

Message

From: Sidoti, Elizabeth [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=[REDACTED]]
Sent: 07/02/2017 12:02:44
To: Kevin Madden [REDACTED]@hamiltonps.com]; Walker, Ryan [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=[REDACTED]]
CC: [REDACTED]@hamiltonps.com; [REDACTED]@hamiltonps.com; Streett, Mary [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=[REDACTED]]
Subject: RE: Alert: Myron Ebell and Theory of Those Who Know Don't Talk: BGOV Energy

Redacted - First Amendment

From: Kevin Madden [REDACTED]@hamiltonps.com]
Sent: Tuesday, February 07, 2017 6:41 AM
To: Walker, Ryan
Cc: [REDACTED]@hamiltonps.com; [REDACTED]@hamiltonps.com; Sidoti, Elizabeth; Streett, Mary
Subject: Re: Alert: Myron Ebell and Theory of Those Who Know Don't Talk: BGOV Energy

Redacted - First Amendment

Kevin Madden
[HPS]
[REDACTED]

On Feb 6, 2017, at 11:29 PM, Walker, Ryan [REDACTED]@bp.com> wrote:

Redacted - First Amendment

Ryan P. Walker
Senior Director, Federal Gov't Affairs
BP America, Inc.
Sent from my iPhone

Begin forwarded message:

From: Bloomberg Government [REDACTED]@bgov.com>
Date: February 6, 2017 at 5:04:42 AM CST
To: [REDACTED]@bp.com>
Subject: Alert: Myron Ebell and Theory of Those Who Know Don't Talk: BGOV Energy



Myron Ebell and Theory of Those Who Know Don't Talk: BGOV Energy

February 6, 2017 06:00AM ET | Bloomberg Government

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(Bloomberg) -- It was Saturday afternoon, the president was down in Florida for Super Bowl weekend and the next EPA administrator was on lock down, awaiting his confirmation votes. But one person was telling a room of journalists how the EPA would change under Donald Trump.

Myron Ebell.

Ebell had been somewhat of a fringe character in Washington, arguing that climate change was bogus and standards to make lightbulbs be more efficient were a threat to the American way of life. But that all changed when Donald Trump picked Ebell to run his EPA transition.

Ever since that gig came to a close, Ebell has been enjoying his mythical 15 minutes of fame. He gave interviews to the Washington Post, Associated Press and, even, Bloomberg. He told a British audience that the U.S. would be imminently withdrawing from the Paris climate accord -- and followed that up with a visit to 10 Downing Street.

Here's the thing, though: We should be very skeptical of the idea that what he is saying will become the administration's policy.

It's not just that Ebell has advocated for ditching the endangerment finding for carbon dioxide, but Scott Pruitt appeared to rule that out during his confirmation hearing. (He did leave himself some leeway on this.) It's bigger than that. Ebell wants to scuttle the science behind regulation of traditional pollutants and says EPA should have its staff cut by two thirds. That may all be in the memo Ebell left behind for Pruitt (he wouldn't tell us), but that complete overhaul is not coming to the agency.

Why? First, local officials and lawmakers rely on EPA grants for all kinds of water and other projects. Gutting the agency would gut those grants. Who wants to do that? Second, unlike addressing climate change -- which cuts across party lines -- regulations governing particulate matter, SO₂ and NO_x are widely popular, with Republicans as well as Democrats.

Third, the Trump administration is going to run out of troops to fight all of its battles. Immigration. Trade. Taxes. Iran. Etc, etc.

All of this is not to say EPA won't be taking a radically different tack than it had under Obama, it's just to say it won't be cut by a third, abandon the science under-girding all of its various regulations or get out of the business of handing out billions of dollars of grants to local communities.

Don't buy it. Well, the New York Times tells us:

That indicates that if Mr. Trump repeals the Obama climate change rule, Mr. Pruitt is prepared to write a new Trump climate rule — but one that is far less environmentally aggressive and far friendlier to industry.

(Read it for yourself, but don't for a second think that the Clean Power Plan would have led to the shuttering of all the nation's coal plant and their replacement with wind and solar.)

Scott Pruitt Is Seen Cutting the E.P.A. With a Scalpel, Not a Cleaver: New York Times

Norman Bay Does Not Go Out With a Whimper

During Norman bay's last hours as FERC chairman, the commission managed to squeeze three major natural pipelines out the door: Energy Transfer's \$4.2 billion Rover line, National Fuel's \$455 million Northern Access project and Williams' \$3 billion Atlantic Sunrise pipeline. The only big pipeline project that didn't make it through was DTE Energy and Spectra's NEXUS project, a \$2 billion effort to move gas from the Marcellus and Utica to Michigan and Ontario. That project, already three months behind schedule, is looking at even longer delays now that FERC has lost its quorum.

Read Catherine Traywick and Jonathan Crawford's full story here.

A Cheney in the House

Rep. Liz Cheney's CRA resolution aimed at stopping BLM's Planning 2.0 rule is scheduled to get a vote in the House next week. Congress sent two CRA measures to President Trump last week -- on the Stream Protection Rule and the oil, gas and mining payment disclosure from the SEC. The House also passed the CRA repeal resolution for the BLM venting and flaring rule.

A Reason Carl Icahn May Lose

Billionaire investor (and Trump regulatory adviser) Carl Icahn wants the administration to relieve refiners and importers of their current burden to satisfy U.S. biofuel mandates. Icahn's influence with the new president -- along with some Trump cabinet nominees' skepticism about the policy -- has spooked some biofuel producers that oppose the change.

But for oddsmakers, there's one compelling reason Trump's EPA might not make the shift. More accurately, there are some 152,995 of them, Jennifer Dlouhy says.

That's the estimated number of retail fueling sites in the U.S. And they each could be impacted by shifting the compliance burden so that it falls to blenders and other entities further along in the nation's fuel distribution system.

Their big trade groups -- the Society of Independent Gasoline Marketers of America and the National Association of Convenience Stores -- have both come out against changing the point of obligation. They can marshal a lot of people -- in a lot of congressional districts -- to fight the proposed change, which the EPA already said it opposes.

By contrast, there are just 141 refineries in the U.S. according to the Energy Information Administration. And many of them are concentrated in California and along the Gulf Coast. Some of those refinery owners (i.e. Icahn) may have more influence with Trump, but they're also outnumbered.

Don't Look Now But...

Republican (Reps. Paul Gosar and Trent Franks) and Democratic (Jared Polis and Mike Thompson) lawmakers reintroduced a measure to streamline the process and make it easier to get renewable energy projects built on federal land. "For too long the oil and gas industry has enjoyed sweetheart deals with the government, while the renewable industry has received all the scraps," Polis said. "The Public Land Renewable Energy Development Act is a practical solution to combat climate change."

Also Today

- Lady Gaga and Tom Brady weren't the only exciting parts of last night's Super Bowl: The American Petroleum Institute launched a new advertising campaign, urging America to "Power Past Impossible."
- FERC may be down to two commissioners, but it won't be totally closing up shop. The commission delegated more authority to its staff, including acceptance and suspension of rate filings. The order is here.
- The Dakota Access crude pipeline is targeting June 1 for startup.
- Let's hope none of their servers are in a garage in Chappaqua: EPA's Inspector General launching a probe to see if the agency "is implementing security controls around the agency's file servers."
- While the Stripper Wells' owners are playing defense on tax reform, clean-coal is looking at it as an opportunity. Congress should "extend and strengthen" the 45Q tax credit for CO2 sequestration as part of any tax overhaul, a group of coal companies and environmental groups will say in a letter to congressional leaders today.

Chart of the Day

(For a link to the Chart of the Day, [click here](#).)

Oil and gas jobs saw only a smidgen of growth in January even as drilling rigs working in U.S. oilfields rose to the highest level in 14 months, a Labor Department report showed Friday. The addition of just 100 jobs to industry payrolls lags well behind the pace of the overall U.S. economy, which added 227,000 workers during the month.

Quote of the Day

In written responses to senators, Rex Tillerson wrote, according to BuzzFeed:

"I agree with the consensus view that combustion of fossil fuels is a leading cause for increased concentrations of greenhouse gases in the atmosphere," he wrote to Cardin. "I understand these gases to be a factor in rising temperature, but I do not believe the scientific consensus supports their characterization as the 'key' factor."

Tweets of the Day

@ [REDACTED] (Lisa Heinzerling)

Trump's "1 in, 2 out" EO on regulation makes Senate vote on OMB nominee huge. EO empowers him to ration agency rules, with no standard.

@ [REDACTED]

One of many boneheaded aspects of Trump EO on regulation ("1 in, 2 out"): it doesn't define what it means by an "agency." Recipe for chaos.

Outside the Beltway

U.S. Gas Slides to 10-Week Low as February Cold Seen Vanishing

U.S. natural gas futures tumbled to a 10-week low as forecasts for a deep February chill faded, signaling that the peak of heating demand for the fuel has passed.

Temperatures may be mostly normal or higher than average in the lower 48 states from Feb. 4 through Feb. 13, according to the Weather Company.

Time May Be Short for Sempra to Revive California Gas Site

Every day Sempra Energy waits on California's permission to reopen the Aliso Canyon natural gas storage field -- the site of the biggest leak in U.S. history -- is a day locals and environmentalists are working to chip away at its case.

More than a year has passed since a broken well there started spewing gas, prompting thousands near Los Angeles to evacuate. Sempra hasn't injected gas into the field since. The state, which historically depended on Aliso Canyon to keep warm and cool during extreme temperatures, has now gone a summer without it and has taken gas from it during one week so far this winter. Those fighting a potential restart at hearings this week are turning that into a weapon.

--With assistance from Ari Natter and Jennifer A. Dlouhy.

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News Alert

First Word - Energy

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