

**To:** Jackson, Ryan[jackson.ryan@epa.gov]  
**From:** Morning Energy  
**Sent:** Thur 6/8/2017 2:06:45 PM  
**Subject:** POLITICO's Morning Energy: Zinke orders review of sage grouse management plans — Democrats boil over at oversight obstruction — Outgoing EEI official looks at power market challenges

By Anthony Adragna | 06/08/2017 10:00 AM EDT

*With help from Darius Dixon, Alex Guillén and Annie Snider*

**EVERYBODY'S HEARD ABOUT THIS BIRD:** Interior Secretary Ryan Zinke will release a secretarial order this morning opening a review of sage grouse conservation plans across 11 Western states, Pro's Esther Whieldon [reports](#). Though it may look like a humble bird, it's a huge deal for oil and gas interests. Zinke said governors have complained that the management plans set under the Obama administration hinder their ability to develop resources or use the lands for other activities. The order calls for the government within 60 days to report back on its examination of the 98 existing land use management plans for parts that should be tweaked or rescinded.

**But former Interior Secretary Sally Jewell** defended the existing management plans on Wednesday, telling POLITICO they were "designed to be very flexible and to allow the states and the federal land management agencies to work together" on both energy development and conservation. The Western Energy Alliance said it wasn't worried reworking the plans could take years. "What risk is there?" Kathleen Sgamma, the group's president, said. "Development is at practically a standstill already in sage grouse habitat." But conservation interests worried the review could do significant damage to existing efforts to protect the sage grouse habitat. "The review appears to be a thinly-veiled and unnecessary attempt to open up important habitat to oil and gas drilling, jeopardizing the important balance and flexibility offered in the existing plans," said Jim Lyons, a senior fellow at the Center for American Progress and former Interior official.

**COMEY'S NOT THE ONLY GAME IN TOWN:** Zinke faces his former House colleagues this morning at 9:30 a.m. at the House Appropriations Subcommittee on Interior, Environment, and Related Agencies, where he'll have to defend the Trump administration's proposed \$1.1 billion, or 10 percent, [cut](#) in his agency's budget. Watch the hearing, slated for Rayburn 2007, [here](#). Ahead of his appearance, the Vet Voice Foundation sent [a letter](#) to the committee voicing deep opposition to the proposed cuts.

**WELCOME TO THURSDAY!** I'm your host Anthony Adragna, and every single senator has a four-year degree of some sort. For today: There is one former Cabinet secretary serving in the U.S. Senate. Who is it? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**THE INNOVATION ISSUE:** How should Washington think about innovation? What's its role in the economy-and what does it take for government to foster new technologies that help the whole nation, not just a favored few? In a month long Special Report, **The Agenda** takes a deep look at the surprising new politics of innovation, and ideas for how to drive it in a new era. In this package, you'll read about how AOL founder Steve Case became the first call for

Congresspeople who want to bring innovation to the heartland; a critical look at [Challenge.gov](#), the federal government's prize competition designed to spur innovation; and the surprisingly innovative history of the U.S. Post Office, which was long on the forefront of technology before turning into a lesson in what \*not\* to do. Read the entire package [here](#).

**DEMOCRATS BASH OVERSIGHT IMPEDIMENTS:** Numerous Democratic senators used a [hearing](#) considering OMB nominees to bash the Trump administration's [formal memo](#) allowing federal agencies to [ignore oversight requests](#) from minority-party lawmakers. "I will punch above my weight on this," top Senate Homeland Security and Governmental Affairs Democrat [Claire McCaskill](#) said. "The notion that we're going to partisan corners on oversight is disgusting." Yet, Deputy OMB Director nominee Russell Vought declined multiple times to guarantee he would respond to Democratic requests, prompting [Heidi Heitkamp](#) to call his answer "absolutely outrageous" and "almost disqualifying." Senate Democrats later Wednesday released a [compilation](#) of more than 100 oversight requests the Trump administration has ignored.

**Lack of responsiveness to oversight requests** has been especially pronounced from EPA to Senate EPW. An unusually fired-up ranking member [Tom Carper](#) said if roles were reversed and a Democratic administration ignored GOP requests, "You'd shut the place down. We probably ought to do that as well." He later told ME he would seek a commitment from all EPA officials coming before EPW to respond to all oversight requests (as DHS Secretary John Kelly [promised](#) during Tuesday congressional testimony). "Until members of this committee receive adequate responses from [EPA Administrator Scott] Pruitt so that we can all exercise our oversight responsibilities, I feel I have no choice but to oppose the consideration of any additional EPA nominees," Carper said in a statement late Wednesday after meeting with Trump's pick for agency enforcement chief, Susan Bodine.

**For her part**, law professor and Trump's pick to serve as the country's regulatory gatekeeper Neomi Rao said she is "committed to working with this committee on their requests." Along with the hearing, eight former administrators of the Office of Information and Regulatory Affairs backed Rao's nomination in a [letter](#), including Obama's most recent official, Howard Shelanski.

**TAKE A GLANCE!** Pro's Darius Dixon [sits down](#) with retiring David Owens, a top executive with the Edison Electric Institute, on what's next for the power business and what looming challenges lie on the horizon. "Our members are totally focused on a clean energy pathway, irrespective of the Paris agreement," he said. "Customers are driving it. Customers want it."

**GREENS SLAM DOJ DECISION TO END 'THIRD-PARTY' PAYMENTS:** Environmental groups are slamming Attorney General Jeff Sessions' Thursday [decision](#) to stop requiring violators of laws like the Clean Air Act to pay for projects unrelated to the violation, a practice known as "third party settlements." Restitution funds should go to victims or taxpayers, "not to bankroll third-party special interest groups or the political friends of whoever is in power," Sessions said. Green groups quickly lashed out, saying the move will only reduce spending on environmental clean-ups. "This radical reversal of a decades-old policy could deprive communities of direct assistance for improvements in air and water quality, and is nothing more than an effort by the Trump administration to let companies like Fiat-Chrysler and Mercedes off

the hook," said Pat Gallagher, director of the Sierra Club's Environmental Law Program. Environmental Integrity Project Executive Director Eric Schaeffer, meanwhile, said Session's letter is similar to a House bill backed by conservative groups. "It's disheartening to see the Justice Department reading from their playbook."

**For example:** One recent prominent example is the last year's record \$14.7 billion settlement with Volkswagen over its diesel emissions cheating scandal included \$2.7 billion for projects to reduce pollution in areas where the cars had been, as well as \$2 billion for electric vehicle infrastructure. However, the payments are typically much smaller than that. Just last week the Cause of Action Institute, a free-market group, urged EPA to re-open an August settlement reached with Harley-Davidson over illegal after-market defeat devices because it included \$3 million to the American Lung Association's Northeast chapter to pay for upgrading wood-burning appliances.

**GETTING FASTER AT THIS:** Just one day after announcing his selection, the White House formally sent Jeffrey Bossert Clark's nomination to run DOJ's Environment and Natural Resources Division to the Senate.

**Moving on up!** North Dakota District Court Judge Ralph Erickson went out on a limb last year when he issued the first stay of the Obama administration's controversial Waters of the U.S. rule, just hours before it was set to go into effect, even as several other district courts denied stay requests or ruled that they didn't have jurisdiction over the issue. Now, the Fargo-based George W. Bush appointee, known to colleagues as a "Chamber of Commerce Republican," is being nominated by Trump for the 8th Circuit Court of Appeals. Erickson's 13-state hold on the rule helped pave the path for opponents of WOTUS to ultimately win a nationwide injunction from the 6<sup>th</sup> Circuit Court of Appeals that's still in place today.

**FEINSTEIN WARNS OF 'FAILING' NUCLEAR...EVERYTHING:** Sen. Dianne Feinstein, the top Democrat on energy appropriations, issued a lengthy broadside against a range of nuclear issues during a budget hearing for the Nuclear Regulatory Commission Wednesday afternoon. She reiterated her longstanding concerns about the delayed and over-budget MOX project in South Carolina - which even Trump's fiscal 2018 budget calls for axing, a decision in line with the Obama administration-before she rattled off a list of the nuclear industry sore spots. Between the waste problem, the economic woes of power reactors in the electricity markets, and a Westinghouse bankruptcy that has undermined nuclear projects in the South, the California Democrat declared: "Is this going to be a failing industry?" There are dozens of sites where nuclear waste is stored with nowhere yet to go, Feinstein noted. "Maybe that's a symptom of what's happening to the industry ... What I see is a big downhill slope for the [nuclear] industry." She supports temporary waste storage facilities, however, Feinstein demurred when reporters later asked whether she would accept having fiscal 2018 funding for reviving the Yucca Mountain project.

**Energy spending chairman Sen. Lamar Alexander** said the bipartisan quartet of senators who have worked on comprehensive nuclear waste legislation - most, since 2011 - plan to reintroduce the bill again this year. Timing? TBD. The Tennessee Republican also said that he plans to chat with Energy Secretary Rick Perry later this month about what the Energy Department can do

with existing authorities to move ahead with a privately run nuclear waste storage site.

**DAM THOSE SEA LIONS:** California sea lions might look sweet and innocent to tourists at a San Francisco pier, but to endangered Columbia River salmon, they are conniving killers. In recent years, the mammals have been swimming up the Columbia River in record numbers to feast on endangered salmon, steelhead and other native fish species as they move up the fish ladder at Bonneville Dam. As dam customers and local communities invest heavily in efforts to save the fish species, lawmakers are pushing to allow wildlife managers to kill more of the seafood-loving sea lions, with a measure from Rep. [Jamie Herrera-Butler](#) getting a [hearing](#) before a House Natural Resources Committee panel this morning.

But some environmentalists and Native American tribes with fishing rights in the basin argue that the measure is trying to fix the wrong problem; the real problem, they say, is four dams upstream on the Snake River that advocates have long eyed for removal. "You can kill all the sea lions you want to - and we have already been killing the most problematic sea lions - but unless we summon the courage to act on the best scientific information and finally address the very significant impacts of the hydroelectric dams on our salmon, they will not come back," Gary Dorr, chairman of the Nez Perce Tribe General Council will testify.

**MAPPING DRINKING WATER CONTAMINANTS:** The Environmental Working Group is out this morning with new [research](#) and an [interactive map](#) showing the 47 locations across the country where toxic chemicals known as PFCs or PFASs have been detected in drinking water. All told, the group estimates the contaminants - used in Teflon manufacturing and firefighting foam - are in 15 million Americans' drinking water at some level. EPA has told local water officials that levels of PFCs above 70 parts per billion are likely unsafe, but has issued no federal regulation for the contaminants.

**INHOFE WARY OF SLOW EPA SELECTIONS:** Former EPW Chairman [Jim Inhofe](#) told ME Wednesday the White House has been "too slow" in selecting people for various roles at EPA and elsewhere. "We need to get a lot of people [more staff]," the Oklahoma Republican said. "Not just Pruitt." He added he's been very pleased with the administration's efforts to sell the decision to leave the Paris agreement.

**McCain Thinks Paris Pullout Bad for U.S. Leadership:** Count Sen. [John McCain](#) among the Republican lawmakers worried about the broader impacts pulling out of the Paris agreement may have on U.S. international efforts. Asked what leaving says about the country's leadership on tough international problems, McCain told reporters: "Not much." He also said the country's international leadership was stronger under former President Barack Obama than Trump.

**And there's more concern in private:** Sen. [Brian Schatz](#) told ME many of his GOP colleagues are privately "terrified" about the message leaving the climate deal sends to the rest of the world. "Everyone is really worried," he said. "This was not a purely climate-related decision. This is a geopolitical miscalculation that diminished our standing."

**MAIL CALL! COALITION URGES ENERGY RESEARCH FUNDING:** An array of

business and energy groups sent a [letter](#) to top congressional Appropriators urging strong federal support for energy research and development programs. "Continued support for investments in energy research programs across DOE can accelerate innovation and secure America's competitive advantage at this critical moment for our energy and economic future," the letter, signed by entities including Exelon, Shell, the U.S. Chamber of Commerce, the Nuclear Energy Institute and the Consumer Energy Alliance, says.

**SENATORS FIGHT ANOTHER PROPOSED CUT:** A bipartisan group of more than 20 senators sent a letter to Perry voicing opposition to a Trump budget provision calling for the auction of transmission assets of Power Marketing Administrations. "There are improvements that can and should be made to the operations of some PMAs, but the dismantling of them is simply not sound governmental policy," the letter, led by Energy and Natural Resources ranking member [Maria Cantwell](#), said. Side note: ME can't remember the last letter signed by both [John Barrasso](#) and [Martin Heinrich](#).

**FIGHT HEARTLAND'S CLIMATE MATERIALS IN SCHOOLS:** Four Senate Democrats - [Sheldon Whitehouse](#), [Elizabeth Warren](#), [Brian Schatz](#) and [Ed Markey](#) - asked Education Secretary Betsy DeVos in a [letter](#) Wednesday whether her agency played any role in the distribution of materials disputing the scientific consensus on climate change to 300,000 public school science teachers across the country. "It is our sincere hope that neither White House staff nor Department of Education officials have turned to the Heartland Institute on the issues of climate change and climate science, or had any role in this mailing to educators," they wrote.

**FORUM LOOKS AT BENEFITS OF MONUMENTS:** On the 111th anniversary of the Antiquities Act today, top House Natural Resources Democrat [Raul Grijalva](#), [Nydia Velázquez](#) and [Tim Walz](#), convene a public forum examining the "recreational, preservation and economic benefits of national monument designations" under that statute. It comes just days before Zinke is expected to offer his perspective to Trump on how the administration should handle the hotly contested Bears Ears and Grand Staircase-Escalante national monuments.

**ILLINOIS DEMOCRATS PUSH RAUNER ON PARIS:** Eleven Illinois House Democrats, led by [Mike Quigley](#), sent a [letter](#) to Republican Gov. Bruce Rauner urging him to formally commit the state to meeting existing emissions reduction goals outlined in the Paris Agreement. "Because it is good for the residents of Illinois and because it is the right thing to do, we feel that the State of Illinois should publicly commit to do its part to meet the existing Paris Agreement goals with or without formal U.S. participation in the Agreement, and to subsequently take actions to do so," they wrote.

**CONGRATS:** The Standing Rock Sioux, who fought for months against the Dakota Access pipeline, will today at 11:30 a.m. receive the Wallace Global Fund's inaugural Henry A. Wallace Award commending those that stand up to political power. David Archambault II, the tribe's chairman, will speak about how the "significant financial award coupled with investments in renewable energy" will allow them to decrease reliance on fossil fuels. More details [here](#) after 11:30 a.m.

## QUICK HITS

- Jerry Brown in China with a climate message to the world: Don't follow America's lead. [Los Angeles Times](#).
- North Korea: Trump withdrawal from Paris agreement 'height of egoism'. [USA Today](#).
- Mayor Emanuel signs order committing Chicago to Paris Agreement, welcomes global leaders to Chicago. [WLS](#).
- The Mayors of Pittsburgh and Paris: We Have Our Own Climate Deal. [New York Times](#).
- U.S. Oil Exports Double, Reshaping Vast Global Markets. [Wall Street Journal](#).
- Investors expect to meet with Exxon on climate-impact report. [Reuters](#).

**THAT'S ALL FOR ME!**

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