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Subject: Fwd: Morning Energy: Energy bill awakens! — Methane and leasing rules imminent — Net metering likely dead in Nevada

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Begin forwarded message:

From: POLITICO Pro Energy <[REDACTED]@politicopro.com>
Date: January 14, 2016 at 4:55:50 AM CST
To: <[REDACTED]@bp.com>
Subject: Morning Energy: Energy bill awakens! — Methane and leasing rules imminent — Net metering likely dead in Nevada
Reply-To: POLITICO subscriptions <[REDACTED]@politicoemail.com>

By Eric Wolff | 01/14/2016 05:54 AM EDT

With help from Darius Dixon, Elana Schor, Esther Whieldon, Darren Goode, Alex Guillén and Sara Stefanini

SENATE ENERGY BILL AWAKENS FROM SLUMBER: The Senate appears likely to take up a five-part bipartisan energy bill by the week of Jan. 25, sources off Capitol Hill told ME. But Senate aides cautioned that nothing has been locked in yet for the 424-page plan expediting liquefied natural gas exports, modernizing infrastructure and expanding energy efficiency.

Queued up : Energy and Natural Resources Chairwoman Lisa Murkowski told Bloomberg-BNA that Senate Majority Leader Mitch McConnell has assured her that her bill with panel ranking member Maria Cantwell is "in the queue" for floor debate this year. But while Murkowski and Cantwell kept bipartisan peace and won wide backing on their panel last July, their colleagues have ample opportunity to torpedo floor debate by trying to force difficult votes on amendments or to refuse to adhere to a potentially tight timetable. And Murkowski acknowledged to ME in December that she may need to add some extra juice to the bill to better safeguard it and build momentum now that high-profile efforts to lift the crude oil export ban and extend wind and solar tax breaks were resolved in the year-end omnibus spending deal.

How about some presidential support? Murkowski and Jay Faison, the wealthy conservative trying to persuade Republicans to fight climate change, have an op-ed in today's New York Times calling on the president to back the energy bill for its hydropower provisions. Murkowski and Faison say they "believe climate change is a threat, and appreciate [Obama's] offer to collaborate." They argue that the president should back the energy bill because it clears away bureaucratic red tape that slows the growth of hydropower, a zero-emission power source that faces opposition from environmentalists and a costly relicensing process.
<http://nyti.ms/1nkDVfr>

HAPPY THURSDAY! I'm your host Eric Wolff, and I have just learned that if you don't like sending your tips, and comments by email (to [REDACTED]) or on Twitter (@[REDACTED]@Morning_Energy, and @POLITICOPro) you can send them to me by [anonymous potato](#). There's even a 58 percent off [Groupon deal](#)!

JEWELL TO WALK HER DAYS UNDER AFRICAN SKIES: Interior Secretary Sally Jewell will travel to Africa a week from today, visiting Gabon, Kenya, and South Africa for meetings on global cooperation in the fight against wildlife trafficking. The trip was confirmed by department officials, and comes as trafficking

gains public prominence, thanks to the demise of Zimbabwe's Cecil the Lion at the hands of an American hunter.

It's all in the timing: Those following Interior's much-anticipated plans to propose a crackdown on methane leak from drilling on public lands - not to mention Obama's State of the Union vow to pursue an overhaul of the federal coal leasing program - may note with interest that Jewell's trip next week runs until month's end. As ME readers remember from yesterday, sources say a rollout of both the methane proposal and the coal-leasing plan is expected within the next week, which would leave Jewell close to home and ready to play a major role.

Not just coal leasing: Interior is also in the early stages of examining its royalty system for onshore oil and gas drilling on federal lands, and the same environmentalists that have pushed to rein in coal leases are already expanding their push. Half a dozen groups are out today with a [letter](#) to Obama and Jewell that calls for the same in-depth study of the climate impacts of leasing - what's known in wonk-ese as a "programmatic EIS" - that tracks the emissions impact of onshore oil and gas extraction on public lands.

SUNSET SOON FOR NEVADA NET METERING : The Nevada Public Utilities Commission next Friday will weigh whether to undo cuts it recently made to the states rooftop solar net metering program. But if last night's related hearing is any indication, solar companies may be out of luck. The PUC refused to stay the new rates and blamed solar leasing companies for signing up thousands customers over the last year without warning them their rates could change. SolarCity and Sunrun have each laid off hundreds of employees in the wake of the ruling. Yesterday's hearing drew more than 1,000 protesters, including actor Mark Ruffalo and Georgia-based Green Tea Party Activist Debbie Dooley. For more than six hours the PUC heard from upset citizens, many of whom had lost their jobs as a result of the cut.

Commissioner David Noble said he was shocked to see solar leasing companies sign up more than 11,000 new customers over the past year, while he said he had to "sit on sidelines and watch a train wreck happen" as companies allegedly ignored that the law had required the PUC to consider whether to grandfather in existing participants. But Sunrun contends the PUC did not have to consider the grandfather issue. "We were aware that staff had proposed it. However, the proposal was unprecedented, the utility company themselves hadn't asked for it, and it broke to the state net metering law," said Sarah Wolfe, senior manager of national campaigns.

REPUBLICAN HOPEFULS SET TO DEBATE TONIGHT : ME is Charlie Brown, the Republican presidential candidates are Lucy, and the football is whether they'll ever debate energy policy. Here goes ME, running at that football: Breitbart News [published](#) a [video](#) yesterday of Sen. Marco Rubio, then Speaker of the Florida House, saying Florida should have a cap-and-trade law. Rubio was swiftly defended by Senate Climate Doubter No. 1, Environment and Public Works Chairman Jim Inhofe, but now it's out there. Maybe cap and trade will become part of the debate?

LCV'S HILLARY TRAIN IS LEAVING THE STATION: The League of Conservation Voters is making its first independent expenditure on behalf of Democratic presidential candidate Hillary Clinton, the green group is announcing today. The \$160,000 [digital ad](#) buy will contrast Clinton's position on climate change with GOP frontrunner Donald Trump's claim that climate change is a hoax. The ad will run in Iowa, New Hampshire, South Carolina, Nevada, Colorado and Virginia.

OHIO POWER DEAL SHOWDOWN STARTS TODAY: Today kicks off what is scheduled to be a week-long fight in front of Ohio regulators over FirstEnergy's efforts to secure above-market rates for a nuclear plant and all or part of the power from two of its coal plants in the area. Both environmentalists and power supplier groups have decried the utility's efforts, which is one of the many disparate tactics utilities are trying to use to extend the life of their reactors in the face of low-cost energy muscling them off the grid. But the FirstEnergy companies secured a settlement that included an eight-year agreement to purchase power from the Davis-Besse nuclear plant. The agreement has support from staff at the Public Utilities Commission of Ohio, though commissioners themselves still have to approve the deal. FirstEnergy commits to cutting its CO2 emissions to 90 percent below 2005 levels by 2045 as part of the proposal. PUCO has scheduled six all-day hearing sessions to review the proposal, starting at 10 a.m. in the Buckeye State.

EX-IM CHIEF TRIES TO CLEAR UP COAL SITUATION : The Export-Import Bank doesn't discriminate against any particular fuel source, bank President Fred Hochberg said in a recent interview with POLITICO Pro Trade's Victoria Guida. Hochberg was attempting to address directives included in last month's reauthorization of the bank, as well as the massive omnibus spending bill, aimed at undermining an international agreement to limit overseas financing for coal-fired power plants in all but the world's poorest countries. "As the law says, we will look at every transaction and then evaluate its environmental impact, as we've had to do for 24 years," he said. "That's frankly, at the end of the day, what we care about. ... But there's no discrimination against any fuel source." He also emphasized that the environmental requirements in Ex-Im's charter have existed since George H.W. Bush's presidency and noted that Ex-Im has previously financed coal-mining equipment as well as coal itself.

LNG: ALL DRESSED UP WITH NOWHERE TO GO: Global supply of liquefied natural gas grew by 4 million tons per year to 250 million last year as two new Australian plants came online and offset the loss of LNG from Yemen. There's much more to come from Australia between now and 2019, not to mention the U.S. The problem is there's not much demand for it all, the Scottish consultancy Wood Mackenzie reports. With weakening economic outlooks and more competitive fuel choices, South Korea, Japan and China (usually the world's biggest LNG buyers) all reduced their imports last year.

IS THE STATE OF AMERICAN BUSINESS ALSO STRONG? U.S. Chamber President and CEO Tom Donohue will unveil the Chamber's policy agenda today at a "State of American Business" speech. Donohue's prepared remarks indicate he will promote an "all of the above" energy approach: "We can and should be developing all kinds of energy and discriminating against none," though he will also back the expansion of "emissions-free sources like nuclear and renewables and press for greater gains in energy efficiency."

MORNING READ - WE'VE GOT LEAKAGE: States using a mass-based program to comply with the Clean Power Plan should consider a system that counts new sources as well as existing ones in order to combat "leakage" - when a state shuts coal plants and replaces them with natural gas or other new fossil fuel sources whose emissions then don't count toward the state's CO2 budget. That's according to an analysis from environmental consultant M.J. Bradley & Associates, which warns that CO2 emissions would be higher if states go with a plan that only counts existing sources. EPA wants to mitigate leakage through each state's implementation plan. But the Bradley analysis warns that EPA's federal proposal, which is still taking comments, "would have a minor impact on emissions leakage." Overall, the analysis is positive that the CPP can cut emissions while giving states flexibility and maintaining fuel diversity.

A COP21 REUNION: The International Renewable Energy Agency (IRENA) conference in Abu Dhabi next week will bring government officials from more than 150 countries, United Nations and other multilateral agency officials and business execs together for the first time since they bid goodbye to Paris' Le Bourget conference center last month. The assembly on January 16 and 17 will focus on the role renewable energy can play in fighting climate change **and** meeting other sustainable development goals, the U.N. climate secretariat said yesterday. U.N. Secretary General Ban Ki-moon, French Foreign Minister Laurent Fabius, ministers from the COP22 host Morocco and others will then take part in a meeting to take stock of the COP21 on January 18. U.N. climate chief Christiana Figueres will also hold a press briefing that day.

QUICK HITS

- Global warming could stave off next ice age for 100,000 years, Reuters: <http://reut.rs/1UQ8ggD>
- President May Have Exaggerated Role of Stimulus in Clean Energy, Experts Say, NYT: <http://nyti.ms/1PsFNJF>
- Brent Oil Briefly Drops Below \$30 a Barrel, WSJ: <http://on.wsj.com/1P0SKQP>
- More pain seen ahead for U.S. banks exposed to energy loans, Reuters: <http://reut.rs/1PZanxw>
- Bid to mine more coal on U.S. federal lands tests Obama's green agenda, Reuters: <http://reut.rs/1SPaBK9>
- Al Jazeera America to Shut Down by April, NYT: <http://nyti.ms/1JLCGjD>

HAPPENING THURSDAY

All day - Arctic Matters Day, National Academy of Sciences, 2101 Constitution Avenue NW

9 a.m. - "Climate Change, Disasters and Security: Unconventional Approaches to Building Stability," The Woodrow Wilson Center, One Woodrow Wilson Plaza, Ronald Reagan Building, 1300 Pennsylvania Avenue NW

9:30 a.m. - "State of American Business" address, U.S. Chamber of Commerce, 1615 H Street, NW

9 p.m. - Republican Presidential debate, North Charleston Coliseum and Performing Arts Center, South Carolina, TV: Fox Business Network, Streaming: FoxBusiness.com,

THAT'S ALL FOR ME!

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