

Message

From: Panelo, Marcelo [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/C_____]
Sent: 26/05/2016 17:19:05
To: Brien, Michael P [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/C_____]; Streett, Mary [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/C_____]
Subject: Proposed Rule from GSA, DOD and NASA

Redacted - First Amendment

Marcelo M. Panelo
Sr. Director, US Federal Regulatory Affairs - Safety & Health
BP America Communications & External Affairs
[REDACTED]
US Mobile - [REDACTED]

From: Brien, Michael P
Sent: Thursday, May 26, 2016 10:12 AM
To: Panelo, Marcelo; Stout, Robert; van Hoogstraten, David Jan; Nolan, James; Hermanson, Robert W
Cc: Williams, Lance
Subject: RE: Approps Dubbed 'Veto Bait'; Hamm for Trump

Redacted - First Amendment

From: Panelo, Marcelo
Sent: Thursday, May 26, 2016 9:10 AM
To: Stout, Robert; van Hoogstraten, David Jan; Nolan, James; Brien, Michael P; Hermanson, Robert W
Cc: Williams, Lance
Subject: FW: Approps Dubbed 'Veto Bait'; Hamm for Trump

Redacted - First Amendment

Best,

Marcelo M. Panelo
Sr. Director, US Federal Regulatory Affairs - Safety & Health
BP America Communications & External Affairs
[REDACTED]
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From: BGOV Energy Newsletter [mailto:[REDACTED]@email.bgov.com]
Sent: Thursday, May 26, 2016 6:38 AM

To: Panelo, Marcelo
Subject: Approps Dubbed 'Veto Bait'; Hamm for Trump

First Word Energy

May 26, 2016

Today's Agenda

Exxon Mobil Corp. dodged one climate disclosure yesterday, but President Obama is pushing another. A rule proposed Wednesday by the U.S. agency that coordinates the government's \$400-billion-plus supply chain would require contractors and vendors to reveal if they publicly report greenhouse gas emissions, their plans for paring them and the risks that climate change pose to their operations, Jennifer Dlouhy reports. The measure "leverages the federal government's purchasing power to push for this type of unprecedented disclosure government-wide," the White House said in a blog post.

A range of companies that do business with the U.S. would be affected, including aircraft manufacturers Lockheed Martin Corp. and Boeing Co., shipmakers such as General Dynamics Corp. and Bechtel Group Inc., and weapons suppliers such as Raytheon Co. It also could spur more disclosure from oil companies, such as Royal Dutch Shell Plc, Valero Energy Corp. and Exxon, which are among the top fuel suppliers to the Pentagon.

Big oil investors shugged off climate resolutions, backed drilling for more oil. Shareholders of Exxon and Chevron overwhelmingly rejected resolutions backed by environmental activists on Wednesday that would have curtailed exploration for new oil fields and funneled the money to investors in the form of higher dividends and share buybacks. Environmental critics as diverse as state pension funds and Roman Catholic religious orders said future climate rules will soon make it unprofitable for Exxon and Chevron to harvest their reserves. The companies countered that there doesn't yet exist a renewable fuel that can replace gasoline.

The drop off in coal use accelerated in the first three months of the year. Coal accounted for 29% of power generation second to natural gas with 32%. Coal use is down a stunning 24% in the first quarter of the year compared to 2015. While coal's advocates have long argued the fall in coal use would cause power prices to jump, just the opposite is happening. The PJM capacity auction for the year starting in June 2019 cleared at \$100 a MW/h, down from \$164.77 in the auction a year ago. Dynegy and Talen Energy fell on the news. Auction costs fell after demand forecasts were cut largely because of energy efficiency, Stu Bresler, senior vice president of market operations for PJM. "We also had a significant injection of new supply in this auction."

Donald Trump will sing the praises of crude oil today when he speaks to nearly 7,000 people on the sidelines of the Williston Basin Petroleum Conference in Bismarck, North Dakota. But will he reaffirm his support for ethanol? Americans for Energy Security and Innovation, led by former Republican senators Jim Talent and Rick Santorum, sent Trump adviser Rep. Kevin Cramer a letter yesterday taking issue with Cramer's call in an interview with Laura Curtis to phase out the RFS in 2022. "We cannot afford to squander America's most effective tool against hostile nations that seek to use energy as a weapon," he said in a letter.

Bill McKibben of 350.org is one of Bernie Sanders' picks to be on the Democratic platform committee, and that raised the hackles of oil producers. "This is the Bill McKibben that flies all around the country in a Lear jet or a corporate jet and talks about the need to keep fossil fuels in the ground. Hence, Keep It in the Ground," Tim Wigley, the president of the Western Energy Alliance said in North Dakota.

Sure he launched a massive rebuilding project likely to cause commuting chaos for months to come, but if you love Metro GM Paul J. Wiedefeld you can show it with a specialty T-shirt.

Quotable

"We need technological breakthroughs but until we have those, just saying 'turn the taps off' is unacceptable to humanity," Exxon Chairman and Chief Executive Officer Rex Tillerson said during the company's gathering in a Dallas symphony hall. "There is no alternative fuel known in the world that can replace the pervasiveness of fossil fuels."

"Thats a major turnaround from where we were just a few months. ago," Whiting Petroleum CEO Jim Volker says at Williston Basin Petroleum Conference. "People out there willing to guarantee you a \$68 price" because they think oil will continue to rise, he said.

"I hope to hear the influence of Kevin Cramer in Donald Trump's speech," Lynn Helms, director of North Dakota's Department of Mineral Resources, told reporters at the conference,

The Predictor

Trump will likely offer further criticism of OPEC members - not just Saudi Arabia, but also Iran - and ongoing support for renewed domestic energy production today, ClearView Energy's Kevin Book wrote. (The speech is at 2p.m. Eastern time.)

Contact Us

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Chart of the Day

Ethanol Has Corn and Crude to Thank for Its Recent Rise



Ethanol has jumped to a 10-month high and production margins have surged more than sixfold since a January low. A rally in crude oil has increased demand for the grain-based fuel that's added to gasoline. Prices for the biofuel have advanced in tandem with corn, keeping costs in check for producers, said Mark Ruyack, a manager at StarFuels Inc. in Jupiter, Florida, Mario Parker reports.

Inside the Beltway

DuPont, Dow Getting What They Asked For: Tougher EPA Oversight Congress is about to send President Barack Obama the biggest overhaul of rules governing household chemicals in four decades, a change sought by an industry that has faced a hodgepodge of retailer bans, consumer boycotts and state regulations. The Senate vote marks the final step in Congress for the bill, H.R. 2576, which was approved May 24 by the House, 403-12. The White House and EPA support the measure, saying it will give regulators crucial authority to ensure that chemicals used in household goods are safe.

House Floor Update The House is set to vote today on final passage of its energy-water appropriations bill.

Before turning back to the energy-water spending bill, lawmakers backed a motion to appoint lawmakers from the House to conference the bill with the upper chamber. The process of finding compromise could get tricky, though, as the House moved to replace the Senate's broad energy package with previously House-passed bills, many of them carrying White House veto threats already. We're expecting a list of conferees to be announced today.

Last evening the House passed several amendments, including one that would prohibit funds from being used for the department of Energy's Climate Model Development and Validation program, and one "sanctuary cities" amendment that would block funds being used in contravention of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

They also rejected several amendments to the spending bill, including one that would block funds from being used to issue a permit for California Governor Jerry Brown's 'WaterFix' project and a proposal to defund the Energy Information Administration on the grounds that it hadn't been authorized by Congress since 1980.

Bathroom wars return to the House floor A symbolic effort to get Congress on the record on the "bathroom war" was adopted to the House energy-water spending bill last night on a 227 to 192 vote. The amendment to the energy-water spending bill from Rep. Robert Pittenger would block appropriated funds from being used to withhold

already allocated federal money from his state over its so-called bathroom bill. "This is a constitutional issue, this is a balance of powers issue," the North Carolina Republican told reporters last night.

Rep. Sean Patrick Maloney, D-N.Y., offered an amendment -- similar to his amendment last week that was defeated on the floor to cries of "shame" from colleagues -- that would prohibit funding that contravenes an executive order related to anti-discriminatory LGBT language. It was also adopted on a 223-195 vote.

Veto Bait Republicans touted the funds provided in their interior-water FY17 spending bill at a subcommittee markup yesterday, but Democratic leaders on the Appropriations panel didn't echo their sentiments, Laura Curtis reported. Appropriations Committee ranking member Nita Lowey said there was "absolutely no way Democrats can support the bill" due to cuts to the EPA. And she warned there will be "many, many amendments" to address controversial policy riders. The subcommittee's ranking member Betty McCollum said funding for water infrastructure programs fell short and called the overall legislation "veto bait." The full committee markup hasn't been scheduled yet.

In Depth

North Dakota and Donald Trump

By Brian Wingfield

Donald Trump is poised to give his first substantive energy policy speech in North Dakota, a state eager to hear how he can help the industry recover from the worst downturn in a generation. The presumptive Republican presidential candidate is scheduled to speak Thursday as part of the Williston Basin Petroleum Conference in Bismarck. North Dakota rose to become the second-largest oil-producing U.S. state on the back of soaring output from shale.

While oil and gas industry executives and politicians in North Dakota this week say they're optimistic about the future as oil prices edge higher, the reality for the state is stark. North Dakota had a record 1,523 inactive oil wells at the end March, the latest date available, and the rig count is down 88 percent from its peak of 218 in May 2018, according to the state's Department of Mineral Resources. Lynn Helms, the department's director, said he wants Trump to address regulation, energy exports and competition with OPEC nations and Russia.

The presumptive Republican nominee has already won the backing of oil magnate T. Boone Pickens and coal company Chief Executive Officer Robert Murray, who has repeatedly sued the Obama administration for climate regulations that affect his industry. Trump will overturn regulations that are hurting mining companies, Murray said.

Late yesterday he also got the backing of Harold Hamm, a top energy adviser to Mitt Romney in 2012. Trump "cares about keeping the American energy renaissance alive," the Continental Resources CEO said. "America needs a businessman, not a bureaucrat."

Outside the Beltway

Coal Ash Commission, Drinking Water Bill Clears N.C. House: AP An effort to revive a North Carolina commission to help oversee the cleanup of coal ash pits maintained by Duke Energy and ensure nearby residents get piped drinking water has cleared the state House. The chamber voted Wednesday for the measure to reconstitute the Coal Ash Management Commission. Gov. Pat McCrory shut down the original commission following a court ruling that found the legislature held too much control over a panel with executive branch duties. McCrory told legislators he would veto the bill, calling it unnecessary. His lawyer said more litigation would occur if it became law.

Energy Summit Details Massive Project Planned for Uinta Basin: Deseret News The vast oil and natural gas deposits of Utah's Uinta Basin are like a multilayered "cake of opportunity" waiting to be sliced into with horizontal drilling, which is why Scott Saxberg believes the area's worth another \$50 million investment this year. Saxberg, president and chief executive officer of Crescent Point Energy, joined Gov. Gary Herbert at a news conference Wednesday during the fifth annual Governor's Utah Energy Development Summit to detail plans for a potential 4,000-well oil and gas project in the basin. "We're (starting) now, and by the time oil prices come back, we can pursue the project in a greater way," Saxberg said, describing rich layers of oil and gas deposits that have yet to be tapped in the region in any earnest way via horizontal drilling.

N.Y. Board OKs \$485M for Buffalo Solar Plant Amid Questions: AP A state oversight board controlled by the Legislature and Democratic Gov. Andrew Cuomo has authorized spending \$485 million to complete a solar panel production plant, the centerpiece of Cuomo's "Buffalo Billion" economic development program. The Public Authority Control Board voted Wednesday amid questions about the future of the solar industry after a major player last

month filed for bankruptcy court protection, a lack of details about how the money will be spent and uncertainty about the public benefit from the project. The \$750 million SolarCity plant being built with public funds is nearing completion and the money approved by the board is believed to be the balance of the state's commitment to not only build the million-square-foot factory but also to fit it with manufacturing and other equipment.

Duke Energy IDs Cherokee Site for Development Potential: Spartanburg Herald Duke Energy announced Wednesday that a 105-acre site along Interstate 85 near Gaffney is among five sites statewide that qualified for Duke's site readiness program. The announcement follows recent news of Sioux Chief Manufacturing's acquisition of the Watts Regulator facility in the Chesnee area, a move that will create 77 new jobs.

Electricity and Renewables

PJM Capacity Auction Payouts Plunge Payments to power generators for supplying the biggest U.S. electricity grid slid in an auction this month, increasing pressure on plants already struggling to keep running amid low wholesale prices. Dynegy Inc. and Talen Energy Corp. fell.

Payouts to suppliers who can guarantee capacity in the year starting June 2019 cleared at \$100 a megawatt-day, grid operator PJM Interconnection LLC said on its website Tuesday. That's down 39 percent from \$164.77 in a sale last year. Valley Forge, Pennsylvania-based PJM manages a grid delivering power to more than 61 million people across parts of the U.S. Midwest, Mid-Atlantic and Northeast, Naureen Malik reported. The drop will hit suppliers being squeezed by record low power prices in parts of the U.S. East because of slumping natural gas costs. The eight largest power generators in PJM will lose about \$1.75 billion in annualized payments due to the "surprisingly low" prices, Kit Konolige, an analyst at Bloomberg Intelligence, wrote in research published Wednesday.



Why Lease When You Can Own? Rooftop Solar Facing Tough Question It's tough to argue with free. That's why the no-money-down solar lease became the most popular choice for U.S. rooftop power. Now, though, the equation is changing. Falling costs are making it easier for consumers to buy solar systems outright, and banks and solar installers are promoting loans with no upfront payments. That's a threat to companies such as SolarCity Corp., Sunrun Inc. and Vivint Solar Inc., which built their businesses on people signing decades-long contracts. Installation growth is slowing for the big three U.S. rooftop solar installers, and GTM Research, an industry consultant, is forecasting the percentage of consumers buying rather than leasing residential systems will expand to 45 percent this year, from 38 percent in 2014.

Edison's Pedro Pizarro to Succeed Ted Craver as Company's CEO Edison International said Wednesday that Pedro Pizarro, the president of its Southern California Edison utility, will succeed Ted Craver as chief executive officer at the end of September. Pizarro, who has worked at Edison for more than 16 years, will also become president on June 1, the company said in a statement. Craver described Pizzaro in the statement as "a dynamic leader" who "grasps the changes that are reshaping our industry."

Oil, Gas and Coal

Market Wrap: West Texas Intermediate for July delivery climbed as much as 41 cents to \$49.97 a barrel on the New York Mercantile Exchange. The contract gained 94 cents to \$49.56 on Wednesday, while total volume traded was about 30 percent below the 100-day average. Prices are up about 90 percent from a February low. Natural gas futures for June delivery, which expire Thursday, fell as much as 1.6% to \$1.96/mmBtu and were trading at \$1.976 at 7:30am London time.

Oil Investor's Own Lawyers May Be Called to Testify in Tax Case Just days after a successful oil industry investor was indicted for allegedly evading more than \$45 million in taxes, prosecutors are raising the possibility that his own attorneys could be called as witnesses against him. In a court filing made public on Wednesday, prosecutors said that two of Morris Zukerman's attorneys are potential witnesses against him because Zukerman used them to "convey false information to the Internal Revenue Service during a civil audit," according to the letter.

Key Questions Raised by the \$2 Trillion Saudi Wealth Fund Plan Saudi Arabia is planning to expand its sovereign wealth fund into the world's largest. The Public Investment Fund could eventually control more than \$2 trillion, according to Deputy Crown Prince Mohammed bin Salman, making it big enough to buy the world's four largest publicly traded companies. The fund is at the center of the kingdom's efforts to diversify revenue from oil under an

economic transformation plan known as Vision 2030. The 84-page Vision blueprint includes plans to restructure the economy.

BP Starts Gulf of Mexico Project to Extend Oil Field Life BP Plc started a project in the U.S. Gulf of Mexico that will extend the life of the Thunder Horse field by allowing more oil to be extracted. The company will pump water into the reservoir, helping it recover 65 million barrels equivalent of oil and natural gas, BP said in an e-mailed statement Wednesday. This is the second of five projects the London-based company plans to start this year. BP plans to add about 800,000 barrels of new oil and gas production around the world from 2015 to 2020.

Bloomberg BNA Headlines

\$26 Million in Grants Awarded for Environmental Justice Issues

AEP Grapples With Clean Power Plan Compliance Options

BlackRock Surprised by Growth in Sustainable Investing

FERC Weighs Reliability Rule for Power Outages

Petitioners Want Pause in Carbon Standards Lawsuit Briefing

Trump to Give 'Substantial' Energy Policy Speech: Cramer

House Clears Energy Bill Over Democrats' Objections

Energy Storage Eligible in Wholesale Markets: Grid Operators

Federal Court in Minnesota Lifts Stay on Water Rule Lawsuit

House Votes to Bar Enforcement of Light Bulb Energy Rules

House Panel Approves Rider-Laden EPA Spending Bill

House Water Infrastructure Bill Approved by Panel

Forest Service Delays EIS on Colorado Roadless Rule

Hill Events

Thursday, May 26

House Science, Space, and Technology Committee - Hearing

Environment Subcommittee hearing on "The impact of EPA's Clean Power Plan on States."

9:30 a.m. ET



Industry Events

Thursday, May 26

The Natural Gas Roundtable - Event

The Natural Gas Roundtable hosts a luncheon with Martin Regalia, senior vice president and chief economist at the U.S. Chamber of Commerce.

12:30 p.m. ET

University Club, , Washington, D.C.

Wednesday, June 1

Energy Department (DOE); Federal Energy Regulatory Commission (FERC) (F.R. Page 31933) - Conference
Energy Department (DOE); Federal Energy Regulatory Commission (FERC) (F.R. Page 31933) holds a technical conference to discuss policy issues related to the reliability of the Bulk-Power System.

9:30 a.m. ET

FERC, [REDACTED] Washington, D.C.

Energy Department (DOE); Federal Energy Regulatory Commission (FERC) (F.R. Page 6847) - Meeting
Energy Department (DOE); Federal Energy Regulatory Commission (FERC) (F.R. Page 6847) holds its Reliability Technical Conference to discuss policy issues related to the reliability of the Bulk-Power System.

10:00 a.m. ET

FERC, [REDACTED] Washington, D.C.

Energy Department (DOE); Office of Electricity Delivery and Energy Reliability (F.R. Page 29255) - Meeting
Energy Department (DOE); Office of Electricity Delivery and Energy Reliability (F.R. Page 29255) holds a meeting of the Electricity Advisory Committee, June 1-2.

12:00 p.m. ET

National Rural Electric Cooperative Association [REDACTED] Arlington, Va.

Resources for the Future (RFF) - Discussion

Resources for the Future (RFF) holds a discussion on "Neuroeconomics: A New Direction for Valuing Environmental Public Goods," focusing on people's preferences and willingness to pay for environmental public goods in order to improve environmental regulations."

12:45 p.m. ET

RFF, [REDACTED] Washington, D.C.

Energy Department (DOE); Federal Energy Regulatory Commission (FERC) (F.R. Page 31924) - Meeting

Energy Department (DOE); Federal Energy Regulatory Commission (FERC) (F.R. Page 31924) holds a technical conference to discuss cultural resources related to the following six proposed hydroelectric projects to be located on the Monongahela River.

1:00 p.m. ET

FERC [REDACTED] Washington, D.C.

Delivering news, analytics and data-driven decision tools, Bloomberg Government's digital workspace gives an intelligent edge to government affairs and contracting professionals influencing government action.

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