

Reid to lay out energy strategy - House Dems go for broke on drilling amendments - Obama sending green signals on 2012 - L.A. mayor calls GOP 'Neanderthals'

 Listen

By PATRICK REIS & DARREN GOODE | 05/04/11 8:45 AM EDT

(with reporting Robin Bravender, Darius Dixon and Darren Samuelsohn)

REID AT THE READY — Senate Democrats will imminently release legislation that would eliminate tax breaks for the world's largest oil and gas companies, but aides are pushing back on reports that today is the big day.

Harry Reid has promised an announcement regarding oil tax incentives today, but his office still isn't sure if it's ready to put a bill on the floor, a Senate aide tells POLITICO.

But the majority leader will definitely announce a weeks-long campaign to contrast Democrats' plan for cutting subsidies with Republicans' defense of "taxpayer handouts to companies that don't need them," the aide said.

MORE TO COME — Whenever the tax break attack bill arrives, it will be the first of several big moves from Senate Democrats on energy this month, Reid said Tuesday, adding that Jeff Bingaman's energy panel will probably aim to approve measures for the Senate floor by the Memorial Day recess:

<http://politico.pro/IndQ6c>

BEHIND IN THE COUNT — Democrats' hopes for stripping oil industry tax breaks suffered a setback Tuesday when two of their own, Mary Landrieu and Mark Begich, said they wouldn't support it unless it came packaged as part of a larger budget deal. <http://politico.pro/jHzplj>

HOUSE ACTION — Republicans are ready to pass a pair of offshore drilling bills, but Democrats are doing everything they can to send a message while going down in defeat.

Democrats have proposed two dozen amendments to a measure from Doc Hastings the Rules Committee will take up today at 3 p.m. The amendments would essentially nullify the bill by removing its mandatory timelines for the Obama administration to approve drilling permits, as well as increase companies' liability for oil spills and set higher safety standards for approving permits. The full list of amendments: <http://bit.ly/hUev9E>

HAPPY WEDNESDAY and welcome to Morning Energy, where your host was kindly notes that you can't spell CHAMPS without C-A-P-S. Less kindly, he notes, COLLAPSE contains the four magic letters as well. Send your news, views and schadenfreude to preis@politico.com.

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OBAMA SENDING GREEN SIGNALS — They aren't quite campaign promises yet, but the president is sending signals to environmental groups that he'll deliver big things if they help him win a second term. At fundraisers and West Wing meetings over the past month, the president has done his best to perk up his green supporters, who are still smarting over the failure of cap and trade.

But as they hear tidings of a greener future, environmentalists are coming to terms with the reality that a number of their top regulatory priorities will have to wait until after the 2012 elections. Samuelsohn reports for Pros:

<http://politico.pro/iFdOae>

MAKING FRIENDS — Lisa Jackson is holding her own against “Neanderthals” in Congress who question environmental science, L.A. Mayor Antonio Villaraigosa told an audience at the Climate Leadership Gala in D.C. last night. Bravender has more coming for Pros later this morning.

A BOLD CALL — Also at the gala was former New Mexico Governor Bill Richardson, who said he thinks Osama bin Laden's death might give him Obama enough political power to pass a climate bill. Either way, he called on the president to reengage on the climate debate, and cautioned environmentalists that they couldn't afford to wait for a friendlier Congress: “You know if we do that, we're doomed,” he said.

MEET ME IN D.C. — BOEMRE Director Michael Bromwich is more than happy to talk to the GOP governors who launched the OCS Governor's Coalition this week — Bobby Jindal of Louisiana, Sean Parnell of Alaska, Haley Barbour of Mississippi and Rick Perry of Texas. Bromwich said he's happy to meet with all of them as early as next week. <http://politico.pro/jtX2Y4>

AIN'T THAT AMERICA — House Democrats are touting several renewable energy bills today, including a measure that would create a clean energy technology export assistance fund for the International Trade Administration and another to reauthorize multi-billion dollar tax credits for renewable energy manufacturing tax credits. Nancy Pelosi and Steny Hoyer will plug the bills at a 1 p.m. press conference in the House Radio/TV gallery, where they'll unveil their “Make it In America” agenda.

RGGI LAWSUIT — A New Jersey Superior Court judge will hear arguments May 13 on a lawsuit from investigative reporter Mark Lagerkvist, who sued the N.J. Department of Environmental Protection in August for more information on how utilities are faring in Regional Greenhouse Gas Initiative auctions. New Jersey officials have asked the court in Mercer County to dismiss the journalist's lawsuit, arguing the data include confidential business information.

PEN PALS — Doc Hastings and Ed Markey are going toe-to-toe over Hastings' use of a recess subpoena to demand documents from lawyers seeking higher legal fees for their role in negotiating a \$3.4 billion settlement from the federal government for Native Americans. Markey sent Hastings a letter Tuesday accusing the chairman of jeopardizing a settlement that was a decade in the making: <http://politico.pro/l0QYIz>

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Hastings shot back in a letter to Markey on Tuesday evening: "Assertions that the settlement could be jeopardized by demanding justification for exorbitant attorneys' fees ... are not credible." <http://politico.pro/jO6L2J>

GAINING STEAM — Blue Dog Democrats have thrown their support behind the NAT GAS Act for natural gas vehicles. T. Boone Pickens, natural gas's cheerleader-in-chief, is another major backer of the bill.

** A message from America's Natural Gas Alliance: As global instability drives up prices at the pump, families and businesses feel the pinch. Good thing there's natural gas: It currently costs about half the price of traditional gasoline. <http://bit.ly/ecno17> **

FLEX-FUELS PUSH — Republican Reps. John Shimkus and Roscoe Bartlett and Democrats Eliot Engel and Steve Israel are pushing a bill that would require that half of new automobiles be compatible with alternative energy sources such as high-ethanol flex fuels, natural gas, hydrogen or biodiesel by 2014, and then raise that threshold to 95 percent by 2017. Plug-in electric vehicles would also comply. The bill: <http://politico.pro/kuhcDd>

SPILL MINI-BILL — Jon Tester has introduced a bill that would maximize the amount drillers pay for oil spills. Current law allows for fines to be set either by the length of the spill or by its volume. Tester's bill would amend the Clean Water Act to require judges to choose whichever metric results in a larger fine.

UTILITY WISH LIST — A draft bill has emerged from a legislative white paper floated last week by American Electric Power. The bill would ease pollution rules for power plants and exempt some old coal-fired plants from new rules if they commit to retiring by 2020. The draft: <http://politico.pro/iwFjNM>

Joe Manchin and Ohio's Rob Portman were rumored to be on board with the bill last week, but both are insisting no commitments have been made. "I haven't heard about it, that's a new one," Manchin told POLITICO on Tuesday. "But anything I could do that makes sense that keeps our energy, keeps our jobs and energy affordable, I'd do it."

COUNTER ATTACK — The Environmental Defense Fund is circulating a document attacking the AEP bill, saying it would be a "health wreck for America's children." The document: <http://politico.pro/mwmb3x>

POLLUTION COSTS — Air pollution and chemical exposure created \$76.6 billion worth of damage to children's health in 2008, according to a study from a Mount Sinai School of Medicine researcher. The study: <http://politico.pro/m47LYb>

ON THE HILL TODAY

YUCCA TIME — John Shimkus will have NRC Chairman Gregory Jaczko and three other NRC members before his E&C subcommittee this morning for a hearing on nuclear power. Shimkus is fresh off a trip to Yucca Mountain, and the last time he and Jaczko discussed the subject, Shimkus stopped just short of accusing Jaczko of violating the law (<http://bit.ly/jSEydn>). 9:30 a.m., Rayburn 2123.

BORROWED TIME — Following the E&C hearing, Shimkus's panel will vote on a measure to give the Homeland Security Department authority to form a program intended to keep chemical facilities safe from terrorists.

LET IT FLOW — House Natural Resources panel Republicans will hear testimony from sympathetic Westerners on how federal regulations and environmental lawsuits are drowning federal hydropower facilities. A committee spokesman tells ME it will be the first of many hydropower hearings. 10 a.m., 1324 Longworth.

MINE SAFETY — A House Education and the Workforce Committee panel hosts a hearing on mine safety. Democrats have been angling for new mine safety laws since last April's deadly explosion at a Massey coal mine in West Virginia, but Republicans have argued that first federal inspectors should make better use of the authority they already have. 10 a.m., 2175 Rayburn.

NUKE SAFETY — The Senate Appropriations Committee holds a hearing on the proposed fiscal year 2012 budget for the National Nuclear Security Administration, featuring NNSA Administrator Thomas D'Agostino. 2:30 p.m., Dirksen 192.

OFF THE HILL TODAY

8 a.m. — Retired EPA water chief Peter Silva speaks as the American Academy of Environmental Engineers hosts its 2011 Excellence in Environmental Engineering awards. National Press Club.

8:30 a.m. — The Energy Bar Association hosts a discussion of how EPA regulations will affect the power sector. EPA air chief Gina McCarthy and FERC Commissioner John Norris will attend. Ronald Reagan Building.

9 a.m. — The Geothermal Energy Association hosts the Geothermal Energy Technology and International Development Forum. Ronald Reagan Building.

9 a.m. — The final day of the Creating Climate Wealth summit kicks off at the Nats' Stadium Conference Center.

9 a.m. — The aerospace and defense industries start the final day of the E2DS conference. Marriott at Metro Center.

9:30 a.m.— The Department of Energy kicks off a two-day summit on tribal energy issues. ARPA-E Director Arun Majumdar and Assistant Secretary Pete Lyons speak today. Arlington Va.

11:30 a.m. — Global Green USA hosts a seminar on the economics of nuclear power. 1100 15th Street NW.

3 p.m. — The Bureau of Land Management hosts the sixth of seven public hearings on its new plan for Western shale oil development. Denver.

4 p.m. — The Cato Institute hosts a forum on "global warming's invasion of our government and our lives," featuring MIT meteorology Richard Lindzen and WJLA News meteorologist Bob Ryan. 1000 Massachusetts Ave. NW.

6 p.m. — The Environmental Law Institute presents the 2011 National
<http://www.politico.com/morningenergy/>

Wetlands Awards. U.S. Botanic Gardens.

ON THE INTERWEB

AP — Oil has dipped beneath \$111 per barrel after a report demonstrated greater-than-expected growth in U.S. supplies: <http://abcn.ws/ivnzTL>

WaPo — BOEMRE Director Michael Bromwich says the administration has been right to take a cautious approach to offshore permitting since the BP spill, and criticized House GOP drilling bills. “There is a real risk that ... we’re going to end up unraveling and undoing many of the reforms we’ve worked so hard to do over the last 10 months,” he said in an interview. “And that would be a tragedy”: <http://wapo.st/jBY3hj>

NYT — The global population will hit 10.1 billion by the end of the century, according to a U.N. report that defies previous convention that population would level at just about 9 billion around mid-century: <http://nyti.ms/krn5PQ>

NYT — Oklahoma’s Boise City has gone 222 straight days without significant rainfall, breaking a drought record in a town once ravaged by the Dust Bowl: <http://nyti.ms/mHzaA6>

THAT’S ALL FOR ME — Your host thanks you for reading and humbly asks you to tune in tomorrow for a very special moment in Morning Energy history.

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

CORRECTION: Also, a previous version of Morning Energy mistakenly said Democrats would propose renewable energy bills Thursday, rather than today.

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