Energy & Environment
Washington Update

Ports to Plains Alliance
Energy & Ag Summit
March 30, 2016
The opposition is engaged in a multi-dimensional war on fossil fuels that spans all geographies, type of fuels and forums.
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
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
2016 Presidential Primaries

Democrats
• Hillary Clinton
• Bernie Sanders

Republicans
• Ted Cruz
• John Kasich
• Donald Trump

Presidential Primaries and Caucuses by Month (2016)
538 Electoral College Votes—270 to Win
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.”
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
For more information:

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