



CONSUMER **ENERGY** ALLIANCE
THE VOICE OF THE ENERGY CONSUMER

Energy & Environment Washington Update

Ports to Plains Alliance
Energy & Ag Summit
March 30, 2016





Anti-Energy Campaigns

Opposition Targets	Victory Declared	Under Attack	Next Target
Offshore	<ul style="list-style-type: none"> • Atlantic OCS • Aleutian Basin OCS • California OCS • EGOM OCS • Florida OCS 	<ul style="list-style-type: none"> • Beaufort & Chukchi Alaska OCS 	<ul style="list-style-type: none"> • Gulf of Mexico OCS • Balance of Alaska OCS • Balance of OCS
Onshore	<ul style="list-style-type: none"> • New York State • Maryland • Monument Designations • NPR-A • ANWR 	<ul style="list-style-type: none"> • CO (local), PA, OH, NM, TX • BLM Lands • Monument Designations • Federal Lands 	<ul style="list-style-type: none"> • Colorado (State) • All Federal Lands • All Hydraulic Fracturing
Infrastructure	<ul style="list-style-type: none"> • Keystone XL • Bluegrass Pipeline • New England-to-Canada • TransMountain Pipeline (Canada) 	<ul style="list-style-type: none"> • Atlantic Coast Pipeline • Bakken Access • Kinder NE Energy Direct • Line 3 Replacement Sandpiper • Mariner East • Mountain Valley Pipeline • Nexus Pipeline • Palmetto Pipeline (almost dead, in courts in GA) • Rover Pipeline • Sabal Trail Pipeline • Spectra Access NE 	<ul style="list-style-type: none"> • All new pipeline and transmission line projects (including all FERC applications) • Tennessee Gas Line
Coal	Federal Lands	All Coal	All Coal

The opposition is engaged in a multi-dimensional war on fossil fuels that spans all geographies, type of fuels and forums



House of Representatives

Partisan Makeup

- 267 Republicans
- 168 Democrats

Leadership Team

- Speaker Paul Ryan (R-OH)
- Majority Leader Kevin McCarthy (R-CA)
- Minority Whip Steve Scalise (R-LA)

Committee Chairmen

- Energy & Commerce – Fred Upton (R-MI)
- Natural Resources – Rob Bishop (R-UT)
- Ways & Means – Kevin Brady (R-TX)
- Appropriations – Hal Rodgers (R-KY)



Partisan Makeup

- 54 Republicans
- 44 Democrats/2 Independents

Leadership Team

- Majority Leader Mitch McConnell (R-KY)
- Minority Leader Harry Reid (D-NV)
- Majority Whip John Cornyn (R-TX)
- Minority Whip Richard Durbin (R-IL)

Committee Chairmen

- Energy & Natural Resources – Lisa Murkowski (R-AK)
- Environment & Public Works – James Inhofe (R-OK)
- Finance – Orrin Hatch (R-UT)
- Appropriations – Thad Cochran (R-MS)



Legislative Forecast

- Limited floor time for legislation due to election year
- Administration has nothing to lose and no incentive to compromise
- House conservatives not inclined to compromise
- Efforts will focus around appropriations and potentially CRAs

Legislation To Watch

- **Bipartisan Energy Bill (S. 2012)**
 - Includes provisions expediting LNG export review applications and simplifies natural gas pipeline permitting
 - Expected to be conferenced with House passed bill (H.R. 8)
 - Outcome dependent on Senate amendments and legislative conference
- **Appropriations Bills**
 - Leadership is looking to move these bills with riders
- **Tax Reform**
 - Priority for Speaker Ryan, but unlikely to pass this year
 - Drafts could set debate for 2017



Key Political Priorities

- Protect “Administrative Prerogative”
- Protect Affordable Care Act
- Protect Immigration Reforms
- Climate Change
- Cement Legacy as Liberal Leader
- Portray Republicans as right-wing zealots going into 2016 election cycle



Obama Administration Regulatory Agenda

- **High Priority Regulations**
 - BSEE Well Control Rule
 - EPA Methane Rule
 - BLM Venting and Flaring Rule
 - EPA RFS Volumes
 - EPA Ozone Rules
- **Additional Regulations of Interest**
 - USFWS ESA listing decisions
 - EPA Clean Power Plan
 - BOEM/NOAA G&G Permitting and Noise Regulation
 - EPA Aggregation rule
 - BLM Onshore Orders 3, 4, and 5
 - EPA Oil Spill Dispersant Rule
 - BOEM Bonding and Financial Assurance Rule
 - PHMSA Pipeline Safety Rule



Climate Change Plan

- Regulations for New Power Plants
 - 1,100 tons per MWh of capacity for coal-fired plants
 - 1,200 tons per MWh for small plants
 - 1,000 tons per MWh of capacity for IGCC natural gas plants
- Regulations for Existing Coal-Fired Plants
 - State specific emission rate-based CO2 reduction goals
 - Guidelines for development, submission and implementation of state plans
 - Building Blocks
- ESA/NEPA/CAA



Domestic Energy Production

- Hydraulic Fracturing
 - Administration has supported hydraulic fracturing
 - Restricted on federal lands
- Production on Federal Lands
 - Alaska
 - Offshore
 - Onshore – Federal Lands
- Infrastructure
 - Pipelines and LNG Export Facilities
 - Methane Rules
 - Refinery Rules



Congress and the Administration

Several major fights are percolating between Congress and the Obama Administration

- EPA Carbon Regulations
- Alaska
- Offshore Drilling
- Endangered Species Act
- Oversight
- Appropriations Riders



Given the gridlock in Washington, several energy issues have been taken up by state governments:

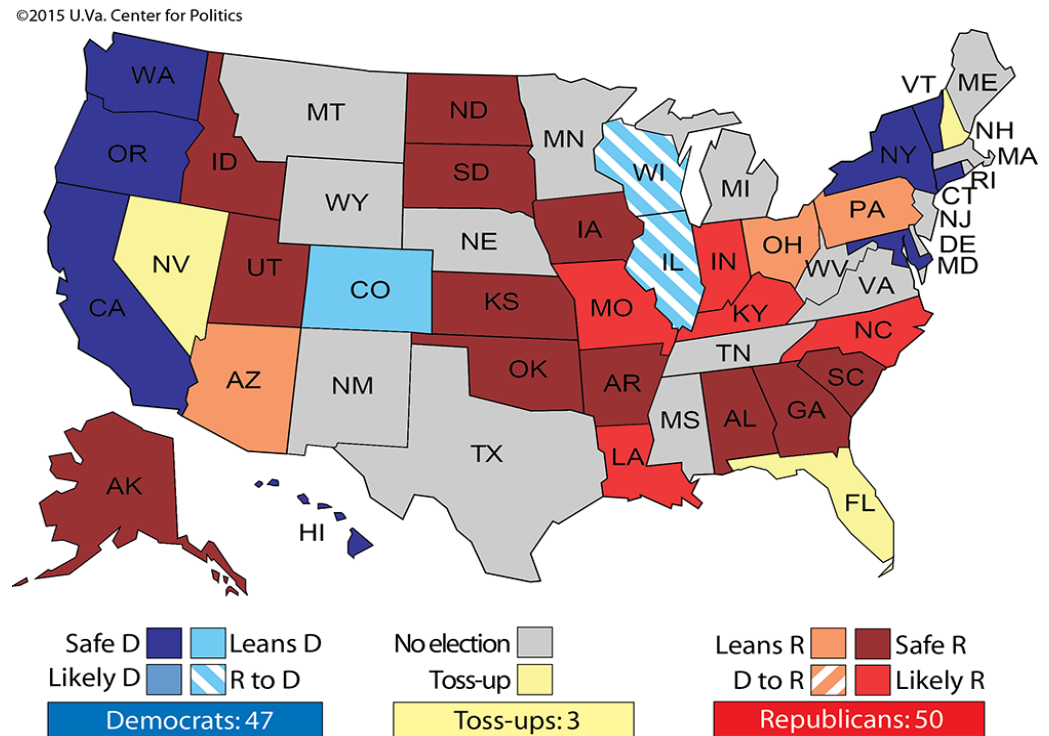
- Implementation of EPA Carbon Regulations
- Low Carbon Fuel Standards
- Hydraulic Fracturing
- Solar/Net Metering
- Pipeline Permitting/Eminent Domain



Congress

- House—Redistricting has virtually assured GOP control
- Senate— 34 seats up
 - 24 GOP

Senate Election Map





2016 Presidential Primaries

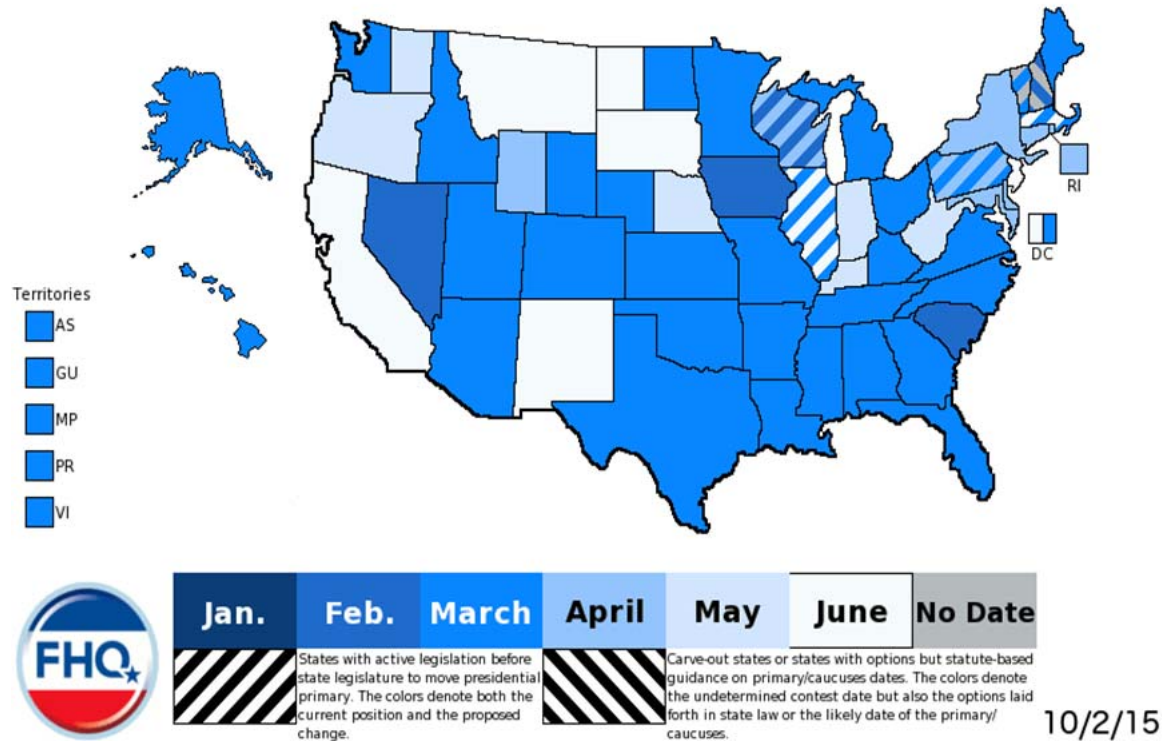
Democrats

- Hillary Clinton
- Bernie Sanders

Republicans

- Ted Cruz
- John Kasich
- Donald Trump

Presidential Primaries and Caucuses by Month (2016)

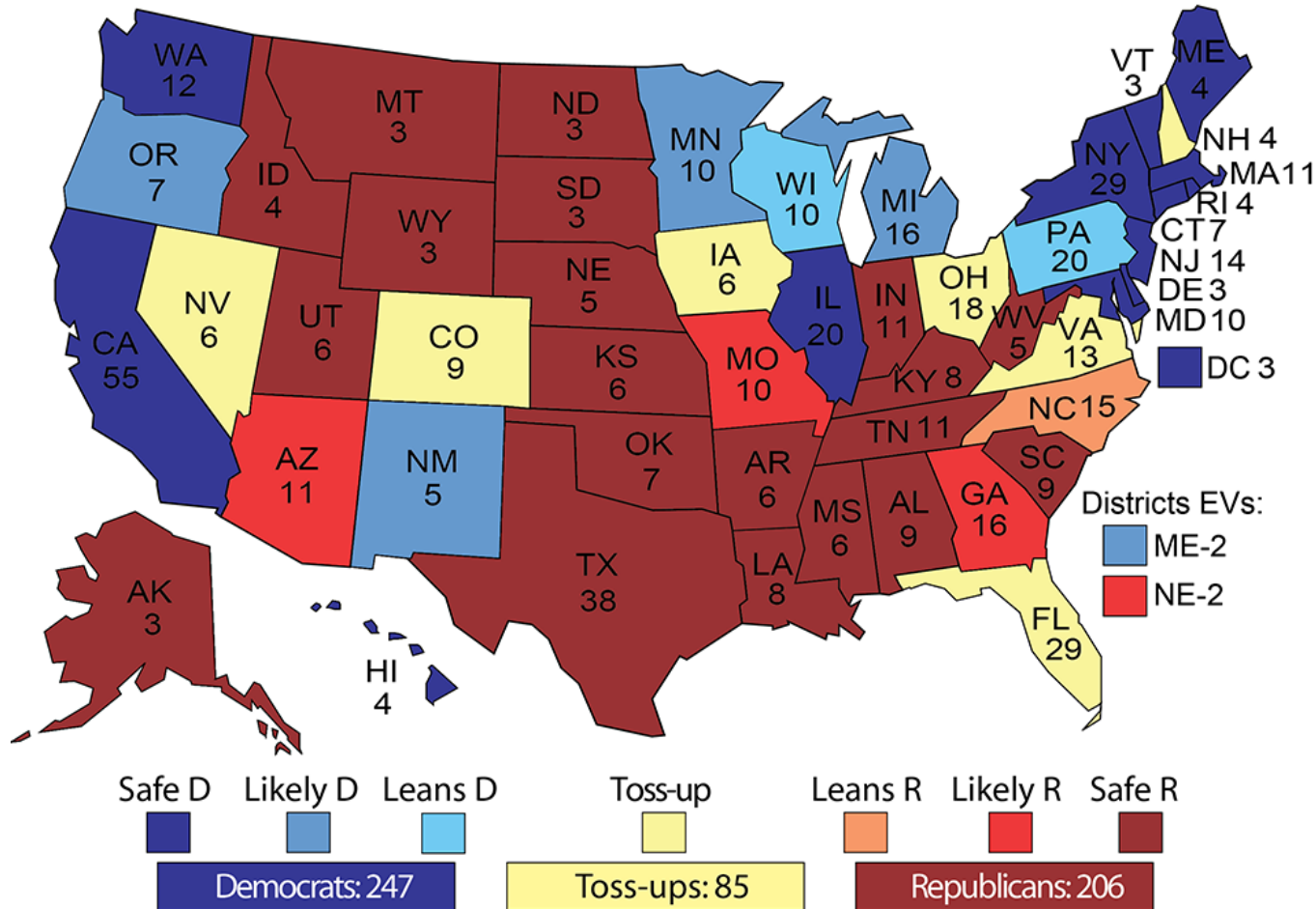




2016 Elections

538 Electoral College Votes—270 to Win

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2016 Elections

Republicans on Energy/Environment

Ted Cruz:

- Prevent federal regulation of hydraulic fracturing and broaden energy development on federal land.
- Improve domestic refining capacity and the process to develop energy infrastructure.
- Stop EPA overreach and the war on coal.
- Open offshore exploration and expand US energy exports.
- Dedicate additional energy revenues to a trust fund for debt reduction.

John Kasich:

- We need everything. We need oil, gas, clean coal. We need renewables.
- Do I believe there is something called climate change? I do. Do I believe that human beings affect it? I do. How much? Not enough for me to go out and cost somebody their job.
- Energy freedom is a matter of national security.

Donald Trump:

- “No Cap-and-Tax: oil is this country's lifeblood.”
- The Marcellus Shale alone has enough energy for a 110 year supply, it should be tapped.
- Oil is the lifeblood of all economies, it should be pursued more aggressively.
- Climate change is a “hoax.”



2016 Elections

Democrats on Energy/Environment

Bernie Sanders:

- 3 Pronged Energy Policy
 - Energy Efficiency – transition from fossil fuels
 - Financial Access to Renewable Energy
 - Green Jobs
- Strongly supports Clean Power Plan
- Opposes Offshore Drilling
- Opposes Hydraulic Fracturing
- Opposes Keystone XL
- Opposes Nuclear Power

Hillary Clinton:

- 2 Primary Energy Goals
 - More than half a billion solar panels installed by the end of her first term
 - Generate enough renewable energy to power American homes within 10 years
- Opposes Keystone XL and other pipelines
- “Skeptical” about OCS development in the Atlantic
- Strongly supports Clean Power Plan



Questions?

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