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Published: Thursday, November 2, 2017

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<https://goo.gl/9eSyy8>

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<https://goo.gl/o3UEE9>

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## **8. As coal closures loom, Texas operator upbeat on winter and spring**

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Texas' main grid operator provided a glimpse of life with a diminishing coal portfolio yesterday, and the outlook so far sees enough generating capacity through May.

<https://goo.gl/83PME2>

## **9. Eyeing clock, investors push shale drillers for returns**

Published: Thursday, November 2, 2017

The U.S. shale boom is ongoing, but as the most easily accessible reserves dry up, investors are beginning to get restless.

<https://goo.gl/xynXQv>

## **10. Drilling proposal for Nev.'s Ruby Mountains under fire**

Published: Thursday, November 2, 2017

A proposal to open up Nevada's Ruby Mountains for oil and gas development is raising hackles among a coalition of groups that see it as an unnecessary concession of iconic land to an industry with a scant history of operations in the state.

<https://goo.gl/bTLSZv>

### **11. Wildfire bill passes; more hurdles ahead**

Marc Heller, E&E News reporter

Published: Thursday, November 2, 2017

The House yesterday passed legislation encouraging more logging on national forests as a way to curtail wildfires, and supporters said they hope at least some of its provisions are enacted into law this year.

<https://goo.gl/jZ5w1h>

### **12. U.S. quits world effort to combat oil, mining corruption**

Dylan Brown, E&E News reporter

Published: Thursday, November 2, 2017

The Trump administration today pulled out of an international initiative to make oil, gas and mining companies disclose their payments to governments as a method to lessen conflict and corruption worldwide.

<https://goo.gl/z5zj53>

### **13. House panel OKs whistleblower, weather resilience bills**

Kevin Bogardus, E&E News reporter

Published: Thursday, November 2, 2017

The House Oversight and Government Reform Committee sent several bills to the floor today after a dispute over the panel's failure to issue subpoenas almost derailed the markup.

<https://goo.gl/zNMXXj>

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## 1. Bill with Trump backing will see a vote next year — Bishop

[Jennifer Yachnin](#), E&E News reporter

Published: Thursday, November 2, 2017

House Natural Resources Chairman Rob Bishop (R-Utah) said he has President Trump's support for an overhaul of the Antiquities Act of 1906 — including strict limits on presidential powers to create new national monuments.

But the legislation, which advanced out of the Natural Resources panel on a party-line vote last month, is unlikely to go to House floor for debate before the New Year, Bishop told E&E News yesterday.

"They have already given me a list of the things they want to do between now and Christmas; that's not part of it," Bishop said, adding that he expects the legislation to come up after Jan. 1.

Bishop's bill, **H.R. 3990**, the "National Monument Creation and Protection Act," would be the first major reform to the Antiquities Act since it was adopted more than a century ago.

Currently, presidents have authority to establish monuments from public lands to protect areas of cultural, scientific or historic interest. There are no limitations on acreage or requirements for public involvement.

Bishop's legislation would implement limits on the size of new monuments. Presidents would be allowed to set aside no more than 640 acres of land without additional input, either in the form of National Environmental Policy Act reviews or approval from state and local lawmakers.

The maximum size for new monuments would top out at 85,000 acres. The measure would also reserve antiquities designations for relics, artifacts and remains, a much narrower interpretation of the law than currently exists (*E&E Daily*, Oct. 10).

The bill would also grant a president authority to reduce any monument by 85,000 acres without the aid of the Congress.

Bishop said he discussed the Antiquities Act reform with Trump last week during a telephone conversation about the future of both the Bears Ears and Grand Staircase-Escalante national monuments.

Trump told Bishop — as well as Utah Sens. Orrin Hatch (R) and Mike Lee (R) in separate calls — that he planned to accept Interior Secretary Ryan Zinke's recommendations to slash the size of those monuments, but did not offer specifics about the reductions or when he would announce his decision (*E&E News PM*, Oct. 27).

"We did talk about the Antiquities Act," Bishop added. "He was very supportive of what I'm trying to do there. He recognized that it's being abused."

In the meantime, Senate Energy and Natural Resources Chairwoman Lisa Murkowski (R-Alaska) has not indicated when she will hold hearings on her own legislation to reform the Antiquities Act.

Murkowski and 27 co-sponsors introduced S. 33, the "Improved National Monument Designation Process Act," in January, but no hearings have been held on the bill.

The measure would require Congress to authorize any new monuments, as well as require state legislatures to approve new sites. The bill would also require NEPA review for monuments.

"At this point, we have no choice but to reform the Antiquities Act to ensure that the people being impacted by these designations are heard and respected," Murkowski said when introducing the bill earlier this year.

*Reporter Kellie Lunney contributed.*

<https://goo.gl/9eSyy8>

## **2. Ore. Dems seek consult on Zinke report over 'factual errors'**

*Jennifer Yachnin*, E&E News reporter

Published: Thursday, November 2, 2017

Oregon Sens. Jeff Merkley (D) and Ron Wyden (D) yesterday urged the White House to consult with lawmakers before deciding whether to shrink the Cascade-Siskiyou National Monument, asserting that a recommendation from Interior Secretary Ryan Zinke on the site is rife with errors.

In a letter to White House chief of staff John Kelly, the Democratic lawmakers also slammed Zinke for failing to brief them on his recommendations, submitted to President Trump in a private draft report in August.

The duo added that Zinke had "pledged to work directly with us" in his review, which began in late April after Trump issued an executive order mandating a re-evaluation of dozens of national monuments for potential cuts or elimination.

"Instead, we learned about the report through the news," the letter states, referring to a copy of the report that leaked to media outlets in September (*Greenwire*, Sept. 18).

The letter continued: "We are also concerned about the numerous factual errors in the draft report and the role they played in recommending changes to Cascade-Siskiyou. Had we been appropriately consulted, we could have easily addressed these errors prior to the report being sent to the President."

According to Merkley, who serves on the Environment and Public Works Committee, and Wyden, a member of the Energy and Natural Resources Committee, the report erroneously concludes that motorized vehicles have been barred from the monument and lead to the degradation of roads, and that it has reduced hunting and fishing rights in the area.

In addition, Merkley and Wyden rejected Zinke's suggestion that Trump should remove nearly 17,000 acres of Oregon and California Railroad Revested Lands from the monument, citing a loss of 4 million to 6 million board feet of timber production.

The Democrats said that Zinke ignored a portion of the Oregon and California Revested Lands Sustained Yield Management Act of 1937, which governs those lands, adding that Interior must also manage the lands for watershed protection, stream flow and "economic stability of local communities and industries."

"Through the flexibility of the monument proclamation, Cascade-Siskiyou contributes to all of these goals, including forestry projects that promote ecological restoration and public safety," the lawmakers wrote.

The senators, who advocated for the site during Zinke's four-month review, also highlighted public discussions of the monument ahead of its expansion by President Obama in 2016, noting that more than 14,000 acres were removed from inclusion in the site based on public input.

"The public input process mentioned above led to substantive changes to the map to address concerns that had been raised," the lawmakers wrote.

President Clinton first designated the Cascade-Siskiyou site in 2000, setting aside 53,000 acres to create the first monument with the sole intention of protecting biodiversity.

Obama then expanded the monument, which straddles Oregon and California, to 100,000 acres in his final weeks in office.

The White House has yet to indicate whether it will pursue Zinke's recommendations to reduce the monument.

White House spokeswoman Sarah Huckabee Sanders said Friday that a final version of the report "will be coming out shortly" but did not offer specific details.

Trump told Utah Sen. Orrin Hatch (R) last week that he would make unspecified reductions to both the Bear Ears and Grand Staircase-Escalante national monuments in Utah but did not mention other sites (*E&E Daily*, Oct. 27).

The Oregon senators' complaints echo similar concerns voiced by New Mexico Sen. Martin Heinrich (D) in September during an Energy and Natural Resources Committee hearing.

Heinrich said that Zinke's draft report contained inaccuracies about road closures, hunting and fishing access, and even the proximity of the U.S.-Mexico border to monuments (*E&E News PM*, Sept. 19).

In his draft report, Zinke has called for management changes to both the Organ Mountain-Desert Peaks National Monument and Rio Grande del Norte National Monument, both in New Mexico.

<https://goo.gl/NFXSBg>

### 3. Map shows spills, blowouts and other 'undesirable events'

Pamela King, E&E News reporter

Published: Thursday, November 2, 2017

WildEarth Guardians this week debuted its map of "undesirable events" reported in relation to oil and gas operations on U.S. public lands.

In total, there have been 2,360 spills, fires and blowouts since 2010, according to data from the Bureau of Land Management's Automated Fluid Minerals Support System (AFMSS), obtained through the Freedom of Information Act.

"It's another sign that the last thing our public lands need are more fracking," Jeremy Nichols, climate and energy program director for WildEarth Guardians, wrote in a Tuesday [blog post](#) announcing the map. "If the oil and gas industry can't prevent spills, fires, blowouts and other calamities, then they shouldn't be allowed to develop our public lands, period."

An industry group said it took issue with "alarmist" language around the map's release.

"WildEarth Guardians incorrectly characterized all of these events as 'disasters,'" Energy in Depth spokesman Seth Whitehead wrote in an email. "But a quick glance of the comments accompanying these reports reveals that many of the incidents were relatively small, quickly remediated and contained on their respective sites with no environmental impacts."

He pointed to notes on an October 2016 oil spill documented by BLM's field office in Casper, Wyo. Chris Sauter, an employee of Citation Oil & Gas Corp., the operator that caused the spill, reported the incident.

"Chris stated that about 150bbl's [barrels] of oil overflowed and were completely contained within the battery berm," BLM's notes say. "They were vacuuming up the oil as he was reporting."

#### Spill count

Spills in BLM's share of the U.S. oil patch account for just a fraction of oil field releases nationwide. AFMSS data show 372 undesirable oil and gas events in 2016.

A recent E&E News analysis found at least 8,519 spills last year ([Energywire](#), July 27).

BLM recorded its highest number of spills — 415 — in 2014. Its lowest count — 206 — occurred in 2012.

As of the date WildEarth Guardians had received BLM's data, 106 incidents were recorded for 2017.

Spill counts tend to fall in tandem with a decline in prices and a slowdown in new drilling. The first three years of a well's life carry the greatest spill risks, according to Duke University researcher Lauren Patterson's examination of hydraulically fractured wells ([Greenwire](#), Feb. 21).

"As E&E reported earlier this year, industrywide spills have been reduced dramatically over the past three years, showing that producers' continued attention and commitment to safe operations are proving effective," Whitehead said.

New Mexico appears to have hosted the largest number of events on public lands. But as with E&E's spill analysis, WildEarth Guardians found that BLM's data reporting requirements and practices varied greatly



between states. It's also unclear whether broader state spill records are completely capturing incidents on public lands, Nichols said.

"We're still getting a handle on all of this," he wrote in an email.

The data may exclude pipeline spills that occur away from federal leaseholds. WildEarth Guardians is attempting to map out oil and gas pipelines on public lands, but the data are patchy, Nichols said.

"The map is illustrative of the footprint of these pipelines and underscores that if they're not being inspected by the Pipeline and Hazardous Materials Safety Administration or tracked closely by BLM, then disasters are inevitable," he said.

<https://goo.gl/o3UEE9>

#### **4. Amid inquiries, agency's SES program adds new overseers**

Michael Doyle, E&E News reporter

Published: Thursday, November 2, 2017

The Interior Department has added two career civil servants to its board that oversees the Senior Executive Service, in an apolitical touch for a program whose handling has previously sparked intense scrutiny.

With the addition of veteran Interior employees Glenda Owens and Richard Cardinale, the department's Executive Resources Board (ERB) is back to seven members and a nonpartisan cast.

The board is important in shaping Interior's long-term management team, as it reviews SES applicants and makes recommendations for their selection. Members of the SES, in turn, hold top Interior posts, from park superintendent to headquarters staff.

"The secretary appreciates Ms. Owens and Mr. Cardinale stepping into these leadership roles with the ERB," Interior Department spokeswoman Heather Swift said today. "Their experience and participation, along with other career civil servants who have been advising the board already, will help determine the executive resource needs and lead senior executive career development at Interior."



Glenda Owens. Office of Surface Mining Reclamation and Enforcement

Owens and Cardinale are both lawyers by training who have served for years in Democratic as well as Republican administrations. Owens joined the department in the mid-1980s, and Cardinale joined in 2006.

Currently, Owens serves as acting director of Interior's Office of Surface Mining Reclamation and Enforcement. She knows how Washington works, as shown in her appearance last June before a House Natural Resources subcommittee, where one member praised her for speaking succinctly.

"While OSMRE is proud of [its] many accomplishments, we strive to constantly improve programs," Owens told lawmakers.

Cardinale is chief of staff in the office of the assistant secretary for land and minerals management. He, too, is familiar with the intersection of politics, legislation and management, seen in his own appearance last March before a House oversight panel.

They have now joined a board that "plays a prominent role in managing the Senior Executive Service, senior level and scientific and professional needs and allocation requirements of [Interior's] bureaus and offices," according to the department's website.

ERB's responsibilities include approving all aspects of the SES program, including recruitment, qualification requirements, selection, pay setting, evaluations and performance awards.

The new appointments may resonate more loudly than the usual civil service shuffle because of the questions already circulating about Interior's SES program.



Richard Cardinale. Oversight and Government Reform Committee.

SES employees are selected through a competitive process and receive higher salaries but are also subject to involuntary transfers. They can either accept the reassignment or resign, or they can appeal if they think it was the result of discrimination or a prohibited practice.

In June, dozens of Bureau of Land Management and other Interior SES members were informed they were being transferred to new positions. The reassigned executives included the directors of BLM's Alaska, Colorado and New Mexico state offices (*Greenwire*, June 27).

The transferred officials also included former climate policy adviser Joel Clement, who subsequently resigned and filed a whistleblower's complaint with the Office of Special Counsel. Prompted by congressional Democrats, Interior's Office of Inspector General has likewise undertaken an inquiry into the reassignments (*Greenwire*, Sept. 11).

Interior officials have characterized the SES reassignments as good management and reportedly have plans for more.

"Personnel moves among the [SES] are being conducted to better serve the taxpayer and the Department's operations," the department said in a statement earlier this year.

A 2011 survey by the Office of Personnel Management included responses from 170 Interior SES members, out of a total of 262.

Roughly half reported they had changed jobs within their agency at least once since joining SES. About 20 percent of Interior's SES staffers, though, reported having changed jobs to work in a different organization or agency.

<https://goo.gl/W8KctG>

## 5. Helium extraction bill floats through

Dylan Brown, E&E News reporter

Published: Thursday, November 2, 2017

The House passed bipartisan legislation yesterday to allow helium extraction on federal land in the same way as oil and gas.

Lawmakers approved H.R. 3279 under suspension of the rules, a process for advancing noncontroversial bills. The "Helium Extraction Act" would amend the 1920 Mineral Leasing Act by simply adding helium to the list of commodities that can be mined on federal land (*E&E Daily*, June 22).

Rep. Paul Cook (R-Calif.) said the bill will "correct the error" that has left the United States increasingly dependent on foreign countries for helium, which has become an invaluable part of medical and military technologies.

Rep. Norma Torres (D-Calif.) applauded the effort as lawmakers look to maintain a stable national helium supply after the Federal Helium Reserve — the source of 40 percent of the nation's helium — shuts down in 2021.

<https://goo.gl/XLW2MU>

## 6. Key energy breaks survive in House overhaul

Geof Koss, E&E News reporter

Published: Thursday, November 2, 2017

The House tax reform bill released this morning would maintain several key breaks for the oil and gas and renewable sectors, the chamber's top tax writer said.

Among the allowances retained for the oil and gas industry are "last-in, first-out" inventory accounting, intangible drilling costs and the oil percentage depletion allowance, Ways and Means Chairman Kevin Brady (R-Texas) told reporters.

However, the bill would scrap two other oil and gas incentives: the marginal well and enhanced oil recovery credits, he said.

The renewable production (PTC) and investment tax credits (ITC) for wind and solar are retained, along with the phase-down according to a schedule laid out in a 2015 deal, Brady said.

However, the bill would repeal the inflation adjustment for the PTC, meaning new facilities that break ground after Nov. 2 would qualify for 1.5 cents per kilowatt hour instead of the existing 2.3 cents per kilowatt hour credit.

That tweak would increase revenues by \$12.3 billion over five years, according to a summary.

In an email, Gregory Jenner, a Stoel Rives LLP partner and former head of the Office of Tax Policy, called the change a "pure revenue grab."

The bill would fully repeal the ITC for commercial properties after 2027, which under current law is reduced to 10 percent after 2021.

The legislation would extend the ITC for fuel cells, small wind, combined heat and power, and geothermal sources.

These "orphan" credits were left out of the 2015 agreement because of what Democrats have portrayed as a drafting error.

The tweaked Section 45J tax credit for advanced nuclear is also in the bill. Members of Georgia's delegation this week had pressed for the provision with an eye toward helping the ongoing Plant Vogtle project in their state (E&E Daily, Oct. 31).

An extension and tweaks for an existing carbon capture and sequestration tax break that enjoys broad bipartisan support in the Senate is not included in the House bill.

Supporters of that credit are redoubling efforts to see it included in the Senate Finance Committee's draft, which is expected as early as next week.

The House Ways and Means summary says the "Tax Cuts and Jobs Act" would lower the corporate rate from 35 percent to 20 percent, a top priority of President Trump.

It would also allow businesses to "immediately" write off the full cost of new equipment — a perk that Republicans say would benefit a wide range of businesses, including energy firms, across the board.

The measure would additionally allow the write-off of the cost of state and local property taxes up to \$10,000, said the summary.

That was a compromise for Republicans from high-tax states such as New York and New Jersey, who were upset by the elimination of the broader deduction for state and local taxes.

Brady intends to start marking the bill up in committee next week.

Early reaction was mixed. The U.S. Chamber of Commerce applauded the measure, but its statement also acknowledged "more work needs to be done."

Changes to the mortgage interest deduction, which under the House bill is capped at \$500,000, prompted the National Association of Home Builders to slam the proposal.

"The House Republican tax reform plan abandons middle-class taxpayers in favor of high-income Americans and wealthy corporations," the group said in a statement.

Oil Change International also criticized the legislation, which it noted was released as the Senate Energy and Natural Resources Committee was holding a hearing on opening the Arctic National Wildlife Refuge to oil and gas drilling.

The ANWR provision is expected to be folded into the Senate's tax reform bill, which under special budget rules is exempted from a Democratic filibuster.

"The GOP is once again trying to hand the super-rich and their friends in corporate America lavish tax breaks — and they expect us to pay for them by giving up our health care, our safety and our children's future," said Oil Change International's U.S. policy director, Janet Redman.

"Republicans want to open up sacred land in the Arctic Refuge for oil drilling allegedly to raise money to cover their cuts," she said, "but they leave in place tens of billions in tax giveaways to oil, gas and coal companies."

<https://goo.gl/dUiT4d>

## 7. Clean Line seeks ultimate resolution of transmission dispute

Jeffrey Tomich, E&E News reporter

Published: Thursday, November 2, 2017

The developer of a \$2.8 billion transmission line across the Midwest took a step this week to hasten its appeal of an order denying a certificate to build the 200-mile stretch of transmission line across the Show-Me State.

Clean Line Energy Partners LLC, which has been working since 2010 to develop the Grain Belt Express direct-current transmission line, petitioned the Missouri Supreme Court to take up the matter even before the case is heard by the state appellate court.

The 780-mile Grain Belt Express line would be an electron superhighway delivering wind energy from remote southwest Kansas to Indiana to serve more populous areas in the East. The line would have 4,000 megawatts of capacity, with 3,500 MW sent to the PJM Interconnection LLC grid and 500 MW delivered to eastern Missouri, part of the Midcontinent Independent System Operator's grid.

The Public Service Commission in August denied Clean Line authority to build the section of the project line through Missouri, the only of four affected states to do so (*Energywire*, Aug. 17).

While the commission agreed that the company satisfied criteria for approval, the PSC said it had no choice but to reject the application because of an unrelated appellate court decision months earlier.

In that case, the Court of Appeals for Eastern District of Missouri overturned the commission's approval of an Ameren Corp. transmission project on the basis that the St. Louis company hadn't first received road-crossing approvals from each of the counties the line would cross.

Clean Line likewise didn't have road-crossing approvals from each of the eight counties its line would cross, so the PSC decided it could not grant the company a certificate to advance the project.

The petition filed Monday by Clean Line's attorney, former Gov. Jay Nixon (D), asks the Supreme Court to correct the appellate decision in the Ameren case and to provide legal certainty to the issue as soon as possible. The same court originally denied to hear the appeal of the Ameren decision.

Mark Lawlor, director of development for the Grain Belt Express line, reiterated Clean Line's position that county approvals shouldn't be a prerequisite for companies obtaining certificates for infrastructure projects.

Under the interpretation of the law following the Ameren court decision, "you can't even step foot in the PSC until you get county road-crossing permits," he said.

Lawlor said it makes sense for the Supreme Court to step in now because of the urgency of the issue and the "broad policy implications" for the state, which could go well beyond just the Grain Belt Express project.

A group of Missouri municipal energy customers with an option for transmission capacity on the Grain Belt Express line said \$10 million in annual savings would be lost if the project isn't developed.

The group known as the Missouri Joint Municipal Electric Utility Commission filed a separate petition asking the Supreme Court to take up the case.

Clean Line said the cities represent only a portion of the 500 MW of wind energy the project would deliver to Missouri. The company also reiterated the economic benefits such as jobs and taxes that the transmission line would generate in Missouri.

"The longer it takes this case to wind its way through the appellate courts, the more likely it is that Missouri will lose out on the economic benefits of the project because the joint municipalities and others will be forced to find power — at a higher cost — elsewhere," the petition said.

Timing is also important because of the phaseout of the federal production tax credit and how the PTC step-down will affect the economics of Kansas wind development and the pricing of wind energy for end-use customers.

A spokesman for the PSC, the respondent in the case, didn't immediately have a comment on the petition.

Paul Agathen, the attorney for a landowner group that challenged the Grain Belt Express project, said the group neither supports nor opposes the request for the Supreme Court to take up the case.

Agathen, however, said he will file with the court reasons why the request should be scrutinized.

<https://goo.gl/Au1q8s>

## **8. As coal closures loom, Texas operator upbeat on winter and spring**

Edward Klump, E&E News reporter

Published: Thursday, November 2, 2017

Texas' main grid operator provided a glimpse of life with a diminishing coal portfolio yesterday, and the outlook so far sees enough generating capacity through May.

Fresh winter and spring projections from the Electric Reliability Council of Texas (ERCOT) came after Vistra Energy Corp. jolted the market last month by announcing its Luminant business planned to take more than 4,000 megawatts of coal-fueled generation offline in early 2018 (*Energywire*, Oct. 16).

In its new winter report, ERCOT removed 3,551 MW of retiring coal and gas generation. That includes about 1,200 MW still being evaluated to see whether associated units will be needed for transmission reliability. Also, some 1,208 MW of planned retirements stayed in the winter outlook because that generation is slated to be on the system for much of the season.

ERCOT said it also took into account a long-term forced outage of a gas-fueled plant and delays tied to two wind projects. The winter period runs from December through February.

"Given these capacity reductions, ERCOT still expects to have sufficient systemwide operating reserves for the winter season," Pete Warnken, manager of resource adequacy, said in a statement. "Our studies show this would be the case even with a much higher-than-expected peak demand."

ERCOT's latest numbers stand as another marker in the evolution of Texas' wholesale power market, which covers much of the state and largely acts as an island.

Back in 2015, ERCOT discussed the possible retirement of at least 4,000 MW of coal-fueled generation because of U.S. EPA's Clean Power Plan, which is no longer moving forward. The operator also noted the influence of other environmental regulations then and warned of the potential for periods with reduced generating reserves and increased risk of emergency operations during times of peak demand (*Energywire*, Oct. 19, 2015).

Warren Lasher, ERCOT's senior director of system planning, said on a media call yesterday that a primary concern in the past was the combined potential of suspending operations of units and a limitation on reliability tools available to maintain grid reliability.

ERCOT watchers are looking ahead to a capacity, demand and reserves report that's expected on Dec. 18 for an update on summer 2018 and beyond. The director of the independent market monitor for ERCOT's region discussed last month the potential for higher prices and tighter reserve margins given planned closures.

Warnken said on yesterday's call that seeing retirements announced wasn't a surprise and that ERCOT would monitor the situation as the summer approaches.

#### Tracking the market

For now, the winter and spring outlooks offer clues as to what's ahead.

Peak winter ERCOT demand is expected to top 61,000 MW, which would surpass a winter record of 59,650 MW set in January of this year. About 81,000 MW of total resource capacity is slated to be available for the winter peak. ERCOT cited new capacity, including from wind and solar projects.

Still, the operator noted that extreme load and generation outage conditions could leave a reserve capacity of less than 1,900 MW, which could lead to certain emergency procedures.

"Operating reserves could drop to low levels in the event that we experience both an extreme peak load and extremely low temperatures," Warnken said, though he said ERCOT expects to have sufficient capacity if there's an extremely high winter peak demand.

Vistra cited challenges such as low power prices in making announcements to retire three units at the Monticello plant and to close two units at Sandow and two units at Big Brown. ERCOT recently gave a green light for the three Monticello units to be decommissioned, and it's reviewing plans for Sandow and Big Brown.

Looking ahead to spring, which runs from March through May, ERCOT's preliminary report shows a seasonal peak surpassing 59,000 MW.

"At this time, ERCOT anticipates there will be sufficient generation to meet systemwide demand under a range of extreme system conditions," the operator said in a news release. A final spring report is slated for release in early March.

Cyrus Reed, conservation director at the Lone Star Chapter of the Sierra Club, said he thinks Texas will weather retirements even if some people are concerned about the loss of generation.

"This is what's supposed to happen in an energy market," he said. "The older plants that are less efficient, dirtier come to the end of their useful life as more modern plants and new technologies like wind and solar come online."

Reed added: "I think the message is this can and should happen."

Fossil fuels are projected to continue playing an important role in ERCOT's region, especially natural gas. But Sierra Club's Reed said "we think one day the future will be 100 percent renewable." New generation will include a focus on wind and solar, he said, and there's a wait for the cost of storage to continue to decline to help move toward a fossil-free grid.

Ed Hirs, an energy economist with the University of Houston, said more coal retirements are possible and suggested higher prices and reliability concerns may be ahead.

"The big question is, 'What's it going to be like in August and September?'" Hirs said.

And July? "July can be hot, too," he agreed.

<https://goo.gl/83PME2>

## **9. Eyeing clock, investors push shale drillers for returns**

Published: Thursday, November 2, 2017

The U.S. shale boom is ongoing, but as the most easily accessible reserves dry up, investors are beginning to get restless.

"If you look at what the industry is set up to do in the next three years in the Permian, they are going to push on the rock harder than we've ever pushed on a shale play before," said Robert Clarke, a research director at consultancy Wood Mackenzie.

Many analysts and shale companies have dismissed what they see as overblown fears that as wells proliferate, output could peak faster than expected.

But investors are keying in on executive compensation plans tied to increases in production and exploration, pushing companies to start reining in spending and pay back debt.

That approach, said Kevin Holt, who manages value equities at Invesco Ltd., "builds the personal net worth of the CEOs but does nothing for the shareholders for whom they are legally fiduciaries" (Nussbaum/Wethe, **Bloomberg Businessweek**, Nov. 1). — **DI**

<https://goo.gl/xynXQv>

## **10. Drilling proposal for Nev.'s Ruby Mountains under fire**

Published: Thursday, November 2, 2017

A proposal to open up Nevada's Ruby Mountains for oil and gas development is raising hackles among a coalition of groups that see it as an unnecessary concession of iconic land to an industry with a scant history of operations in the state.

Opponents say the 54,000-acre, 75-mile swath of land currently being assessed by the Forest Service is a popular area for recreation, as well as a key habitat for sage grouse, Lahontan cutthroat trout — Nevada's state fish — and other wildlife.

Their ranks include indigenous groups, conservationists, hunters and fishermen, and the Nevada Department of Wildlife, which expressed "great concern" about the proposal in a letter to the Forest Service.



"We feel this particular oil and gas leasing proposal stands out above the rest in terms of its egregiousness and inappropriateness," said Patrick Donnelly, Nevada state director of the Center for Biological Diversity, which often mounts challenges to oil and gas leases in Western states.

The first of two public comment periods, which have so far received some 8,000 comments, ends today. The Forest Service is expected to issue its final decision in February (Henry Brean, *Las Vegas Review-Journal*, Oct. 31). — **DI**

<https://goo.gl/bTLSZv>

## 11. Wildfire bill passes; more hurdles ahead

Marc Heller, E&E News reporter

Published: Thursday, November 2, 2017

The House yesterday passed legislation encouraging more logging on national forests as a way to curtail wildfires, and supporters said they hope at least some of its provisions are enacted into law this year.

The "Resilient Federal Forests Act," **H.R. 2936**, was approved by a vote of 232-188.

In a nod to a potentially complicated path forward, the bill's sponsor, Rep. Bruce Westerman (R-Ark.), urged colleagues to support the bill "or at least something similar" so that legislation could reach a conference with the Senate.

Westerman's bill doesn't have a close companion bill in the Senate, although Environment and Public Works Chairman John Barrasso (R-Wyo.) and others have proposed legislation with expanded categorical exclusions of 6,000 acres (*E&E News PM*, Oct. 23).

H.R. 2936 is part of a broader debate in Congress about how to respond to and prevent big wildfires, which have affected more than 8 million acres this year, including more than 2 million acres on national forest land.



Rep. Bruce Westerman (R Ark.) during floor debate on wildfire legislation. C-SPAN

Westerman, who has a master's degree in forestry, said the bill's approach to forest management — increased forest thinning — is based on sound science showing actively managed forests are healthier and less prone to catastrophic fire.

That's a contentious point with some researchers who say more logging actually increases fire risk while hurting wildlife habitat, and Democratic critics called the measure a giveaway to the timber industry, which has clamored for more access to national forests.

The measure would expand to 10,000 acres the amount of land that could be excluded from certain reviews under the National Environmental Policy Act for forest management projects. In some cases, such "categorical exclusions" could reach 30,000 acres as long as local officials are involved in the decisionmaking.

Those provisions would give the Forest Service tools it can use "on day one" after enactment to treat more forests for wildfire potential, said House Natural Resources Chairman Rob Bishop (R-Utah).

It also relies on budget cap adjustments to provide a funding stream for wildfire response, which Westerman said will eliminate the need for borrowing money from non-fire-related accounts — a practice that has taken hundreds of millions of dollars from other accounts this year. And it seeks to rein in lawsuits by establishing an arbitration process pilot program to handle objections to forest management projects.

The mechanics of budgeting pose a challenge with the Trump administration, which said Tuesday that Westerman's bill could force the Federal Emergency Management Agency to take money away from more traditional natural disasters, like tornadoes and hurricanes, in order to address wildfire emergencies.

Westerman told E&E News he believes lawmakers can work through that disagreement, which he called a misunderstanding on the administration's part. "I think we'll work that out," said Westerman, who added that he has meetings scheduled with officials from FEMA and the administration.

"I don't think they understand what we're trying to do because we're actually raising the disaster cap in FEMA, which helps FEMA out," Westerman said. "This benefits FEMA, not just in this area but in many other areas, so I don't understand what their beef is with it."

Agriculture Secretary Sonny Perdue praised the bill in a statement but fell short of calling it a solution.

"This legislation helps facilitate the conversation about Forest Service funding, which continues to be a problem as we face escalating costs in battling wildfires," Perdue said. "As the legislative process continues, I look forward to working with Congress as we all seek a comprehensive solution to put America's forests back to work again."

'A work in progress'

Lawmakers approved amendments striking "produce timber" as a forest management activity designated for categorical exclusions from NEPA and requiring the Forest Service to study the feasibility of drones in wildfire management, among other provisions.

Republicans touted the bill as bipartisan, and Rep. Dan Newhouse (R-Wash.) said in floor debate that "these kinds of fires know no political boundaries." But the final vote was lopsided, with 10 Democrats voting for it and 179 opposed.

Rep. Jim Costa (D-Calif.) called congressional action "long overdue" and said he would support adjustments later on, such as smaller categorical exclusions and tweaks to the budgeting of emergency funds.

"This is a work in progress, and we can work on that," Costa said.

Other Democrats said the bill would weaken environmental laws and leave the Forest Service short of money for fire suppression. That's a position echoed by many environmental groups, which say the emphasis should be on boosting the Forest Service budget.

"The bill does little to fix the true problem of wildfire management," said Rep. Alcee Hastings (D-Fla.).

Other Democrats said the legislation misses what they consider the point of the Forest Service's challenges — money. Rep. Pete DeFazio (D-Ore.) said his state has more than a million acres of national forest awaiting management projects that have already passed environmental reviews and are awaiting funding.

The following amendments were approved by voice vote:

- An amendment by Rep. Kurt Schrader (D-Ore.) striking timber production as a forest management activity. Timber is a byproduct, not a management activity, he said.
- An amendment by Rep. Tony Cárdenas (D-Calif.) requiring the Department of Agriculture to study the feasibility of using drones for fire suppression as well as forest management.
- An amendment by DeFazio adding land exclusions for the Yaquina Head Outstanding Natural Area and lands managed under the Wild and Scenic Rivers Act, Wilderness Act, and National Trails System.

The House approved an amendment by Rep. Steve Pearce (R-N.M.), for a pilot program demonstrating effective tools for safeguarding natural resources, on a vote of 237-181.

Lawmakers rejected amendments striking the bill's arbitration provisions, striking sections exempting forest plans from consideration as "major federal actions" under NEPA and giving the government more leeway in use of categorical exclusions.

Rep. Doug LaMalfa (R-Calif.) withdrew an amendment to create an occupation of "wildland firefighter" under federal personnel rules.

<https://goo.gl/jZ5w1h>

## 12. U.S. quits world effort to combat oil, mining corruption

[Dylan Brown](#), E&E News reporter

Published: Thursday, November 2, 2017

The Trump administration today pulled out of an international initiative to make oil, gas and mining companies disclose their payments to governments as a method to lessen conflict and corruption worldwide.

The U.S. will continue to support but not implement the Extractive Industries Transparency Initiative "effective immediately," according to a [letter](#) today to EITI Chairman Fredrik Reinfeldt from the Interior Department.

"While the U.S. government remains committed to fighting corruption in the extractive industries sector, and the ideals of transparency enshrined in the EITI Principles and the EITI Standard, it is clear that domestic implementation of EITI does not fully account for the U.S. legal framework," wrote Gregory Gould, director of the Office of Natural Resources Revenue.

ONRR is "fully committed" to institutionalizing EITI principles but did not specify which provisions were inconsistent with U.S. law.

The U.S. was one of 52 countries working to implement the standards that mirrored a Securities and Exchange Commission rule based on a Dodd-Frank financial reform provision, which was named after Sen. Ben Cardin (D-Md.) and former Sen. Dick Lugar (R-Ind.).

Congress repealed that rule earlier this year after a fierce lobbying campaign by the American Petroleum Institute and U.S.-based oil companies like Exxon Mobil Corp., whose former top executive Rex Tillerson — now secretary of State — personally lobbied against the requirements (*E&E Daily*, Feb. 1).

Critics said the rule would put U.S. companies at a disadvantage by requiring the disclosure of "project-level" data.

Civil society groups countered that the majority of extraction companies, including Chinese and Russian giants, are already reporting that specific information because they trade on stock exchanges in places with laws based in large part on the SEC rule — the European Union, Canada and Norway.

Earlier this year, Interior tamped down rumors it was withdrawing from EITI, but today it referred all questions to the State Department (*Greenwire*, March 21).

According to the letter, Tillerson's agency will take the lead on maintaining American moral and financial support for EITI.

"The government is suggesting that U.S. laws restrict companies from revealing information, including taxes, but this is not the truth," said Danielle Brian, executive director of the Project On Government Oversight and civil society chairwoman of U.S. EITI. "The government is perpetuating a false narrative created by the oil and gas industries that protect themselves and not the American people."

The Wilderness Society's Chase Huntley added: "This is further evidence of the administration's flabbergasting disregard for the public's right to know how their energy assets are being managed. This should be simple — if the United States is committed to fighting corruption in the extractive industries sector, as Mr. Gould states in his letter, then we should be continuing to participate in this initiative."

<https://goo.gl/z5zj53>

### **13. House panel OKs whistleblower, weather resilience bills**

*Kevin Bogardus*, E&E News reporter

Published: Thursday, November 2, 2017

The House Oversight and Government Reform Committee sent several bills to the floor today after a dispute over the panel's failure to issue subpoenas almost derailed the markup.

Democrats pushed the Republicans to vote on motions to issue subpoenas for documents related to the committee investigations, including the probe into the drinking water crisis in Flint, Mich.

Rep. Mark Meadows (R-N.C.), who chaired the markup, wouldn't let those motions advance, angering Democrats.

Rep. Brenda Lawrence (D-Mich.) expressed concern about whether the committee would fully investigate the Flint crisis, given that the panel has yet to subpoena documents held by Michigan Gov. Rick Snyder (R).

The Oversight panel recently pressed Snyder over his March 2016 hearing testimony about when he was first informed about a Legionnaires' disease outbreak in Flint. The governor said he gave "truthful" testimony despite a contradicting account from one of his former aides (*Greenwire*, Oct. 13).

Lawrence said the panel needs to get documents requested from Snyder to get to the truth.

"Is this committee going to let him get away with that?" Lawrence said. "The people of Flint have had their trust repeatedly violated."

Democrats tried to have the panel issue subpoenas for other records, such as documents related to former National Security Adviser Michael Flynn, use of personal email by White House aides and the federal response to Hurricane Maria.

"Mr. Chairman, we need to make a better effort with regard to making this White House accountable," said Rep. Elijah Cummings (D-Md.), the committee's ranking member. "History will not smile on us if we take a back seat or a side seat and avoid looking into and making this White House accountable."

While the committee didn't issue subpoenas, it did approve several pieces of legislation.

On a voice vote, the panel moved H.R. 4177, the "Preparedness and Risk Management for Extreme Weather Patterns Assuring Resilience and Effectiveness Act," or "PREPARE Act." The bill would create an interagency council to help communities prepare for natural disasters and boost resilience to extreme weather. H.R. 4174, the "Foundations for Evidence-Based Policymaking Act," also passed on a voice vote.

Sponsored by Speaker Paul Ryan (R-Wis.), the bill would encourage agencies to collect better data and designate chief evaluation officers, among other provisions. The legislation comes out of the commission Ryan led alongside Sen. Patty Murray (D-Wash.).

H.R. 4182, which would expand the probationary periods for federal employees looking to take top career management jobs in their agencies, passed on a recorded vote, 19-17.

On a voice vote, the committee also moved forward H.R. 3121, which would require agencies to buy American flags manufactured in the United States, as well as H.R. 4171, extending a telework test program for the U.S. Patent and Trademark Office that was set to end in December 2017 to December 2020.

The panel also passed on voice vote H.R. 1132, to prevent political appointees from burrowing into agencies as career employees, as well as H.R. 4043, which would require inspectors general to designate a "whistleblower protection coordinator" to help those exposing waste and fraud in agencies.

The committee also moved forward several bills to rename post offices.

<https://goo.gl/zNMXXj>