

Message

From: Magallanes, Downey [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=[REDACTED]]
Sent: 05/03/2021 00:44:49
To: Streett, Mary [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/[REDACTED]]; Ellis, Joe [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=[REDACTED]]
CC: Mogstad, Isabel [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=[REDACTED]]
Subject: Fwd: Granholm: DOE's money comes with strings attached — Haaland faces committee vote — Khanna kicks off Texas power probe

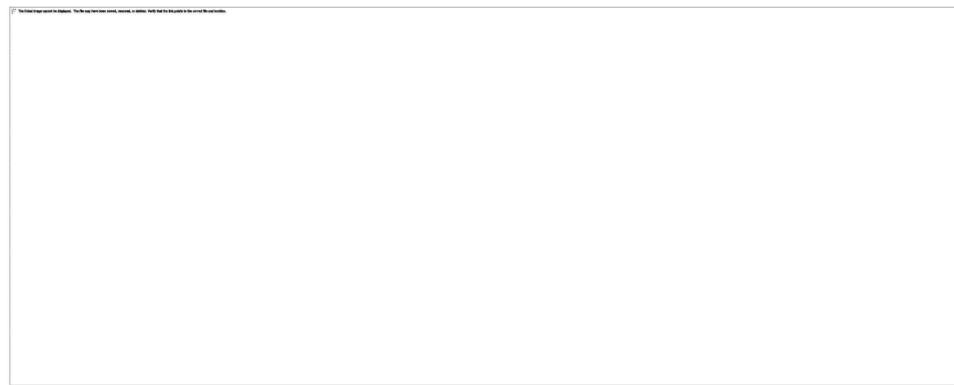
Hi all,

Redacted - First Amendment

From: POLITICO Pro's Morning Energy [REDACTED]@email.politicopro.com>
Sent: Thursday, March 4, 2021 5:48:00 AM
To: Magallanes, Downey <[REDACTED]@bp.com>
Subject: Granholm: DOE's money comes with strings attached — Haaland faces committee vote — Khanna kicks off Texas power probe

Mar 04, 2021

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BY KELSEY TAMBORRINO AND MATTHEW CHOI

With help from Annie Snider and Gloria Gonzalez

QUICK FIX

— **Companies should be ready to create clean energy jobs if they plan on tapping into DOE funds**, Energy Secretary Jennifer Granholm tells POLITICO in a interview.

— **Rep. Deb Haaland faces an Energy Committee vote**. The Interior secretary nominee offered an olive branch to Republicans in her responses to senators' written questions, but skeptics aren't swayed.

— **Rep. Ro Khanna kicks off his Texas inquiry**. The California progressive asked ERCOT to hand over a broad swath of documents regarding the recent winter storm.

WELCOME TO THURSDAY! We're your co-hosts, Matthew Choi and Kelsey Tamborrino. Jennifer Linker of Exxon Mobil gets the trivia win for knowing Dutch is the primary language in Suriname. For today: What is the most densely populated country in Central America? Send your tips and trivia answers to us at mchoi@politico.com and ktamborrino@politico.com. Follow us on Twitter [@matthewchoi2018](https://twitter.com/matthewchoi2018) and [@kelseytam](https://twitter.com/kelseytam).



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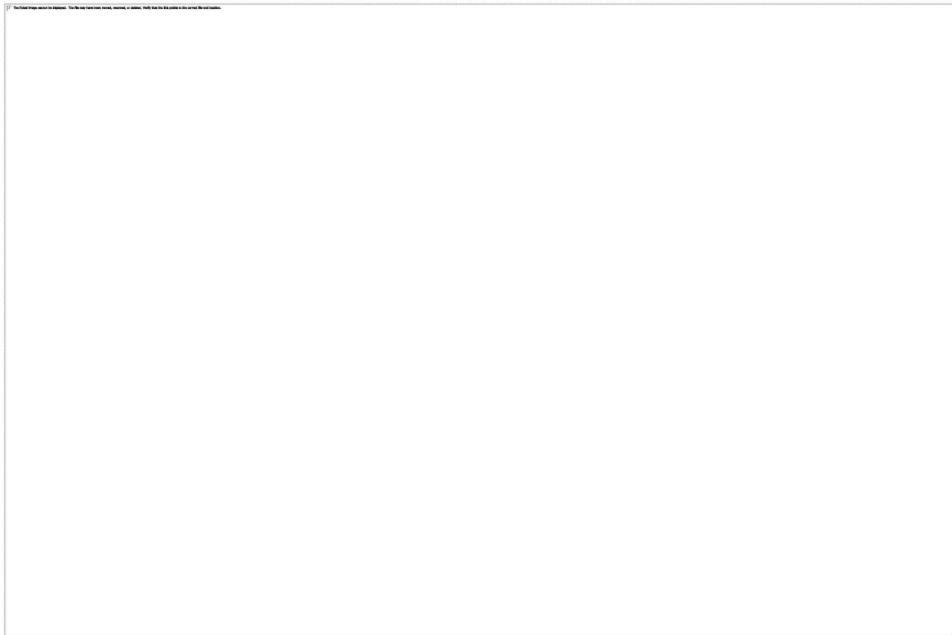
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Energy is essential to human progress. Last year, we invested billions to provide Americans with the energy they need. [Learn more.](#)

SOME STRINGS ATTACHED: Companies should expect to see some job requirements tied to the billions of dollars the Energy Department is looking to pour into the clean energy transition, Energy Secretary Jennifer Granholm told Kelsey and Eric Wolff in a Wednesday phone interview on the future of the department's loan program, which is sitting on some \$40 billion in available funds. "This agency as well as the entire government gives out an awful lot in grant funding," Granholm said. "We can make sure we require those who get the benefit of the help to be able to offer positions that allow people to have a middle-class life."

The loans program will help the Biden administration drive toward its goal of eliminating carbon emissions from the power sector by 2035, but it will likely draw close scrutiny from Republicans, who still decry the Obama administration's loan to solar company Solyndra. Granholm acknowledged the program needs some updating if it's going to do some of the heavy lifting for Biden's agenda.

"We do know the loan program office has been criticized because it has been difficult to access, particularly on the part of smaller businesses, and it also definitionally is narrower than what would be helpful if you really wanted to focus on deployment. And it's expensive for people who apply," she said. "These kinds of things should be addressed in order to make it really effective." Clean energy entrepreneur Jigar Shah will be taking the reins of the program, the department announced Wednesday.



Energy Secretary Jennifer Granholm. | Graeme Jennings/AP Photo

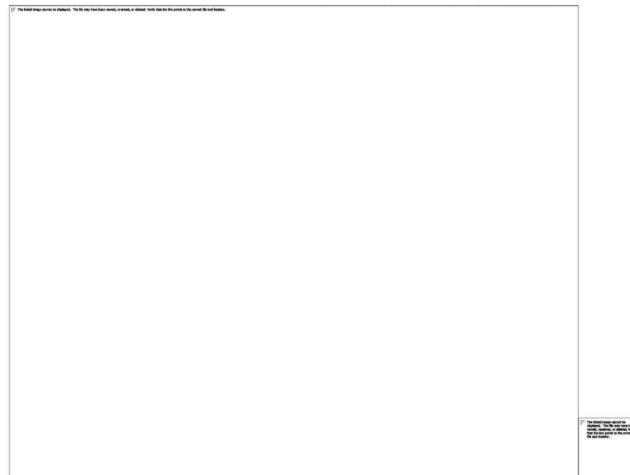
Granholm also said the legislation introduced this week by Sens. Joe Manchin and Debbie Stabenow, a fellow Michigander, to promote new factories in areas left behind by the transition away from fossil fuels is, "1,000 percent in line with figuring out ways that government can help lift communities that are on their knees." The secretary discussed her time as governor of Michigan when jobs were leaving the state in response to market conditions and globalization: "The question for us as a government, as a nation, is are we going to stand by and just allow communities like that to flounder, or will we offer opportunity? And I just love this bill because of that."

She also signaled the department's upcoming budget would likely include major commitments to research, development, demonstration and deployment. Biden has campaigned on investing \$400 billion over 10 years in clean energy and innovation. A group of advocacy organizations and labor unions wrote to the administration Tuesday pushing them to allocate \$40 billion per year for clean energy. More from Eric and Kelsey for Pros.

Deputy nominee hits the Hill: David Turk, Biden's pick for deputy Energy secretary, will appear this morning before the Senate Energy and Natural Resources Committee. Turk is currently the deputy executive director at the International Energy Agency and worked on international technology and clean

energy strategy at DOE under the Obama administration. During the Biden transition, he served as the deputy on the energy review team.

Expect ranking member John Barrasso (R-Wyo.) to press Turk on his support of an all-of-the-above energy strategy, a spokesperson for the senator signaled to ME. Barrasso will also ask how Turk plans to promote "energy security while working to make our nation's energy cleaner and more affordable."



ON THE HILL

HAALAND FACES A COMMITTEE VOTE: The Senate Energy Committee is also voting this morning on Rep. Deb Haaland's nomination for Interior secretary. Manchin (D-W.Va.) and Sen. Susan Collins (R-Maine) each said they intend to vote for Haaland — though Collins is not on the panel voting today — enough support to likely secure overall Senate approval for her. Moderate Sens. Kyrsten Sinema (D-Ariz.) and Lisa Murkowski (R-Alaska) still haven't spoken publicly on how they will vote.

In her written responses to senators' questions, Haaland offered an olive branch to Republicans who peppered her with questions about her past comments and progressive stances. She praised Murkowski "as someone who is thoughtful and civil and has a tremendous amount of experience working productively with administrations of both parties," which she'd like to emulate.

But Murkowski also wrote she was "truly shocked" by Haaland's comment about Tara Sweeney, a Trump administration Interior official who faced ethics accusations over how she handled tribal funds. Haaland replied that she did "not carry any hostility to Ms. Sweeney and I respect her public service." Pro's Anthony Adragna and Ben Lefebvre have more.

ENVIRONMENTAL APPOINTEES GRILLED ON OBAMA-ERA ROLES: Two of Biden's top environmental appointees got a grilling Wednesday by the Senate Environment and Public Works Committee as Republicans pushed them on their roles in crafting Obama-era environmental policy. Brenda Mallory, nominated to chair the White House Council on Environmental Quality, and Janet McCabe, nominee for deputy EPA administrator, were questioned on their roles on the Clean Power Plan and the Obama-era social cost of carbon.

But the nominees have wide, bipartisan support outside of Congress, with career civil servants singing their praises. Chair Tom Carper (D-Del.) gave the two until March 17 to answer senators' written questions. Alex Guillén and Annie Snider have more for Pros.

KHANNA KICKS OFF ERCOT PROBE: Rep. Ro Khanna (D-Calif.), chair of the House Oversight Environment Subcommittee, opened his probe into the Electric Reliability Council of Texas with a new letter Wednesday to the operator's president and CEO. Khanna asked ERCOT to hand over a broad swath of documents regarding the recent winter storm, including its preparations and its communications relating back to 2011 between ERCOT and the Public Utilities Commission of Texas, state, local and federal officials.

"The Subcommittee is concerned that the loss of electric reliability, and the resulting human suffering, deaths, and economic costs, will happen again unless ERCOT and the State of Texas confront the predicted increase in extreme weather events with adequate preparation and appropriate infrastructure," Khanna wrote. ERCOT told ME it received the letter and intends to respond. Not clear is whether the committee will get much help from Bill Magness, since ERCOT fired the CEO Wednesday night.

ECOSYSTEM INVESTMENT BLUEPRINT: As Congress works to craft a massive stimulus measure, the National Wildlife Federation is releasing a blueprint today for investing \$208 billion in forest management, wetlands restoration, species

recovery, and other resilience efforts that the group says could put 3.5 million Americans to work. ME got a first look at the proposal, which includes:

- \$68 billion for forest management on federal, state, private and tribal lands.
- Nearly \$27 billion to cap abandoned oil and gas wells and clean up abandoned coal and hardrock mines.
- \$24 billion for habitat restoration and research aimed at recovering imperiled wildlife.
- Nearly \$55 billion to restore watersheds, including the Great Lakes, Chesapeake Bay, Florida Everglades and Mississippi River.
- \$18 billion to boost conservation on farms and ranches.

Why it's worth watching: Lawmakers on both sides of the aisle have expressed interest in nature-focused approaches to boosting regional economies. The NWF plan has buy-in from key Democrats, including Manchin, House Natural Resources Chair Raúl Grijalva (Ariz.) and Climate Crisis Chair Kathy Castor (Fla.). It proposes investments primarily through existing budget lines — meaning it could be enacted through the budget reconciliation process.

NORD STREAM FLAK: Republican senators penned their ire at Biden on Wednesday for not imposing more sweeping sanctions over the Nord Stream 2 pipeline. Republicans have repeatedly gone after Biden for not doing more to crack down on the project, which is the source of bipartisan fear of Russia gaining undue influence in Central Europe. The 40 senators insist sanctions be applied to additional entities involved in the pipeline's construction. Anthony Adragna has more for Pros.

HOW TO EARMARK: Transportation Chair Peter DeFazio (D-Ore.) encouraged fellow House members to consider earmarks "reducing carbon pollution" and "enhancing environmental justice" for the surface transportation reauthorization. He included the priorities in a Dear Colleague letter that outlined his plan for how members should submit projects for the bill. Pro's Tanya Snyder has more.

JOE AND PETE IN THE HOUSE: Biden and Transportation Secretary Pete Buttigieg are meeting with a bipartisan group of House members to discuss infrastructure today.

A message from Chevron:

It's only human to be there when it matters. Last year, we invested billions of dollars to bring affordable, reliable, ever-cleaner energy to people across America. [Learn more about how we're working toward a brighter future.](#)

AROUND THE AGENCIES

BAKER ON ENERGY EQUITY: The Texas winter power crisis is "unfortunately a harbinger of what is to come" and revealed how energy crises interplay with inequality, Shalanda Baker, deputy director for energy justice at DOE, told the CERAWeek audience on Wednesday. Baker said the crisis highlighted the need to factor equity issues when discussing energy transition. She described her role as helping to facilitate an "ambitious and aggressive research agenda" at the DOE and increasing clean energy and economic resources to disadvantaged communities so they can participate in the energy transition. But she vowed that she will not be "a lone wolf" trying to legislate from the executive branch.

RIP OPEN SCIENCE RULE: The Interior Department on Wednesday scrapped its Trump-era "open science" rule, which sought to limit policy-making based on scientific research from private data. Though the Trump administration touted the rule as a transparency measure, critics said it would seriously curb the department's ability to make science-based policies by limiting sources of research and data. The department is also looking at its activities under the open science rule to make sure they line up with [Biden's push for scientific integrity in government](#).

Interior's leadership wasn't shy about how it felt about the old rule.

Wednesday's order "puts the evaluation and decision-making authority regarding scientific information back where it should be: in the hands of the scientists. It's an important step toward restoring trust in government and strengthening scientific integrity at the Interior Department," Tanya Trujillo, principal deputy assistant secretary for water and science, said in a statement.

BEYOND THE BELTWAY

HOT SPOTS IN A HOT SPOT: What happens when Covid guidelines meet triple-digit weather? Many low-income people of color are caught in a bind as social

distancing measures bar them from ways to keep cool — from public cooling centers to sharing air conditioned homes. It's gotten to the point where high-temperature areas almost perfectly coincide with Covid hot spots.

The phenomenon illustrates how extreme weather often hits low-income people the hardest. "Extreme weather, period, whatever it is, it impacts communities of color in a disparate way," Heather McTeer Toney, a senior adviser to Moms Clean Air Force and climate justice liaison for the Environmental Defense Fund, told POLITICO's Victoria Colliver and Nolan McCaskill. [Read more from Victoria and Nolan](#), who reported as part of POLITICO's "Recovery Lab" series.

Next week, our Recovery Lab series is exploring the future of nursing homes. Has the pandemic changed your perception of them? Do you or a loved one have an experience to share? [Tell us your story.](#)

EXXON HEAD URGES FOR MORE CCS SUPPORT: Exxon Mobil is pushing for more government backing for carbon capture and sequestration. Chair and CEO Darren Woods said large-scale CCS will be necessary to meet climate goals in a highly industrialized society that relies on sectors that are hard to decarbonize. That means opening up federal or state lands for carbon capture, he said at a meeting with investors and reporters Wednesday. "People with higher standards of living are driving demand for electricity and are going to lead to more industrial activity," he said. [Lorraine Woellert has more for Pros.](#)

HUGE UPTICK IN STORAGE: Energy storage capacity dramatically expanded last quarter, up 182 percent from the quarter before, according to [new data from Wood Mackenzie](#). The overwhelming majority of the growth came from front-of-the-meter storage — storage coming from the grid side. The segment provided over 80 percent of storage deployed in Q4. Residential storage projects are also on the raise, comprising 18 percent of storage deployed that quarter, particularly in California. The expanded energy storage could be a new boost for renewable energy supporters looking to assuage concerns of renewables' reliability.

THE GRID

— ["Energy firms bet on hydrogen boom, but payday far away," via Reuters](#)

- "Northern Arapaho Tribal Council Alarmed At Sen. Barrasso's Comments At Interior Confirmation," via Wyoming Public Media
- "Fallout from Texas energy crisis that left millions in the dark continues," via ABC News
- "Carbon County, Wyoming, knows which way the wind is blowing," via The New York Times
- "How private equity squeezes cash from the dying coal industry," via Reuters

ON THE CALENDAR

- 9 a.m.** Center for Strategic and International Studies webinar on "Russia in the Time of Climate Change."
- 10 a.m.** Senate Energy and Natural Resources Committee hearing to consider the nomination of David Turk to be deputy Energy secretary and voting on nomination of Debra Haaland for Interior secretary.
- Noon** House Natural Resources Committee hearing on the "Insular Area Climate Change Act."
- 12:30 p.m.** Center for Strategic and International Studies webinar on "International Energy Administration's India Energy Outlook 2021."
- 5:45 p.m.** Columbia University's Center on Global Energy Policy webinar on "Expanding Clean Energy Under The Biden-Harris Administration: Policy, Finance, and Women's Leadership."

Did we miss anything? Send future events to: [REDACTED]@politicopro.com.

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