

# 2012 is no 1996 for House GOP - Keystone call imminent? - More loan guarantees may face House investigation - Gingrich-spurned scientist speaks out

By [PATRICK REIS](#) | 01/18/12 9:29 AM EDT

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*With help from Talia Buford, Erica Martinson, Bob King, Darius Dixon, Darren Samuelsohn and Darren Goode*

**BREAKING WITH TRADITION** -- House Republicans' reign over the House in the 1990s is a tale of two parts when it comes to environmental policy. After a full year of beating the anti-regulatory drum, the GOP pivoted in 1996, declaring its initial approach a mistake and cooperating with President Bill Clinton to approve major changes to the Safe Drinking Water Act.

But don't look for a similar plot twist in 2012. This time around, Speaker John Boehner and his fellow Republicans see energy as a wedge issue they can use to appeal to independent voters with a pro-jobs message, an attack they're predicting will be made all the more potent if gas prices spike this summer.

Goode has five areas to watch in 2012 — including pipeline hijinks, EPA attacks and a full dance card of executive branch investigations — for Pros: <http://politico.pro/ADA85p> (<http://politico.pro/ADA85p>) .

**AS THE MILL CHURNS** -- Obama could announce a decision before — or during — next week's State of the Union address on whether to grant a permit for TransCanada's Keystone XL pipeline. That was the rumor around town Tuesday, floated to POLITICO from sources on both sides of the debate.

Indeed, the Jan. 24 speech before a joint session of Congress might be Obama's biggest opportunity to sell an up-or-down verdict on the 1,700-mile pipeline well before the Feb. 21 deadline. Samuelsohn and Goode parse fact from fiction for Pros: <http://politico.pro/AhFacV> (<http://politico.pro/AhFacV>) .

**HAPPY WEDNESDAY** and welcome to Morning Energy, where your host is confident he'll recover following Sunday's aPackalypse, but he's a little worried about a few of his fellow citizens living life behind the Cheese Curtain (Exhibit A: <http://deadsp.in/zC2V4Q> (<http://deadsp.in/zC2V4Q>) ). Your host left his foam sombrero at home, so fill his head with your best energy news — as well as your suggestions for balancing a passion for sparkle and a desire for victory — to [preis@politico.com](mailto:preis@politico.com) (<mailto:preis@politico.com>) .

**CONTESTING KEYSTONE CLAIMS** — Two environmental groups — the Natural Resources Defense Council and Oil Change International — will release a report Wednesday asserting that approving the Keystone XL pipeline would make America less energy secure by bypassing the Midwestern oil markets and, instead, sending Canadian oil sands overseas to South America and Europe. The report says the pipeline would fail to increase the American oil supply or insulate the U.S. from instability in OPEC countries and provide a tax benefit for companies all while increasing gas

prices in the Midwest.

"Tar sands do not enhance energy security simply because they come from a friendly neighbor," the report states. The groups will release the report, "Keystone XL Pipeline: Undermining U.S. Energy Security and Sending Tar Sands Overseas," today at 9:30 a.m. at the National Press Club.

**SOLYNDRA SUPERSIZED** -- House Energy and Commerce Republican chairmen and vice chairmen Tuesday discussed expanding the panel's probe of DOE's support for Solyndra "to the five or six other ... recipients of loan guarantees that are now in bankruptcy or near bankruptcy," Terry said. "Again, how we proceed with that, inviting maybe other White House, ex-White House people in to testify, that's all on the table for discussion."

**MAKING PLANS** -- Environment and Economy Subcommittee Chairman John Shimkus told ME his early-year agenda would focus on budget hearings, with EPA Administrator Lisa Jackson coming in to testify after the president's spending plan comes out in early February. NRC leaders also will come in to talk about their fiscal 2013 budget request. "Of course, that will be enlightening," Shimkus said, acknowledging the internal feuding between Chairman Gregory Jaczko and his four co-commissioners.

Shimkus said he'd also hold hearings with the Blue Ribbon Commission to discuss nuclear waste, as well as a broad hearing on the U.S. fuel strategy: "What do we do to meet liquid transportation fuel needs and that can segue into a lot of areas. It's more a generic hearing and not a specific one."

**NEWT HATH NO FURY** like a climatologist scorned. Grist talks with Katharine Hayhoe, the scientist who was set to publish an essay in Gingrich's upcoming book "Environmental Entrepreneurs" before the GOP candidate scrapped her chapter on climate change amid political pressure. Hayhoe is less than pleased about it. Grist: <http://bit.ly/zErQpa> (<http://bit.ly/zErQpa>) .

\*\* A message from America's Natural Gas Alliance: American, abundant and estimated to support 1.6M jobs by 2035 — it's shale gas. Join us today at 3 p.m. EST for a discussion about this resource during USEA's State of the Energy Industry event. [www.anga.us/live](http://www.anga.us/live) (<http://www.anga.us/live>) \*\*

**DISPATCHES FROM THE SPEAKER** -- Boehner's office is reveling in Tuesday's report from the President's Council on Jobs and Competitiveness, saying the group's recommendations read like a laundry list of House-passed GOP bills that have stalled in the Senate. According to the office, the report backs expanded offshore drilling, approval of Keystone XL and a host of anti-EPA bills. The post: <http://bit.ly/xtYwZD> (<http://bit.ly/xtYwZD>) .

**ON THE OTHER END OF THE SPECTRUM** -- Environmentalist Bill McKibben is confident the White House will not approve the Keystone pipeline before the Feb. 21 deadline, but he's had enough of Congress pushing the project. And so, the climate crusader is holding a protest on Jan. 24 (SOTU day) on the Hill's West Lawn. McKibben's vision includes 500 people in referee outfits, plus a marching band, highlighting ties between the fossil fuel lobby and Congress. 350.org: <http://bit.ly/zJz8FJ> (<http://bit.ly/zJz8FJ>) .

**GAS, GAS, GAS IS A GLUT, GLUT, GLUT** -- "A shale-driven glut of natural gas has cut electricity prices for the U.S. power industry by 50 percent and reduced investment in costlier sources of energy. With abundant new supplies of gas making it the cheapest option for new power generation, the largest U.S. wind-energy producer, NextEra Energy Inc. (NEE), has shelved plans for new U.S. wind projects next year and Exelon Corp. (EXC) called off plans to expand two nuclear plants. Michigan utility CMS Energy Corp. (CMS) canceled a \$2 billion coal plant after deciding it wasn't financially viable in a time of 'low natural-gas prices linked to expanded shale-gas supplies,' according to a company statement.

"Mirroring the gas market, wholesale electricity prices have dropped more than 50 percent on average since 2008, and about 10 percent during the fourth quarter of 2011, according to a Jan. 11 research report." <http://bloom.bg/ws5Y4L>

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**WHAT SAID FRED?** -- Michigan's Fred Upton, upon learning that former state Rep. Jack Hoogendyk would try to unseat him in the August Republican primary, had this to say:

"I have been fighting to create jobs, dismantle Obamacare and cut government waste that harms our Southwest Michigan economy. We continue to pass legislation in the Energy and Commerce Committee that I chair and again on the House floor that focuses on reducing the deficit and removing job-stifling regulations. In fact, Jack Hoogendyk called me just before Labor Day and told me I was doing a good job and he wasn't running against me. He told that to several other community leaders as well. My focus on job creation and common-sense reforms hasn't changed, but apparently Jack's view has."

**THOU SHALT NOT FRACK?** A Lutheran pastor Tuesday "told environmentalists there is a scriptural basis for opposing Marcellus Shale drilling and legislation pending at the Capitol to regulate it. The Rev. Leah Schade, pastor of the United in Christ Church in Union County, wore a hand-sewn white patch that said, 'WWJF — Where Would Jesus Frack?' and dropped to her knees to demonstrate the power of prayer. Asked later to answer the question on her blouse, Schade said, 'I don't believe Jesus would be fracking anywhere.' She cited Genesis Chapter 2, Verse 15. 'God put human beings into the Garden to till it and keep it, not drill and poison it,' Schade said." Pittsburgh Tribune-Review: <http://bit.ly/wdMlvl> (<http://bit.ly/wdMlvl>) .

**BOOM ON THE RANGE** -- "Fort Worth-based Range Resources, a major operator in the Marcellus Shale natural gas play in Pennsylvania, said Tuesday it posted record fourth-quarter production and that 2011 marked its eighth consecutive year of double-digit gains in output. Range CEO Jeff Ventura said the production increases represent 'a terrific accomplishment by our team,' given the fact that the company sold the bulk of its Barnett Shale operations in North Texas last spring. Fourth-quarter production averaged the equivalent of 625 million cubic feet of gas per day, a 16 percent increase over the corresponding period of 2010. The company reached its year-end 2011 Marcellus production target of 400 million cubic feet equivalent per day by early December, roughly doubling its year-end 2010 output in the play." The Star-Telegram: <http://bit.ly/ArnmZ> (<http://bit.ly/ArnmZ>) .

**AGREE TO DISAGREE ... ON EVERYTHING** -- That appears to be the plan in a legal battle pitting the EPA against industry and state petitioners seeking to strike down the agency's Cross-State Air Pollution Rule. The two sides failed to meet a court request to determine whether the case should move forward all at once — EPA's preference — or be divided, as the agency's opponents are requesting. In a brief filed last Tuesday the industry-state coalition suggests that the U.S. Court of Appeals for the District of Columbia Circuit first consider the overarching issues that could result in tossing the rule out entirely. If the rule stands, they argue, "the parties would turn expeditiously to the issues that remain," the parties say. The brief: <http://politico.pro/xXldNk> (<http://politico.pro/xXldNk>)

**SUNUNU'S NO-NOS?** "Former U.S. Sen. John E. Sununu's dual career as a contributing op-ed writer for The Boston Globe and an adviser to a lobbying firm is raising ethical questions," the liberal blog MediaMatters writes, citing episodes including a July 11 column in which Sununu advocated fracking the Marcellus Shale. The site says the lobbying firm Akin Gump — where Sununu is a "senior policy adviser" — has lobbied on behalf of Chevron and Hess and advised Consol Energy. Media Matters: <http://bit.ly/xhJk5> (<http://bit.ly/xhJk5>) .

**A CHOICE THAT WON'T COME CHEAP** — Germany's retreat from nuclear energy could cost the country as much as \$2.15 trillion — equivalent to two-thirds of the country's GDP last year — by 2030, according to Siemens, which built all 17 of the country's power plants. Reuters: <http://reut.rs/wZFfG4> (<http://reut.rs/wZFfG4>) .

**ALSO IN THE NOT CHEAP CATEGORY** -- Tokyo Electric Power Co. is planning to increase electricity rates by an average of 17 percent for corporate customers as it deals with costs associated with the Fukushima nuclear disaster. Reuters: <http://reut.rs/y4yfpU> (<http://reut.rs/y4yfpU>) .

**NEITHER CHEAP NOR GOOD** -- Japanese authorities are struggling to track down contaminated stones that were taken from within the Fukushima evacuation zone and resold to more than 100 firms for construction projects throughout the region. The Yomiuri Shimbun: <http://bit.ly/xwu5Cc> (<http://bit.ly/xwu5Cc>) .

**THE NEXT TIME THE OIL SPILLS** — The EPA plans to issue several new guidance documents to better manage significant national oil spills, the agency said Tuesday in a just-released Dec. 27 response (<http://1.usa.gov/w9t3vh> (<http://1.usa.gov/w9t3vh>)) to an inspector general report on the agency's handling of the Gulf oil spill. The agency will meet with the U.S. Coast Guard before the end of January to discuss development of regional response teams and updating regional and area contingency plans, the letter says. The agency "will commit to producing a draft guidance document for field testing by January 2013." The agency also wants to develop a model waste management plan per the IG's recommendation, including provisions for all states that would be authorized to respond to "spills of national significance." A draft of that is due out March 30, to be completed by June 29.

### **TWO MINUTE DRILL**

-- Iran is trying to convince Saudi Arabia to reconsider a pledge to increase oil exports if Iran's exports drop due to international sanctions. Wall Street Journal: <http://on.wsj.com/ymXSX4> (<http://on.wsj.com/ymXSX4>) .

-- Michael Mann accused Virginia Attorney General Ken Cuccinelli of trying to silence climate scientists in a speech at the University of Virginia on Tuesday. The Daily Progress: <http://bit.ly/wDOhUd> (<http://bit.ly/wDOhUd>) .

-- U.S. chemical companies are warning of weak earnings as customers limit purchase amid a wobbly global economy. Wall Street Journal: <http://on.wsj.com/y3Ov6K> (<http://on.wsj.com/y3Ov6K>) .

-- CPS Energy in San Antonio has signed on to buy the roughly 200 megawatts of power to be generated by Texas Clean Energy Project, an Energy Department-backed carbon capture and storage program. The West Texas facility is expected to be fully operational in 2015. The DOE announcement: <http://1.usa.gov/wAIOv6> (<http://1.usa.gov/wAIOv6>) .

-- U.S. Chief Technology Officer Aneesh Chopra is announcing several new online tools today that will allow consumers in California and elsewhere to download their household energy usage information under the "Green Button" program.

### **TODAY'S RUNDOWN**

9 a.m. — The Information Technology and Innovation Foundation holds a roundtable on how IT can make infrastructure construction more efficient. National Press Club.

10:30 a.m. — Nancy Sutley, chairwoman of the White House Council on Environmental Quality, participates in a plenary panel at the Environment and Security Conference hosted by the National Council for Science and the Environment. Ronald Reagan Building.

11 a.m. — API's chief economist John Felmy and others hold a press call to discuss the state of America's refineries and tout the value they add to the economy.

11 a.m. — The Geothermal Energy Association's Geothermal Energy Finance and Development Forum 2012 convenes in San Francisco, featuring a keynote address from Karen Douglas, commissioner of the California Energy Commission. More on the forum: <http://bit.ly/t3SHZC> (<http://bit.ly/t3SHZC>) .

11 a.m. — Transportation Secretary Ray LaHood and Agriculture Secretary Tom Vilsack deliver separate addresses to the U.S. Conference of Mayor's winter meeting. <http://bit.ly/zyNUDU> (<http://bit.ly/zyNUDU>) .

12:30 p.m. — Energy Secretary Steven Chu heads to Cleveland to deliver a speech on the importance of strengthening U.S. competitiveness in global clean energy.

1 p.m. — The U.S. Energy Association hosts the eighth annual State of the Energy Industry Forum. Participants include: API president Jack Gerard, National Mining Association president Harold P. Quinn and Nuclear Energy Institute president Marvin S. Fertel. <http://bit.ly/x9P9vE> (<http://bit.ly/x9P9vE>) National Press Club.

5 p.m. — The Office of Surface Mining and the Bureau of Land Management hold a public meeting in the town of Washington, Pa., on the Interior Department's plan to incorporate OSM into BLM. <http://on.doi.gov/vS66Ce> (<http://on.doi.gov/vS66Ce>)

**BELIEVE ME**, that's quite enough ME for one day. See you back here tomorrow.

\*\* A message from America's Natural Gas Alliance: One solution for more abundant domestic energy is staring us in the face. Natural gas is the natural choice — now and in the future. We know we need to use cleaner, American energy. And, we have it. Today, the U.S. has more natural gas than Saudi Arabia has oil, giving us generations of this clean, domestic energy source. Natural gas supports 2.8 million American jobs, most states are now home to more than 10,000 natural gas jobs. As Congress and the Administration look for ways toward a cleaner tomorrow, the answer is right here: natural gas. Learn more at [www.anga.us](http://www.anga.us) (<http://www.anga.us>) . And, follow us on Twitter @angaus. \*\*

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