

From: POLITICO Pro Energy
To: megan_bloomgren@ios.doi.gov
Subject: Morning Energy: Unpacking Pruitt's early days as administrator — DOE defends closing climate office — Carper pushing for quick Svinicki vote
Date: Friday, June 16, 2017 4:47:28 AM

By Anthony Adragna | 06/16/2017 05:42 AM EDT

With help from Anca Gurzu and Alex Guillén

PRUITT'S EARLY SCHEDULES RELEASED: After months of requesting them, EPA released Administrator Scott Pruitt's [schedules](#) for his first five weeks in office to E&E News late Thursday. They show a host of previously-known meetings with governors and industry figures, but also detail undisclosed private meetings with senior energy industry VIPs — and virtually no interactions with environmentalists.

Wading into the White House: Before he helped convince President Donald Trump to ditch the Paris climate deal, Pruitt lunched separately with members of the dueling ideological camps inside the White House. On March 13, Pruitt sat down with the president's daughter Ivanka Trump, who ultimately failed to convince her father to stick with the accord. A few days later, he discussed climate change with Stephen Miller, one of the president's more populist conservative advisers.

Congress calls: Sen. [Todd Young](#) (R-Ind.) scored an early win when a when a March 8 call to raise the USS Lead Superfund site in East Chicago led to a personal visit by Pruitt on April 19. Indiana's other senator, Democrat [Joe Donnelly](#), also scored a phone call with Pruitt. And Pruitt met once with Sen. [Luther Strange](#) (R-Ala.), a longtime collaborator on environmental lawsuits when both were AGs. The topic, according to Pruitt's schedule, was the "Alabama sweep," which ME is guessing is a sports thing.

Industry invites: Pruitt spoke at a dinner gathering of the American Petroleum Institute's executive committee and board of directors — held at the Trump Hotel, across the street from EPA headquarters. Pruitt also discussed regulatory reform and "Chevron's perspective on global oil and gas developments" with Chevron chief John Watson. Steve Pastor, a petroleum executive with BHP Billiton, asked for a meeting to "thank [Pruitt] for leadership."

More industry meetings with: Coal CEO Bob Murray; Andrew Liveris, Dow Chemical; Lynn Good, Duke Energy; Sean Trauschke, Paul Renfrow and George Baker of OGE Energy; National Rural Electric Cooperative Association CEO Jim Matheson; BMW Global Chairman CEO Harald Krüger; A.J. Ferate, vice president of regulatory affairs at Oklahoma Independent Petroleum Association.

Odds and ends: Pruitt on several occasions blocked out time for CIA Director Mike Pompeo, but no other details were included. At Pruitt's request, former Virginia attorney general Ken Cuccinelli stopped by to talk about an undisclosed topic. Cuccinelli is now general counsel for FreedomWorks, the Koch-connected group. Pruitt met in his office on March 22 with [Kevin Hern](#), a Tulsa businessman planning to run for the seat of Rep. Jim Bridenstine, who said he would limit himself to three terms. Pruitt also met with: German Environment State Secretary Jochen Flasbarth; Environmental Council of the States executive director Alexandra Dunn; Jason Grumet of the Bipartisan Policy Council; James T. Conway and others from Securing America's Future Energy; San Joaquin Valley Air Pollution Control District executive director

Seyed Sadredin.

An ear for ethanol: Pruitt's calendar is light on details in terms of what was discussed, with a few exceptions. On several occasions Pruitt discussed the federal biofuels mandate, including a wonky dispute over which companies are responsible for complying with the law. Pruitt has the final call on a petition the Obama administration proposed rejecting that would move the so-called point of obligation from oil refiners to fuel blenders. The point of obligation was a topic of discussion when Pruitt met with Greg Love of Love's Travel Stops, which belongs to a trade association representing truck stop owners that has come out against shifting the obligation. Pruitt also discussed the topic with George Damiris, the CEO of HollyFrontier, an independent refiner that supports the shift. And he discussed the Renewable Fuel Standard with BP America CEO John Minge, whose company is part of a coalition pushing to keep the point of obligation where it is. Pruitt also met separately with National Corn Growers Association CEO Chris Novak and Corn Refiners Association CEO John Bode alongside other agriculture industry representatives, although his calendar did not list the topics they discussed.

Did we miss anyone?: No meetings with environmentalists were listed on Pruitt's calendar, which covered Feb. 21 to March 31. Pruitt's first public meeting with greens was a few weeks later, when he [met](#) with members of the Nature Conservancy and Audubon Society.

Meanwhile, more Oklahoma emails: More than 4,000 of newly-released emails from Pruitt's time as Oklahoma attorney general provide further evidence of how closely he coordinated with fossil fuel companies, The Associated Press [reports](#). The records, which contain schedules and lists of speaking engagements, detail dozens of meetings between Pruitt, members of his staff, and executives and lobbyists from the coal, oil and gas industries.

TGIF EVERYONE! I'm your host Anthony Adragna, and Covington & Burling's Bud Earley was first to identify future President Gerald Ford as the first to hit a grand slam in the Congressional Baseball Game. For today: In what city did the First Continental Congress meet back in 1774? Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](#), [@Morning_Energy](#), and [@POLITICOPro](#).

HOW A STREET IN BROOKLYN IS CHANGING THE ENERGY GRID: The shared economy is flourishing, with companies like Airbnb and Lyft capitalizing on the growing popularity of shared services. Can their success be replicated in the energy industry? In the latest installment of **POLITICO Magazine's "What Works"** series, we look at Brooklyn-based LO3 that devised a micro grid system that uses a phone app and smart meters to enable neighbors with solar panels to strike deals amongst themselves on the amount of electricity they buy from each other and at what price. We also look at the revitalization of Tampa, Florida — a broken down deep water port revitalized after 40 years of public and private investment. Read more: [Tampa Revitalization](#) | [Brooklyn's Energy Grid](#) | [Photo Gallery](#)

CAN I CONSOLIDATE? The Energy Department confirmed that it is shuttering the Office of International Climate and Technology — calling it "one example of many" efforts to "consolidate the many duplicative programs that currently exist" within the agency in light of anticipated budget cuts. The shift is part of a larger realignment toward basic scientific research as opposed to technology deployment and follows a budget request that would eliminate programs like ARPA-E while slashing spending on fossil, nuclear and renewable energy offices.

But DOE disputed the idea that getting rid of the climate office would impede the type of work that it did. "The premise of the New York Times article claiming that the Administration is retreating on its efforts to promote clean energy is entirely false," DOE spokesman Shaylyn Hynes said in a statement, referring to the initial [report](#) that the office's 11 employees had been told their positions were being eliminated. Secretary Rick Perry "has a proven record of managing under tight budgets and looks forward to working with whatever resources Congress appropriates." Perry just returned from a trip to China for the annual Clean Energy Ministerial, which was organized with help from the international climate office. DOE said it would continue to do some preparation for future such meetings but would disperse the work among regional offices.

REJECTION OF REVOCATION: The Trump administration appears unlikely to try to rescind a series of national monument designations under the Antiquities Act made by former President Barack Obama and his predecessors. Interior Secretary Ryan Zinke offered good news to supporters of Maine's Katahdin Woods and Waters National Monument during a two-day tour by car, foot and canoe of the area when he said federal ownership of the area is "settled" and that he was unlikely to recommend shrinking it, according to [multiple reports](#).

Zinke suggested he might actually go further and ask Congress to designate the area as a national park. And he appeared to reject an idea from Maine Gov. Paul LePage to transfer control of the monument back to the state: "We can look at management schemes, but I'm not a fan of sale or transfer of public lands," he told [Maine Public Radio](#). Zinke's New England comments come after he recommended earlier this week trimming back — but not revoking — the controversial 1.4 million-acre Bears Ears National Monument in Utah, which many in the state's congressional delegation were pushing. It's worth noting Zinke could still change his mind before issuing final recommendations to Trump and that any attempt to alter existing monuments is sure to face legal challenges.

The man and the sea: Zinke's New England swing takes him to Boston today where he'll gather input the Northeast Canyons and Seamounts National Marine Monument off the coast of New York and New England. He hosts a listening session with local fisherman at 11 a.m., some of whom have filed [a lawsuit](#) challenging the designation.

CARPER PUSHING FOR SVINICKI VOTE: Top Senate EPW Democrat [Tom Carper](#) told ME "I'll do everything I can to make sure we" vote on NRC Chairwoman Kristine Svinicki's renomination before her current term expires at the end of the month. EPW [cleared her renomination](#) by voice vote earlier Thursday, though a spokesman for Majority Leader [Mitch McConnell](#) declined to comment on vote timing. Svinicki would have to step down, at least temporarily, if the Senate fails to confirm her by June 30.

Wait and see on oversight needs: Carper said he "appreciated" assurances from Chairman [John Barrasso](#) that EPA should respond to oversight requests from members of both parties, but said "we need the heartfelt assurances" of the agency. The Delaware Democrat has been frustrated by what he says are inadequate responses to his letters seeking information on agency actions.

THE LEGEND OF CHICAGO: Lawmakers from both parties [warned](#) Pruitt on Thursday he'd have to swallow more funding for his agency than requested, but Pruitt also pushed back on the suggestion he planned to close any EPA regional offices. "There is no consideration presently with respect to any regional offices about moving them to one location or another," he told a House Appropriations subcommittee. "I'm not sure where that came from." Asked

specifically about Chicago-based EPA Region 5, Pruitt said reports of its impending closure were "pure legend" and "not something that is under discussion presently."

AGENCIES SEES PAPERWORK SLASHED: OMB Director Mick Mulvaney issued [a memorandum](#) Thursday eliminating a host of things federal agencies previously had to report to his office. Among those mandates on the chopping block: Reporting governmental costs related to the 2010 Deepwater Horizon oil spill in the Gulf of Mexico. "Too often, burdensome tasks have piled up without consideration of whether the requirements collectively make sense," the document notes.

EPA FIGHTS TO KEEP METHANE STAY: EPA asked a federal appeals court to reject environmentalists' request to reinstate key parts of the agency's rule limiting methane emissions from new oil and gas wells. As Pro's Alex Guillén [notes](#), the agency further increased tension this week by [proposing](#) a two-year delay of those requirements. "There is no emergency," and the environmental groups cannot meet the requirements to obtain court action, EPA argued in a Thursday [court filing](#). Those green groups must respond by June 20 and look for court action to follow shortly afterwards.

BROOKLYN'S HOTTEST CRAZE: Debra Bruno [looks at](#) the rise of microgrids in Brooklyn as part of POLITICO Magazine's What Works series. A novel system uses a phone app and smart meters to enable neighbors to strike deals for how much electricity they want to buy from one another and at what price. And it's powered by the same secure information exchange that makes bitcoin trading possible.

MAIL CALL! SENATORS: BUT, SERIOUSLY, PRUITT: Not holding back, six Senate EPW Democrats [wrote](#) Pruitt Thursday raising "serious questions" about whether he can "be trusted to inform Congress" about his activities as EPA administrator after revelations he used a third, previously undisclosed, email account while serving as Oklahoma attorney general. They asked Pruitt to immediately correct the record on his email habits and requested information about his use of secondary email accounts at EPA. The letter, spearheaded by [Sheldon Whitehouse](#), goes on to ask if Pruitt has used "any other email addresses or other forms of electronic communication" for any purpose with entities with business pending before the agency.

NO METHOD TO THE MADNESS? The Manhattan Institute's Mark Mills is supporting a revival of the U.S. manufacturing industry — a view he says is unpopular in parts of the gig-economy-obsessed tech world — and the biggest drag on the sector is the proliferation of regulations. His recent [paper](#) says myriad regulations cost manufacturers an average of \$20,000 per employee, but that burden is even higher on the small companies, where the cost reaches \$35,000 per employee. The No. 1 offender, Mills told ME, is the EPA. "Environmental regulations have been dominant. They've increased the most, and they cost the most." Much of the problem companies is trying to navigate the web of rules, many of which are in conflict with each other, he said. The argument, Mills says, is not to have no regulations, but to "de-conflict" them, like Germany and Canada do, which would ease the cost of compliance and help the sector.

GREEN GROUP SLAMS DEMOCRATIC AD: Friends of the Earth Action is decidedly not pleased with [an ad](#) released earlier this week boosting moderate Democratic Sen. [Joe Manchin](#) from a PAC allied with Minority Leader [Chuck Schumer](#). The spot from Majority Forward praises Manchin for his efforts to roll back Obama-era coal regulations, but the Friends of the Earth said it undercuts resistance to Trump's environmental agenda. "As the

Trump administration continues its devastating war against public health and the environment, it is troubling to see Democratic leaders normalizing Trump and his extreme agenda," Erich Pica, president of Friends of the Earth Action, said in a statement.

REPORT: TARGETING ENERGY EFFICIENCY MAKES NO SENSE: Public Citizen is out with [a report](#) Thursday arguing Trump's efforts to impede energy efficiency efforts make no sense even if he considers climate change a hoax, because the programs save consumers trillions over the course of their lifespans. "The savings from these programs literally approach the scale of Trump's most lavish promises for infrastructure spending," David Arkush, managing director of Public Citizen's climate program, said in a statement.

MOVER, SHAKER: Chris Adamo joins the National Wildlife Federation as senior fellow for conservation innovation; he served as chief of staff for the White House Council on Environmental Quality during the Obama administration between 2015 and 2017. Prior to that, he worked on conservation issues in the Senate for more than a decade and served as staff director for the Senate Agriculture Committee.

IT'S BEEN A TRIP! An 18-stop, 4,825-mile, coast-to-coast road trip sponsored by the American Gas Association ends today in Washington. The event has showcased a variety of vehicles running on compressed natural gas, liquefied natural gas and renewable natural gas. More information [here](#).

QUICK HITS

- The War on Coal States. [Slate](#).
- Dow-DuPont merger gets US antitrust approval. [Financial Times](#).
- Ruling on Dakota Access pipeline surprises oil industry. [AP](#).
- Big Oil needs to spend \$350 billion...on wind and solar. [CNN Money](#).
- Group says Georgia nuclear plant costs rise to \$29 billion. [Reuters](#).

HAPPENING TODAY

12:00 p.m. — "[The Western Energy Imbalance Market](#)," Women's Council on Energy and the Environment, FERC, 888 First Street, NE

THAT'S ALL FOR ME!

To view online:

<https://www.politicopro.com/tipsheets/morning-energy/2017/06/zinke-appears-cool-to-fully-rescinding-national-monuments-023335>

Stories from POLITICO Pro

How Tampa Turned a Dead Zone Into a Downtown [Back](#)

By Richard Danielson | 06/15/2017 06:59 PM EDT

Tampa Mayor Bob Buckhorn likes to say that when he moved here in 1980, only 600 people

lived downtown—300 of them at the old Morgan Street jail.

No wonder. Downtown Tampa in 1980 had been in decline for decades. A century before, early leaders had charted its future as a deep-water port for moving cargo: phosphate mined in Central Florida, citrus grown along the Gulf Coast and cigars rolled in brick factories crowded with Cuban and Italian immigrants. To step onto the docks before World War II was to enter a realm of railyards, warehouses and oil tanks. The prettiest building in town was (and arguably still is) a minaret-topped grand hotel that a 19th-century rail baron built on the far bank of the Hillsborough River. But until the early 1960s, that gem looked back across the river at a meat-packing plant teeming with big, brazen rats.

By the time Buckhorn arrived in his 1966 Dodge Dart, Tampa's waterfront was an industrial dead zone, some warehouses empty, others demolished and replaced by vacant lots. The city's streetcars, which once carried 24 million passengers a year, were long gone, muscled aside by a car-centric culture that helped make the Tampa Bay area the second deadliest metro in the country in which to walk or ride a bike. Downtown retailers had closed or decamped for the suburbs. There was no way to walk along the river, literally no path from the office buildings to the waterfront, and little open space. One of the only city parks near the river was fenced and padlocked to stop vagrants from bathing in its fresh-water spring.

"We had this river running right through the heart of the city, and everybody had turned their back on it," says Sandy Freedman, Tampa's mayor from 1986 to 1995, when things started to change in a big way. "We blocked the views. We blocked the access. We did everything in reverse of what you want to do when you have a river or any amenity."

Today Tampa has reinvented its downtown step by gritty step, but it hasn't been cheap. Over the past 30 years, City Hall and the government of Hillsborough County have invested more than half a billion dollars in projects to activate the waterfront. This was Tampa's Hail Mary pass—a multi-front push to transform a purely industrial zone into a tourist-friendly amenity and, eventually, a place to live. It required nothing less than a reversal of decades of centrifugal development pressure that had pushed people and tourist attractions miles from the city center. First came the performing arts center. Then the convention center. Then the aquarium. Then the hockey arena. Then the public subsidies for a convention hotel. Then the trolley. Then the history center. Then the new art museum. Plus a series of new parks, one where the meat-packing plant once stood, another at the fresh-water spring.

Finally, a 2.5-mile Riverwalk strung them all together. It took six mayors and 40 years, but it has opened up public access to the waterfront, connected the big public projects, and led to something new in downtown Tampa—a lot of people walking around, riding bikes and enjoying the river they had long ignored.

Together, these public investments did two things. Over the past 15 years, they put out the welcome mat for millennials and empty nesters looking to move back to the city. Tampa once competed for call centers; now it seeks to leverage assets like MacDill Air Force Base and the University of South Florida to pursue firms in defense, tech, life sciences, health care and banking services. Last year, the nonprofit Tampa Downtown Partnership said downtown's population had doubled in eight years to more than 8,100 people in 5,700 units, with two-thirds of downtown residents making \$100,000 or more a year.

And there's more in the pipeline. Thanks to two new players that have, for Tampa, unprecedented reach, the city is about to get a turbocharged boost of growth. Former mutual

fund impresario Jeff Vinik has partnered with billionaire Microsoft founder Bill Gates' private capital fund, Cascade Investment, on what could be Tampa's biggest transformation yet. With the arrival of Vinik and Cascade, decades of incremental, government-led change has set the stage for two big-thinking, fast-moving, business titans who relish the chance to play with the kind of blank urban canvas that doesn't present itself very often. If this public-private partnership succeeds, Tampa could finally make good on its longstanding ambition to be a star of the New South—not by reviving its downtown, but by reinventing it.

Today, Vinik, 58, is Tampa's most popular pro sports team owner, most prominent philanthropist and most ambitious developer, but he never meant to come to Tampa and remake a city. Ten years ago, he says, "I could not have imagined it."

Vinik's first career was in Boston, where at 33 he was hired to run Fidelity's Magellan Fund, then the nation's biggest mutual fund. In 1996, he left Fidelity and started his own hedge fund, which posted annualized 17-percent returns before he shut it down and returned billions of dollars to investors in 2013. By then, however, Vinik had already begun to re-invent himself. In 2010, he bought the Tampa Bay Lightning for an estimated price of \$110 million. It was a purchase that reflected an investor's eye for an undervalued asset. Less than two years before, it had sold for \$200 million.

A lifelong hockey fan who grew up in New Jersey and New York, Vinik remembers falling asleep at age 5 to a Rangers game on a small television in his bedroom. When he bought the team, Vinik told reporters he had been thinking about it for two years, ever since a conversation with a close friend about what was next for him during a Christmas pop music concert in Boston. He wanted something fun and loved hockey's excitement. He sat down and Googled, "How to buy a sports team." Then, more systematically, he started to read books on sports management. He got to know the people who ran the teams as well as National Hockey League Commissioner Gary Bettman.

Vinik ended up looking seriously at 10 to 15 teams. He believed it's "critical to become part of the fabric of the community if you were going to own a sports team," so he began thinking about places where he would want to live, and Florida's warm weather was appealing. He looked at the Florida Panthers, but found the location of their arena, next to a toll road near the Everglades, to be isolated. In Tampa, he liked that the Lightning played in the southern end of downtown, on the other side of an elevated highway from the central business district, but near the bay. True, the arena was largely surrounded by acres of surface parking lots, but Vinik says "long-term that was a very good thing. Having said that, I had no aspirations of buying those properties or developing those properties." Still, buying the Lightning gave Vinik control of a publicly owned arena that hosted major concerts as well as hockey games, plus the ownership of two parking lots totaling about 5½ acres on either side of the arena. Vinik says the vacant land that came with the team did not play a big role in his decision to buy the Lightning. A year or two later, another parcel right across the street came on the market for a price that Vinik found "not cheap, but reasonable."

"It just seemed like good common sense to buy a piece of property across the street from the arena," he says. Then a couple of more parcels became available, and he bought them, again with no bigger plan in mind. He bought more. More came on the market. Eventually Vinik spent nearly \$60 million to compile about 40 mostly contiguous acres near the arena. About three-quarters of the way in, he says, "the light bulb gradually went on and we said, 'Hmm,

there are development opportunities here."

To pursue those opportunities, Vinik teamed up with Cascade. Vinik says he made the connection with Cascade through Tod Leiweke, the former Seattle Seahawks CEO whom Vinik hired to run the Lightning. Leiweke came to Tampa with an impressive portfolio of expertise, interests and relationships. He knew sports management. He was a natural civic leader. In both Seattle and Tampa, he helped drive efforts to address homelessness. (That wasn't his only community issue. I once bumped into him at the launch of a police gun buyback in one of Tampa's toughest neighborhoods.) Leiweke's older brother Tim was president of the company that developed the L.A. Live entertainment district next to the Staples Center in Los Angeles. And in Seattle, Tod Leiweke got to know key Microsoft executives, including Cascade manager Michael Larson, who is credited with building Gates' net worth from \$5 billion two decades ago to what *Forbes* says is \$89 billion now.

"Tod knew Michael Larson," Vinik says. "He introduced us. We had a couple of conversations, and they were interested in increasing their real estate exposure. They got it. Michael got it in terms of the potential we see here in downtown Tampa. It was a partnership (that was) meant to be."

Together, Vinik and Cascade Investment formed Strategic Property Partners, which is developing the 40 acres around the arena, plus a couple of other key acquisitions. One is the 719-room Tampa Marriott Waterside Hotel & Marina. It sits on the waterfront between the hockey arena and the Tampa Convention Center. SPP bought it for \$150 million and plans a major renovation.

On the other side of the arena is another Vinik-Cascade asset: Channelside Bay Plaza, a 230,000-square-foot waterfront shopping mall. Less than 20 years old, it's a striking example of the kind of building that former Mayor Freedman talks about: one that turns its back on the water. Meant to be a festival marketplace, Channelside Bay Plaza looks inward, with few views of the shipping channel behind the building. On one of my few visits, for a night-time political rally in 2011, I spent an hour in its courtyard without realizing I could have seen the water from where I stood. Vinik plans to tear it down and start over.

But that's just one piece of a development plan that's mind-bogglingly ambitious. Over the next 10 years, Strategic Property Partners plans \$3 billion in construction, aided by \$100 million in local tax-increment financing revenues, including:

- 3,500 apartments or condominiums totaling 3 million square feet of construction.
- 2.4 million square feet of offices. That's more than a third as big as downtown Tampa's existing office inventory of 6.1 million square feet.
- More than 1 million square feet of retail. This would be a huge increase. A downtown partnership survey last year found that downtown residents increasingly spend more on dining out and entertainment downtown, but still leave the urban core for groceries, gas, casual clothing, shoes, gifts, haircuts and items from the pharmacy.
- Two new hotels with a total of 650 rooms, or nearly a quarter of the 2,500 rooms downtown Tampa now has outside the SPP-owned Marriott Waterside.

So far, there's little to see. SPP plans to break ground on its first phase, encompassing 4 million square feet of residential and commercial development, next spring, with its first buildings opening in 2020. To get ready, the company has 15 teams of architects and designers working on plans for 16 different city blocks. Many of the roads around the arena are torn up

so larger water, sewer and storm drainage pipes can be installed. The project also will realign part of the street grid to slow down traffic and create a place that not only gives pedestrians sanctuary from Tampa's older and statistically more deadly streets, but is also where it's easy and fun to walk around.

Early on, Vinik and Cascade brought in new urbanist planning experts Jeff Speck and David Dixon to help shape the vision. Later, after Leiweke left Tampa for a job as the chief operating officer of the National Football League, James Nozar, 38, was hired from The JBG Companies near Washington, D.C., as CEO of SPP. Nozar came in with a range of experience in urban redevelopment—such as the Atlantic Plumbing and West Half Street mixed-use projects in Washington, D.C.—but in Tampa, where most of SPP's holdings have until now been used for arena parking, his team has a clean slate.

"Most people would see that as an advantage, which we do, but it also makes it very challenging," he says. Strategic Property Partners is building in an area that lacks architectural and place-making context, and it aims to create something that from the start feels like a neighborhood, not a shopping mall. It helps that the mix of residential, retail, cultural, office and entertainment will be evenly balanced, Nozar says. That should make it possible for many residents to get up, walk to the gym, grab coffee, duck back home to change, walk to work, get a meal or two during the day, and go to a hockey game or concert—all without ever needing a car.

For context, Nozar and SPP director of development Bryan Moll, another JBG alum, have looked at Tampa's older neighborhoods, including Ybor City, the city's historic Latin quarter and the home of its cigar-making industry about three-quarters of a mile from downtown. To enhance the pedestrian experience, they've focused on the ground floors of their buildings—their scale, how they interact with the public space as well as the pedestrian's need for a variety of experience and—crucial in Florida—shade. The new project will include new parks, and one main street will have a double row of mature trees along one side, a single row along the other. SPP is building a centralized air-conditioning plant for the entire district, which is expected to help drive energy efficiency, something that's rare in commercial developments, though more common in large campus projects like universities and healthcare facilities. For SPP, it makes sense because of the project's single ownership and long-term focus. It also frees rooftops for dog parks, swimming pools, restaurants and green space. One 300-foot-tall office building will have planted terraces or ledges on every floor, plus a green roof. An apartment building will be topped with 10 feet of soil on its roof so mature trees can grow there.

Along with a name, one thing that Vinik and Cascade have not announced is a tenant list. But Vinik says the company has a long list of prospective tenants. Because they are self-financing, Vinik and Cascade do not have to worry as much about an economic downturn, about repaying construction loans or about building quickly, leasing up and selling out.

"There is no intention of flipping here," Vinik says. "We're looking very long term. We believe the real value creation in the district occurs over five to 10 years as it becomes one of the best places to live, work and play in, hopefully, the Southeast."

In 1985, business boosters took to calling Tampa "America's Next Great City," but the facts on the ground often seemed to lag behind the brand. As "New South" cities like Charlotte and

Atlanta soared, it was hard to see whether any of Tampa's big bets would pay off. The performing arts center, convention center and aquarium all struggled in their early years, and there was a ton of second-guessing.

In her nearly nine years as mayor, Sandy Freedman did a lot of building, but she wanted a good city with affordable housing and healthy neighborhoods as much as a "great" one with an impressive skyline and upbeat marketing. (Her signature accomplishment, getting local banks to put up \$67 million to build or rehab thousands of affordable homes, got her into the conversation when President-elect Bill Clinton was considering candidates for secretary of housing and urban development.) So she tended to have a more skeptical outlook than the Chamber of Commerce. Once, when I asked her about that "America's Next Great City" slogan, she rolled her eyes.

And early on, Freedman didn't even want to build the convention center. Sitting on the City Council she had voted against every single contract to buy land for the site. It was too hemmed in by an expressway on one side, she thought, and the river on the other. Supporters talked about how the city could expand it in the future by driving pilings into the riverbed, but she didn't believe that for a moment (and, in fact, it hasn't happened). But after the city spent \$27 million on land, she couldn't think of a way to kill it, so she went ahead with the project.

The Florida Aquarium was next, and it took a push that would have impressed Robert Moses. The aquarium was long planned for Harbour Island, a mixed-used development created across a shipping channel from downtown, but the developer told Freedman the project's parking wouldn't fit there after all. So Freedman says she called the port director and, although she wasn't on the port authority board and therefore was not his direct boss, told him to come to her office in an hour, because she was holding a news conference to announce that the aquarium was headed to a waterfront site the port owned.

"He said, 'What?' He was apoplectic. He really was. He was apoplectic for a year or two after that," Freedman says. But "they had all that land that was on the water, and I had just come from seeing Baltimore," which had transformed its Inner Harbor using an aquarium as centerpiece. "There's a lot of Baltimore in all of this. It wasn't rocket science. It had been done before, and you learn from the best. That was probably one of the best decisions I ever made even though it was so tough at the beginning."

Then came a deal for a downtown hockey arena. That brought in the county government, a first at that time. County Commissioner Ed Turanchik was a vocal proponent of a downtown site. What also made it possible, Freedman says, was private sector support. The developer of Harbour Island agreed to put up nearly \$9 million to acquire the rights to a key piece of property on the understanding he would get the money back when the city and county put the deal together.

Freedman also tore down a bare-bones auditorium that had been built in the 1960s where the old rat-infested meat-packing plant once stood. Finally, she tried to put together a deal for a big hotel to help the convention center, which was built without all the meeting space it needed. But the plan was complicated and controversial, and it fell apart toward the end of her second term. Her successor, Dick Greco, would provide the public subsidies that closed the deal for the Marriott.

Still, of all the projects, the Riverwalk appears to have had the most far-reaching impact—no surprise, given the track record of river walks from San Antonio to Milwaukee for creating

recreational space and economic development. "This relatively small amount of money that we've spent, I think, will pay dividends 10-fold over time, more so than, like, the [performing arts center] or the aquarium," Buckhorn says. "They're important, they add to the mix, and they're key anchors, but they're not game-changers. I think the Riverwalk is a game-changer."

Pam Iorio, Tampa's mayor from 2003 to 2011, remembers how not having something like the Riverwalk undercut even the joy of the Tampa Bay Lightning winning the Stanley Cup in 2004. That night, she says, "we all spilled out of the arena. It was one of those big, group hug kind of times where everybody was hugging each other and jumping up and down. I realized, right there, right then, that this crowd had no place to go and celebrate."

The next morning, Iorio told her senior staff that the next time Tampa won a championship, it needed a public space where people could take the party. By the time she left office in 2011, Iorio had finished a massive upgrade and expansion of the riverfront park, known as Curtis Hixon Waterfront Park, that Freedman had created, arranged a waterfront site for the Tampa Bay History Center and completed a big chunk of the Riverwalk. Curtis Hixon now serves as the front yard for residents from two 30-story apartment towers built across the street during Iorio's administration and hosts art shows and concerts.

Buckhorn opened the last key segment of the Riverwalk in 2015, and the impact was immediate and dramatic. Just three years before, the city had hosted the Republican National Convention, which did a poor job of showcasing the city. Curtis Hixon Park was commandeered for private parties inside a massive tent, and the Secret Service security footprint was so vast and heavy that much of the Riverwalk was cut off from public use. In contrast, when the College Football Playoff brought its national championship to Tampa in January, the Riverwalk played a key role in the city's bid. The game was played at Raymond James Stadium, about five miles northwest of downtown Tampa, but the Riverwalk allowed most game-related activities to be held along the downtown waterfront. There were free concerts with Usher and Eric Paslay at Curtis Hixon Waterfront Park and, a little more than half a mile away, a fan experience expo at the convention center. The Riverwalk connected the two, allowing fans to walk from one event to the other. Local organizers lined the route with pop-up food and drink vendors and smaller stages playing live music, plus docks where high-rollers could tie up their yachts and fans could walk by and gawk at them.

The Riverwalk started with a modest effort to sell individual planks to residents, but over the course of four decades it required quite a bit more: \$33 million, mostly in public spending, including a \$10.9 million transportation grant from the Obama administration. In its bid for the grant, the city said the Riverwalk would help stimulate economic development.

It has. At the north end of the Riverwalk, Buckhorn decided to recycle the fenced-up park next to the city's old waterworks. At the same time, he put out a request for proposals to renovate the 100-year-old pump house. The winning bid came from Tampa restaurateur Richard Gonzmart, whose family founded what is Florida's oldest restaurant, the Columbia, in Ybor City in 1905. Gonzmart was born four blocks from the pump house, and his grandparents lived five blocks from it, but the building was so obscure and forgotten that he never noticed it. Still, he had seen renovated warehouses and waterfronts in Montreal and Vancouver, and he wanted to try to do something similar in Tampa. In 2009, he opened a cafe version of his family's flagship restaurant inside the new Tampa Bay History Center at the southern end of the Riverwalk. "My father always told me when there was an opportunity along the waterfront not to even hesitate," Gonzmart says.

Gonzmart originally planned to spend \$1.4 million to open a seafood grille and craft brewery inside the old pump house. He ended up spending more like \$6 million, but he opened Ulele as Tampa's hottest restaurant. Next door, Buckhorn spent \$7.4 million more turning a dead space into a busy park with a splash play area, dog park and outdoor stage. Together, Gonzmart says, the two attract 1,500 to 2,000 people a day. Ulele stays booked well in advance, and although Gonzmart declines to discuss its revenues, he says they exceed his projections, and that they rose 14 percent the second year and are up 28 percent above that this year.

Gonzmart's is the biggest investment so far along the river, but not the only one. A Tampa dinner-cruise operator has launched a regular water taxi service, and concessionaires at the convention center rent out water bikes and small boats. The city also has issued a request for proposals to put a restaurant at Curtis Hixon Waterfront Park. *This week, Gonzmart submitted a bid, but so did six others.*

Recycling fallow property has been a signature achievement during Buckhorn's two terms as mayor. Along with pairing the city's renovation at Water Works Park with Ulele, he has struck deals to sell one city-owned block next to City Hall and another near the performing arts center for high-rise development. And he attracted a company that specializes in renovating historic properties for a \$26 million transformation of Tampa's vacant federal courthouse, a Beaux-Arts jewel built in 1905, into a Le Méridien boutique hotel.

When Vinik starting buying parking lots around the hockey arena, there was a lot of speculation that he might be assembling a land for another big project: a new baseball stadium for the Tampa Bay Rays. The Rays play across Tampa Bay in St. Petersburg, but their fan base there lacks the corporate support typical of Major League Baseball. The team has long wanted to explore the stadium market in Tampa, and is doing so now, but it is not looking at the land Vinik and his partners assembled.

That's because Vinik lined up a different anchor for his project, one that Buckhorn likes to say is "bigger than baseball."

In August or September, the University of South Florida plans to break ground on a \$164.7 million medical school and cardiovascular research institute on an acre of land Vinik and Cascade donated to the university at their waterfront project.

Neither Vinik nor USF President Judy Genshaft recall who first suggested moving the medical school downtown. USF is about 10 miles north of downtown, putting its medical school more than 25 minutes from its teaching hospital, which is on the edge of downtown. (It's the only top-100 medical school in the country to be so far away from its hospital.) For years, USF had struggled with this distance, at one point even exploring the possibility of building a hospital on campus.

What Vinik and Genshaft recall is that they talked a lot soon after he bought the Lightning. Initially, she says, the conversations touched on whether USF doctors might assist the hockey team, or whether the Lightning had opportunities for USF students majoring in sports management. But Genshaft believes universities need to be economic engines for their regions, so she is active in virtually every economic development initiative in the Tampa Bay area. Soon enough, the conversation turned to the idea of moving the medical school to the Vinik-Cascade project, and a deal was quickly made.

However it came about, the 13-story Morsani College of Medicine and Heart Health Institute, scheduled to open in late 2019, is expected to help both parties. Already, USF administrators say, the move is helping them recruit both faculty and students. Applications for USF's medical school are up 50 percent in three years. This year, nearly 6,400 applicants are vying for 170 spots in next fall's first-year class. USF says its medical school applicants also have the highest average MCAT scores of any Florida university, a sign that it's not only attracting more applicants period, but more of the best applicants available.

For Vinik and Cascade, having the USF med school as an anchor in his company's project will help seed the place with an estimated 2,275 faculty, researchers, staff and students—in short, a tower full of highly skilled and highly prized young professionals, and will help attract companies in health, science and technology. This is the kind of partnership that has helped remake cities such as Roanoke and Winton-Salem, both of which drew substantial investments from nearby universities and research institutions. And it's the kind of city-university partnership that Buckhorn has seen elsewhere, especially Pittsburgh, and has always wanted to bring to Tampa. USF's project, which is being built with about \$112 million in state funds (USF is raising the rest privately), will represent the latest public investment in Tampa's waterfront. Vinik says long-range commitments like that make a project like his possible.

"I've been called a visionary," he says. "The real visionaries were the people who 20 years ago put the arena in the south part of downtown, the convention center, the aquarium, the history center. Those were the visionaries. It just happened to take 10 to 20 years for somebody and an organization to come along to actually start realizing that vision."

To view online [click here](#).

[Back](#)

Brooklyn's Latest Craze: Making Your Own Electric Grid [Back](#)

By Debra Bruno | 06/15/2017 06:58 PM EDT

When Michael Guerra, a blunt-talking Brooklyn real estate broker, installed 24 solar panels on his Park Slope rooftop in 2012 during a home renovation, all he knew was that he liked the idea of being able to supply his own green electricity—and to run his air conditioning in the summer without paying exorbitant charges. So he got as many panels as his utility and the state would allow.

"I'm the guy who wanted solar panels on his roof since Jimmy Carter was president," says the 54-year-old.

Then one day in 2016, he got a knock on his door. Sasha Santiago had been on a nearby rooftop and spied Guerra's solar panels; he used Google Earth to home in on the right building.

"A strange man rang my bell and—I'm not kidding—said, 'Hi, I'm Sasha. Can I talk to you about a microgrid?'" Guerra says. "I said, 'What's that?'"

Santiago explained that the company he worked for, Brooklyn-based LO3 Energy, was running a pilot program that would permit renewable energy users like Guerra to sell power

directly to their neighbors. In effect, the neighbors would become their own small power grid in the middle of the most populous city in the country.

"Oh, this is shared economy. This is Airbnb, this is Uber, this is 21st century," Guerra remembers thinking. He agreed to be part of the project on President Street. Residents with solar panels on one side of the street sold environmental credits to residents on the other side of the street who had no solar of their own.

New York state allows electricity consumers to use their own solar panels to supply their electricity, but any power produced that the customer doesn't use feeds back into the larger grid, with consumers being paid for those kilowatt hours. The microgrid system that LO3 had devised would essentially cut out the middleman, using a phone app and smart meters to enable neighbors to strike deals for how much electricity they want to buy from one another and at what price. The technology that makes this possible, Santiago explained to Guerra, is blockchain, the same secure information exchange that makes bitcoin trading possible.

"The idea with blockchain is that everything is done peer to peer," says Duke University economist Campbell R. Harvey. "With a microgrid, people that have solar panels can actually trade amongst themselves. They don't have to have a centralized person in the middle that is taking a piece of the action." In a time when the national electricity grid could be vulnerable to terrorism and climatic events, a new technology "could potentially resolve some of these problems," he says.

Brooklyn, he says, is "a glimpse of the future."

Blockchain has been looked at for everything from medical records and voting to international money transfers and even online poker. Its value is the way it maintains the integrity of a transaction by breaking it into small blocks of data that are not controlled by one person and therefore can't be tampered with.

LO3, which began as an energy think tank in 2012, saw that blockchain would be perfect for creating energy markets, says Scott Kessler, LO3's director of business development. The sale and purchase of electricity depends on the fast and secure processing of enormous amounts of continually changing data—the availability of a particular type of energy, its value at that instant and any ceiling the consumer might have placed on a contract price.

Blockchain enables the meters to communicate reliably with one another, but it's the phone app that really puts the control in the hands of the microgrid consumers. The app "acts as your bidder" in the energy marketplace, Kessler says, enabling consumers to determine "what is their willingness to pay for energy."

Buyers interested in simply getting the best price could opt out of any sort of green energy, relying on whatever energy source is available from ConEd, Kessler notes. Or, "they could play with the percentage and see how cheap can I go to get local green energy."

"The idea is that it isn't just rich people with solar panels selling energy to each other, but really, it's the entire community ...So if you're low-income and you need the cheapest power you can get, we'll still provide that to you. We don't want to be dictating.

Picking Brooklyn as the location of the experiment made sense for several reasons, says Kessler.

The community is "environmentally conscious"—not only are there a number of solar panels already set up on rooftops, but many Brooklynites already buy green power and receive a renewable energy credit from ConEd, the New York electric utility.

Brooklyn has a vested interest in "energy resiliency." When Hurricane Sandy hit Brooklyn, the Gowanus Canal flooded for blocks and power was knocked out to many of the high-rise public housing buildings. "You had folks in wheelchairs with no access to elevators for a week or two, without power, so it was a really bad situation," Kessler says. With enough battery storage, a microgrid could potentially survive a power outage that affected much larger portions of the city.

The borough's economic and architectural diversity, from industrial warehouses to historic brownstones, made it a good test subject, Kessler says. That mixture could offer LO3 great feedback about the kinds of energy that might be needed in the future.

The pilot program was successful enough that the microgrid will go live later this year. The next phase of the project will involve 300 households or small businesses that have signed letters of interest, along with 50 generation sites—all solar except for one small wind turbine. In total, those producers generate about 1.5 megawatts of electricity, still just a small portion of the needs of Brooklyn's nearly 3 million residents. But the point is not to replace the whole grid, but to show that small grids can serve local communities.

It's hard to get any more local than Roger and Barbara Ditman. Roger, 75, and Barbara, 73, bought their four-story brownstone on 10th Street in 1973 for \$63,000. (Today it's worth \$3.5 million.) About five years ago, the retired couple paid \$40,000 to install 16 solar panels on their roof—panels that now supply about 95 percent of the home's electricity. With the solar production and various state credits for the solar panels, the investment is almost paid off, Roger Ditman says.

Signing up for the Brooklyn Microgrid means that their excess electricity could be bought in the community. "To me, it's the next step," says Roger Ditman. "It's taking advantage of something that is totally free. It helps the atmosphere, it helps the country, and it helps the community. What we're not using gets made available to our neighbors and to the larger community, as opposed to using energy that comes from Arizona."

Michael Guerra compares the microgrid to the changes in telephone service. "There used to be a central switching station. Now if you look at voice-over IP, you've got routers that are distributed around that are talking to one another," he says. "Microgrid controllers can do the same kind of thing with electricity. They can isolate problem spots," and create a kind of "island" that would be producing electricity when the rest of the city might be dark.

"After I learned about it," Guerra says, "I thought, 'This is definitely happening. This can't *not* happen.'"

To view online [click here](#).

[Back](#)

Svinicki clears EPW, heads to full Senate [Back](#)

By Darius Dixon | 06/15/2017 10:23 AM EDT

Nuclear Regulatory Commission Chairwoman Kristine Svinicki sailed through the Senate Environment and Public Works Committee this morning on her way to a third term.

Lawmakers on the panel approved her renomination on a voice vote.

Svinicki has been on the NRC's leadership board since 2008 and was elevated to the chairmanship by President Donald Trump in January, but her current term expires June 30. And unlike many other federal boards and commissions, NRC leadership members have to step down, even temporarily, if the Senate fails to confirm the nominee.

Trump has nominated two new NRC commissioners, Annie Caputo and David Wright, but EPW plans to vote on them later this month. Sen. [Tom Carper](#), Environment and Public Works' top Democrat, has said that he supports Svinicki's renomination and that EPW Chairman [John Barrasso](#) "seemed to be comfortable" with packaging them with a renomination of NRC Commissioner Jeff Baran, a Democrat whose term runs out next summer.

WHAT'S NEXT: Svinicki's nomination is now in the hands of Senate leadership and it's unclear when she will get a vote on the floor. Carper suggested earlier this week that Democrats are unlikely to demand a procedural vote on Svinicki's confirmation.

To view online [click here](#).

[Back](#)

GOP tells Pruitt he will get bigger budget than requested [Back](#)

By Alex Guillén | 06/15/2017 02:42 PM EDT

Republican lawmakers made it clear today that EPA is not going to get the budget it asked for — it's going to get a whole lot more.

Multiple GOP members of the Appropriations committee overseeing EPA said they will not come close to enacting the administration's proposed 31 percent cut.

"I can assure you you're going to be the first EPA administrator that's come before this committee in eight years that actually gets more money than they asked for," Rep. [Tom Cole](#) (R-Okla.) told EPA Administrator Scott Pruitt. "That doesn't mean you'll get as much as you've had, but you'll do better than you asked for."

Rep. [Mark Amodei](#) (R-Nev.) noted that Congress has already cut EPA's budget by more than \$2 billion since 2010. "No one's standing on the rooftops begging for dirty air and dirty water," he said in calling for no more than moderate spending reductions.

Other Republicans on the panel made sure to defend specific programs they favor.

House Appropriations Chairman [Rodney Frelinghuysen](#) (R-N.J.) told Pruitt that his state is home to more than 100 of the nation's 1,300 Superfund sites. "I think it's good to move with precaution before you take too many dramatic steps," he warned about EPA's 31 percent cut to that program.

Subcommittee chairman [Ken Calvert](#) (R-Calif.) criticized steep cuts to a popular diesel engine refit program and lamented the complete deletion of targeted air shed grants.

And Rep. [Dave Joyce](#) (R-Ohio) criticized the budget for killing the \$300 million Great Lakes Restoration Initiative.

WHAT'S NEXT: Appropriators will write EPA's spending bill for next year, expected to be released later this summer.

To view online [click here](#).

[Back](#)

EPA urges court not to lift stay of methane rule for new oil, gas wells [Back](#)

By Alex Guillén | 06/15/2017 03:55 PM EDT

EPA today [urged](#) the D.C. Circuit Court of Appeals not to reverse its decision to pause leak detection and repair requirements and other key parts of the agency's rule limiting methane emissions from new oil and gas wells.

Environmental groups [sued last week](#) and filed an emergency motion seeking the court's reversal of EPA's stay. The agency this week [proposed](#) a two-year delay of those requirements, increasing this lawsuit's tension.

"There is no emergency," and the environmental groups cannot meet the requirements to obtain court action, EPA argued in its brief today.

The leak detection requirements would prevent just 0.046 percent of annual oil and gas industry methane emissions, according to EPA. And pausing other requirements dealing with equipment and certification requirements does not present any imminent harm, the agency said.

EPA called the green groups' request "a sideways effort to attack EPA's decision to convene reconsideration proceedings" on the methane rule.

The public interest goes beyond environmental concerns to include economic growth and "productive capacity," the agency argued.

"EPA's short-term stay strikes a balance among these interests by allowing the Agency to consider whether to refine aspects of the 2016 Rule to better account for issues that the Agency did not consider and concerns among the regulated community that EPA did not

foresee," the agency wrote.

WHAT'S NEXT: The green groups' response is due June 20, with a court decision likely sometime after that.

To view online [click here](#).

[Back](#)

EPA proposes two-year delay of oil, gas methane rule [Back](#)

By Alex Guillén | 06/13/2017 06:27 PM EDT

EPA today proposed a two-year pause on key methane leak detection and repair requirements for new oil and gas wells, saying it needs the time to reconsider the Obama-era rule.

The Trump administration last month [issued](#) a 90-day stay, but EPA has to go through a rulemaking process to finalize the two-year delay. The agency will take public comment for 30 days once the proposal is published in the Federal Register.

The delay also pushes back a provision on pneumatic pumps, as well as a requirement that professional engineers certify closed vent systems. EPA said last month that it also intends to review the rule more broadly than just those requirements.

Environmental groups last week [sued](#) over the initial 90-day stay and asked a court to lift it immediately. EPA's response to that request is due June 15.

WHAT'S NEXT: EPA will take public comment on its proposed two-year delay before issuing a final decision that is likely to be challenged in court.

To view online [click here](#).

[Back](#)

EPA proposes two-year delay of oil, gas methane rule [Back](#)

By Alex Guillén | 06/13/2017 06:27 PM EDT

EPA today proposed a two-year pause on key methane leak detection and repair requirements for new oil and gas wells, saying it needs the time to reconsider the Obama-era rule.

The Trump administration last month [issued](#) a 90-day stay, but EPA has to go through a rulemaking process to finalize the two-year delay. The agency will take public comment for 30 days once the proposal is published in the Federal Register.

The delay also pushes back a provision on pneumatic pumps, as well as a requirement that professional engineers certify closed vent systems. EPA said last month that it also intends to review the rule more broadly than just those requirements.

Environmental groups last week [sued](#) over the initial 90-day stay and asked a court to lift it immediately. EPA's response to that request is due June 15.

WHAT'S NEXT: EPA will take public comment on its proposed two-year delay before issuing a final decision that is likely to be challenged in court.

To view online [click here](#).

[Back](#)

Brooklyn's Latest Craze: Making Your Own Electric Grid [Back](#)

By Debra Bruno | 06/15/2017 06:58 PM EDT

When Michael Guerra, a blunt-talking Brooklyn real estate broker, installed 24 solar panels on his Park Slope rooftop in 2012 during a home renovation, all he knew was that he liked the idea of being able to supply his own green electricity—and to run his air conditioning in the summer without paying exorbitant charges. So he got as many panels as his utility and the state would allow.

"I'm the guy who wanted solar panels on his roof since Jimmy Carter was president," says the 54-year-old.

Then one day in 2016, he got a knock on his door. Sasha Santiago had been on a nearby rooftop and spied Guerra's solar panels; he used Google Earth to home in on the right building.

"A strange man rang my bell and—I'm not kidding—said, 'Hi, I'm Sasha. Can I talk to you about a microgrid?'" Guerra says. "I said, 'What's that?'"

Santiago explained that the company he worked for, Brooklyn-based LO3 Energy, was running a pilot program that would permit renewable energy users like Guerra to sell power directly to their neighbors. In effect, the neighbors would become their own small power grid in the middle of the most populous city in the country.

"Oh, this is shared economy. This is Airbnb, this is Uber, this is 21st century," Guerra remembers thinking. He agreed to be part of the project on President Street. Residents with solar panels on one side of the street sold environmental credits to residents on the other side of the street who had no solar of their own.

New York state allows electricity consumers to use their own solar panels to supply their electricity, but any power produced that the customer doesn't use feeds back into the larger grid, with consumers being paid for those kilowatt hours. The microgrid system that LO3 had devised would essentially cut out the middleman, using a phone app and smart meters to enable neighbors to strike deals for how much electricity they want to buy from one another and at what price. The technology that makes this possible, Santiago explained to Guerra, is blockchain, the same secure information exchange that makes bitcoin trading possible.

"The idea with blockchain is that everything is done peer to peer," says Duke University economist Campbell R. Harvey. "With a microgrid, people that have solar panels can actually trade amongst themselves. They don't have to have a centralized person in the middle that is

taking a piece of the action." In a time when the national electricity grid could be vulnerable to terrorism and climatic events, a new technology "could potentially resolve some of these problems," he says.

Brooklyn, he says, is "a glimpse of the future."

Blockchain has been looked at for everything from medical records and voting to international money transfers and even online poker. Its value is the way it maintains the integrity of a transaction by breaking it into small blocks of data that are not controlled by one person and therefore can't be tampered with.

LO3, which began as an energy think tank in 2012, saw that blockchain would be perfect for creating energy markets, says Scott Kessler, LO3's director of business development. The sale and purchase of electricity depends on the fast and secure processing of enormous amounts of continually changing data—the availability of a particular type of energy, its value at that instant and any ceiling the consumer might have placed on a contract price.

Blockchain enables the meters to communicate reliably with one another, but it's the phone app that really puts the control in the hands of the microgrid consumers. The app "acts as your bidder" in the energy marketplace, Kessler says, enabling consumers to determine "what is their willingness to pay for energy."

Buyers interested in simply getting the best price could opt out of any sort of green energy, relying on whatever energy source is available from ConEd, Kessler notes. Or, "they could play with the percentage and see how cheap can I go to get local green energy."

"The idea is that it isn't just rich people with solar panels selling energy to each other, but really, it's the entire community ...So if you're low-income and you need the cheapest power you can get, we'll still provide that to you. We don't want to be dictating.

Picking Brooklyn as the location of the experiment made sense for several reasons, says Kessler.

The community is "environmentally conscious"—not only are there a number of solar panels already set up on rooftops, but many Brooklynites already buy green power and receive a renewable energy credit from ConEd, the New York electric utility.

Brooklyn has a vested interest in "energy resiliency." When Hurricane Sandy hit Brooklyn, the Gowanus Canal flooded for blocks and power was knocked out to many of the high-rise public housing buildings. "You had folks in wheelchairs with no access to elevators for a week or two, without power, so it was a really bad situation," Kessler says. With enough battery storage, a microgrid could potentially survive a power outage that affected much larger portions of the city.

The borough's economic and architectural diversity, from industrial warehouses to historic brownstones, made it a good test subject, Kessler says. That mixture could offer LO3 great feedback about the kinds of energy that might be needed in the future.

The pilot program was successful enough that the microgrid will go live later this year. The next phase of the project will involve 300 households or small businesses that have signed letters of interest, along with 50 generation sites—all solar except for one small wind turbine. In total, those producers generate about 1.5 megawatts of electricity, still just a small portion of the needs of Brooklyn's nearly 3 million residents. But the point is not to replace the whole grid, but to show that small grids can serve local communities.

It's hard to get any more local than Roger and Barbara Ditman. Roger, 75, and Barbara, 73, bought their four-story brownstone on 10th Street in 1973 for \$63,000. (Today it's worth \$3.5 million.) About five years ago, the retired couple paid \$40,000 to install 16 solar panels on their roof—panels that now supply about 95 percent of the home's electricity. With the solar production and various state credits for the solar panels, the investment is almost paid off, Roger Ditman says.

Signing up for the Brooklyn Microgrid means that their excess electricity could be bought in the community. "To me, it's the next step," says Roger Ditman. "It's taking advantage of something that is totally free. It helps the atmosphere, it helps the country, and it helps the community. What we're not using gets made available to our neighbors and to the larger community, as opposed to using energy that comes from Arizona."




Michael Guerra compares the microgrid to the changes in telephone service. "There used to be a central switching station. Now if you look at voice-over IP, you've got routers that are distributed around that are talking to one another," he says. "Microgrid controllers can do the same kind of thing with electricity. They can isolate problem spots," and create a kind of "island" that would be producing electricity when the rest of the city might be dark.

"After I learned about it," Guerra says, "I thought, 'This is definitely happening. This can't *not* happen.'"

To view online [click here](#).

[Back](#)

Was this Pro content helpful? Tell us what you think in one click.

				
Yes, very	Somewhat	Neutral	Not really	Not at all

You received this POLITICO Pro content because your customized settings include: Morning Energy. To change your alert settings, please go to <https://www.politicopro.com/settings>



This email was sent to megan_bloomgren@ios.doi.gov by: POLITICO, LLC 1000 Wilson Blvd. Arlington, VA, 22209, USA
