> consecutive year, reaching \$1.0 trillion in 2016, a 9% decrease in real terms from 2015. Adjusted for inflation, total energy expenditures in 2016 were the lowest since 2003. Expressed as a percent of gross domestic product (GDP), total energy expenditures were 5.6% in 2016, the lowest since at least 1970. See [more info and graphs here](#).

## IN THE NEWS

**Major HVACR Companies Ask SCOTUS to Take HFC Case** – Five major HVACR companies are asking the Supreme Court to review the lower court decision that blocked EPA implementation of HFC reductions using its SNAP program, saying the decision creates a regulatory mess that EPA has been unable to fix almost a year after the decision was handed down. Unless the Supreme Court steps in, the result will be an extended period of regulatory uncertainty, almost certainly including years of litigation challenging the new rule that EPA ultimately develops to implement a confusing D.C. Circuit decision that was wrongly decided. The companies (Rheem, Lennox, Ingersoll Rand, Carrier and Nortek) are the leading U.S. manufacturers of HVACR equipment. Together with another manufacturer filing its own amicus brief, they account for well over 75% of the residential and commercial air conditioning and commercial refrigeration equipment that is manufactured and sold in North America.

**21 Senators Weigh in Against Illegal Reallocation of Small Refiner Waiver** – A bipartisan group of Senators told EPA Administrator Andy Wheeler that they are strongly opposed any proposal to reallocate the Renewable Fuels Standard (RFS) compliance obligations from exempted small refineries to other non-exempted transportation fuel refiners and importers. The senator s wrote that “regardless of one's views on the merits of SRE decisions, there is little doubt that

reallocating obligations would only compound the problems with the RFS. Simply put, a retroactive reallocation of small refinery obligations onto non-exempt obligated parties is illegal and inconsistent with the objectives of sound energy policy.” The 20 signers include Sens. Inhofe, Barrasso, Boozman, Capito, Cassidy, Cotton, Cruz, Daines, Enzi, Flake, Hatch, Hyde-Smith, Isakson, Kennedy, Lankford, Lee, Manchin, Perdue, Risch, Toomey and Wicker. The Fueling American Jobs Coalition says “reallocating exemptions simply amounts to a penalty on U.S. refineries that may not qualify for a small refiner exemption, but otherwise comply with the RFS. Reallocations would inject even greater uncertainty into the already volatile and opaque market for tradeable ethanol credits, threatening a return to surging prices for these credits that are would negatively impacting refineries across the U.S. and jeopardizing good-paying industrial jobs that sustain hard-working American communities.”

**ClearPath Study: Aggressive Carbon Capture RD&D Can Spur Massive Economic Benefits** – ClearPath Foundation and Carbon Utilization Research Council [released a new study](#) that says accelerating research, development and deployment of advanced power cycles and carbon capture technologies for use in fossil power generation would dramatically drive domestic oil production, jobs and provide a significant boost to GDP while trapping significant amounts of heat-trapping carbon emissions. The International Brotherhood of Boilermakers, Iron Ship, Builders, Blacksmiths, Forgers & Helpers; the International Brotherhood of Electrical, Workers and the United Mine Workers of America also contributed to the effort. Under the scenarios evaluated, the study’s modeling provided by NERA Economic Consulting and Advanced Resources International forecasts market-driven deployment of up to 87 gigawatts with carbon capture technologies over the next two decades. Some of these include a 40% increase in domestic coal production for power from 2020 to 2040; 100 million to 923 million barrels of additional domestic oil produced annually by 2040; 270,000 to 780,000 new jobs and an increase of \$70 billion to \$190 billion in annual gross domestic product (GDP) associated with enhanced oil recovery field operations by 2040; Aggressive RD&D reduced the national retail cost of electricity 1.1% to 2.0% by 2040, which on its own is forecasted to increase annual GDP by an additional \$30 billion to 55 billion and create 210,000 to 380,000 more jobs over a baseline RD&D case.

**Chamber, NAM, Industry Groups Push for HFC Reduction** – The [Let America Lead coalition](#) formed last week to work with conservative leaders at the local, state and national level, manufacturers and businesses, and working Americans across the country to demonstrate to President Trump why support for the Kigali Amendment is a win for American workers and urge him to send it to the U.S. Senate for ratification. The announcement follows a recent series of public statements of support for Kigali amendment ratification. In May, the Air-Conditioning, Heating, and Refrigeration Institute and the Alliance for Responsible Atmospheric Policy released a new economic study conducted by Inforum and JBS Consulting. The study demonstrates the job creation and economic growth benefits of ratification, including the creation of 33,000 manufacturing jobs and 117,000 indirect jobs by 2027. It will also increase manufacturing exports by \$5 billion while reducing imports by nearly \$7 billion to improve the balance of trade. In June, 13 Republican Senators sent a joint letter of support to President Trump urging him to send the Amendment to the Senate for its advice and consent. They wrote: “The Kigali Amendment will protect American workers, grow our economy, and improve our trade balance all while encouraging further innovation to strengthen America’s leadership role.” Also in June, three leading conservative groups, Americans for Tax Reform, FreedomWorks and the American Council for Capital Foundation stated their support for the amendment, writing to the president that, “This agreement has our support because it will ensure that U.S. manufacturers are able to thrive in the global economy and create more wealth and jobs in America.” Let America Lead is proud to announce that the National Association of Manufacturers, the U.S. Chamber of Commerce, the American Chemistry Council and the American Council for Capital Formation are founding members of the coalition, and looks forward to announcing additional members.

**Cooper Nominated to Energy GC** – Former House Resources staff director and energy specialist Bill Cooper has been nominated to be General Counsel of the Department of Energy.

**Solar Report: 42 States, DC Took Action on Solar Policy During Q2** – The N.C. Clean Energy Technology Center (NCCETC) released its Q2 2018 edition of The 50 States of Solar. The quarterly series provides insights on state regulatory and legislative discussions and actions on distributed solar policy, with a focus on net metering, distributed solar valuation, community solar, residential fixed charges, residential demand and solar charges, third-party ownership, and utility-led rooftop solar programs. The report finds that 42 states and the District of Columbia took some type of distributed solar policy action during Q2 2018 (see figure below), with the greatest number of actions relating to residential fixed charge

or minimum bill increases, net metering policies and community solar policies. A total of 148 distributed solar policy actions were taken during Q2 2018, with the greatest number of actions taken in California, Arizona, New York, Virginia and Massachusetts.

### **ON THE SCHEDULE THIS WEEK**

**August Congressional Recess** – While the Senate will remain in session, the House will not return until after Labor Day.

**Women in Nuclear Conference Starts** -- The U.S. [Women in Nuclear National Conference](#) is underway through Wednesday in Huntsville, Alabama. The 2018 national conference is sponsored by the Tennessee Valley Authority and gathers individuals working in any aspect of nuclear energy, science and technology in the United States. The conference provides perspectives from national authorities on key issues and professional development opportunities to grow your career.

**Conference to Look at Sustainability** – The National Association for Environmental Management holds a [sustainability management conference](#) today through Wednesday at the Omni in Providence, Rhode Island. The conference offers insights to improve company performance while more effectively managing sustainability data at both ends of the supply chain.

**Conference Looks a Renewable, Storage** – EUCI hosts a [conference](#) today and tomorrow in Philadelphia on the interconnection process for renewables and storage. The conference will discuss the process for interconnection utilized by different entities across the country, identify technical requirements from start to finish, evaluate potential regulatory and policy directions, and evaluate how best to update the interconnection process to accommodate the evolving electricity grid.

**Perry, Pompeo to Address Chamber Indo-Pacific Business Forum** – The U.S. Chamber of Commerce hosts an Indo-Pacific Business Forum today. The event will , feature Secretary of State Mike Pompeo, Energy Secretary Rick Perry, Commerce Secretary Wilbur Ross and many more.

**FERC to Hold Grid Reliability Conference** – The Federal Energy Regulatory Commission will hold a [day-long meeting tomorrow](#) to discuss grid reliability policies and issues. Topics include regulatory priorities for the North American Electric Reliability Corporation; challenges arising in the Western Interconnection; an update on the cooperation agreement between NERC and Mexico; how grid resiliency can be tracked with data; and how industry and regulators need to respond to higher supplies of distributed generation and energy storage.

**EESI Forum to Look at Energy Efficient Housing** – The Energy Efficiency for All and the Environmental and Energy Study Institute [host a breakfast briefing tomorrow at 9:00 a.m.](#) on Federal programs for energy and housing, focusing on low-income families. Speakers include Ellen Lurie Hoffman of the National Housing Trust, ACEEE’s Ariel Drehobl, Carmen Bingham of Virginia Poverty Law Center, Action Housing’s Sarah Ralich and former DOE Weatherization Assistance Program Director Dave Rinebolt.

**Forum to Look at Natural Disasters, Climate** – Results for Development (R4D) holds a [forum tomorrow at 11:00 a.m.](#) on climate change and natural disasters. In this discussion, Vinod Thomas, former Director General of Independent Evaluation at the World Bank and at Asian Development Bank, will present findings from his recently published book on this subject. Masood Ahmed, President of the Center for Global Development and Annette Dixon, Vice President for Human Development at the World Bank Group, will respond with comments.

**Forum to Look at Russian Energy Sanction Impacts** – Tomorrow at noon, the Atlantic Council holds for a [conversation](#) about proposed Russia sanctions legislation. The ongoing discussions within the US Congress provide an opportunity to take stock of existing sanctions policy and the proposed legislation and assess the implications for oil markets, energy projects, and companies. The expert panel will discuss proposed legislation such as the DETER (Defending Elections from Threats by Establishing Redlines) and ESCAPE (Energy Security Cooperation with Allied Partners in Europe) Acts. Speakers include former State official David Goldwyn and Other Council experts.

**ELI to Host ESA Webinar** – Tomorrow at 2:00 p.m., the Environmental Law Institute [hosts a webinar](#) on proposed USFWS Endangered Species Act regulations. This panel will provide an advanced look into potential benefits and repercussions of utilizing the ESA under this regulatory proposal. Each panelist will highlight his or her top areas of interest in the proposals and describe improvements that could be made in the process to finalize the regulations.

**Senate Environment to Host Wheeler** – The Senate Environment Committee will host new acting EPA head Andy Wheeler on Wednesday August 1<sup>st</sup> at 10:30 a.m. It will also hold a Business Meeting to vote on CEQ head Mary Neumayr and other nominations immediately prior at 9:45 a.m.

**WCEE Monthly Happy Hour** – The Women’s Council on Energy and Environment hosts its August Happy Hour on Wednesday, August 1<sup>st</sup> at 5:30 p.m. at MASA 14 (1825 14th Street, NW)

**TX Enviro Superconference Set** – The [30<sup>th</sup> Texas Environmental Superconference](#) is being held on Thursday and Friday in Austin at the Four Seasons Hotel. This year’s conference will have speakers from across the spectrum including Andy Wheeler fresh off his Senate testimony, Air office head Bill Wehrum and a number of others from EPA leadership. Also on the agenda are TCEQ’s Brian Shaw, my Bracewell colleague Tim Wilkins and our friends Allison Wood of Hunton and Jon Cruden of Beveridge. The Superconference will cover an array of cutting-edge topics with timely presentations from federal, state and local governmental officials and leading private practitioners. A copy of the current draft program can be found [here](#).

**Tesla Book Discussion Set** – [Politics and Prose Bookstore](#) hosts Author Richard Munson on Wednesday at 7:00 p.m. to discuss and sign copies of "Tesla: Inventor of the Modern". Drawing on his new book, Richard Munson shines a light on the man behind the legend and how his unique way of doing things meant some of his most advanced ideas would go unrecognized for decades. Tesla felt inventing required the linking of science and the humanities. Unlike his better-known rival, Thomas Edison, he was not motivated by profit and preferred working in isolation.

**Science-Policy Discussion Set** – On Thursday, August 2<sup>nd</sup>, the Women’s Council on Energy and the Environment [hosts a conversation](#) at Honeywell at Noon featuring two scientists working to shape policy at the federal level. They will discuss the role of science in shaping public policy and offer solutions for a more collaborative relationship between the scientific and policy realms.

## **IN THE FUTURE**

**New Rule for New Power Plants Likely in August** – EPA plans to send revised carbon dioxide emissions standards for new fossil fuel-fired electric generators to OMB in August. The budget/reg agency is already reviewing the new version of the Clean Power Plan. The new source performance standards, established under the Obama administration in 2015, currently require the installation of prohibitively expensive carbon capture systems on new coal plants to meet the emissions limits, effectively banning the generators. The Trump administration has sought to roll back a number of environmental and energy rules in a bid to revive the nation's ailing coal industry.

**Forum to Look at Innovative CO2 Tech** – Next Tuesday, August 7<sup>th</sup> at 1:00 p.m., the U.S. Energy Association hosts a [discussion](#) of Global Thermostat’s patented breakthrough technology removes CO2 from ambient air or other sources utilizing readily available, low-cost process heat. That CO2 is then used profitably in multiple industrial processes, meeting the needs of a > \$1 Trillion annual market. With its great flexibility and scalable implementations, GT plants can be of any size, and can standalone, or be integrated with: legacy power plants; renewable energy plants; and manufacturing facilities. This briefing will highlight this revolutionary technology, with a discussion on viable CO2 markets as well as the status of the two existing plants in Silicon Valley, and a third commercial plant on the way at Huntsville, Alabama.

**Forum to Look at Climate Adaption Policy** – On Thursday, August 9<sup>th</sup> at 8:30 a.m. at the ASU Barrett & O'Connor Washington Center, the Consortium for Science, Policy, and Outcomes [holds a forum](#) to Look at how to best adapt to a warmer future. Bruce Guile, president and cofounder of the New Advisory Group, and Raj Pandya, the founding director of the Thriving Earth Exchange at the American Geophysical Union, will address exactly that question to mark the

publication of the Summer 2018 Issues in Science and Technology. They will discuss “Adapting to Global Warming: Four National Priorities,” their clear-eyed assessment of the policy steps needed to use human ingenuity to confront climate change.

**EPRI Hosts Electrification Conference** – The Electric Power Research Institute (EPRI) hosts the inaugural Electrification 2018 International Conference and Exposition on August 20<sup>th</sup> to 23<sup>rd</sup> in Long Beach CA. Hosted by the and sponsored by more than 20 major utilities and organizations, this annual conference will bring together utility leaders, regulators, researchers, academia, vendors, economic development groups, and energy users from diverse manufacturing, transportation, industrial, and agriculture sectors around the globe. SoCo CEO Tom Fanning is among the many speakers.

**Oil/Gas Conference Set for Denver** – EnerCom’s Oil & Gas Conference will be held on August 20-23 at The Westin Denver Downtown. The conference offers investment professionals the opportunity to listen to the world’s key senior management teams present their growth plans. Our friends at Wolfe Research will host a full day of management meetings with execs on Tuesday August 21<sup>st</sup> at the Palm Restaurant.

**FRANK MAISANO**

Senior Principal

Ex. 6

Policy Resolution Group