

Energy and Climate Issues



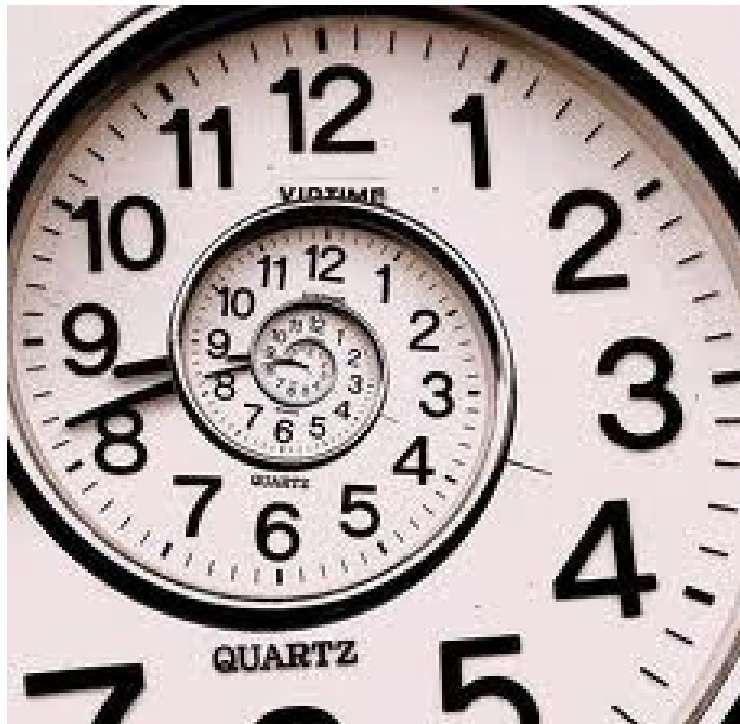
Council of Industrial Boiler Owners 34th Annual Meeting

**October 10 - 12, 2012
San Diego, CA**

Government Affairs Session

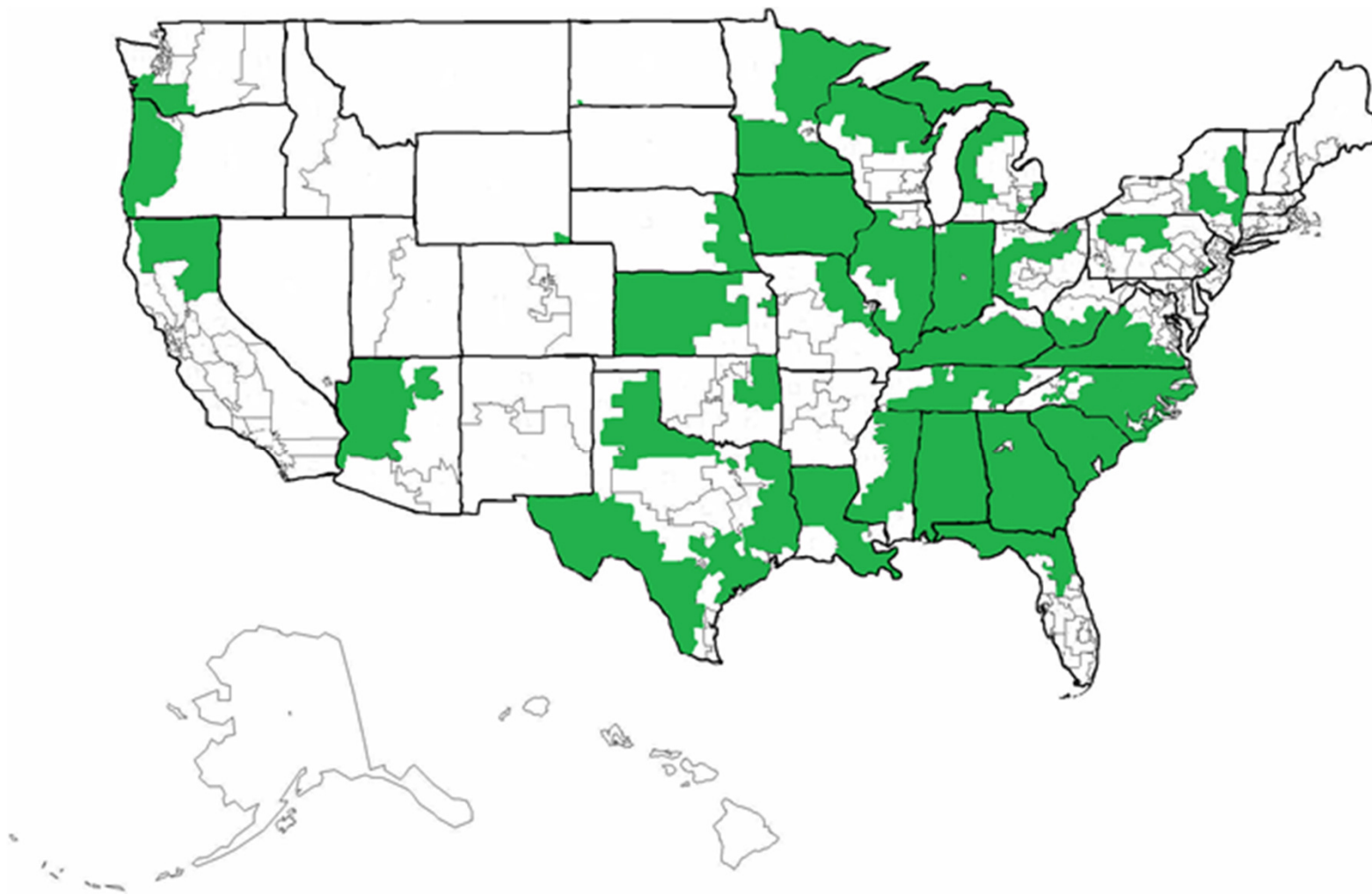
**Anthony Reed, Archer Daniels Midland
Karen Neale, Hummingbird Strategies
Lisa Jaeger, Bracewell & Giuliani**

What **Was**, **Is**, and **Will Be**



- 2012 In Review
- “Lame Duck”
- 2013 Ahead

CIBO Boilers by Congressional District



2012 In Review

| <u>Issue</u> | <u>Regulatory Activity</u> | <u>Legislative Activity</u> | <u>CIBO Action</u> |
|----------------------|--|---|---|
| BMACT | EPA rules by December 2012? | Legislation approved by House on several occasions (H.R. 2250) / Collins Amendment | CIBO Hill visits seeking Congress' help; OMB meetings; Coalition Participation |
| RCRA Coal Ash | EPA Rule by December 2012? / Ongoing Litigation | Legislation approved by House on several occasions / Senate legislation introduced | CIBO Hill visits seeking Congress' help / Coalition Participation |
| NAAQS | Ozone – 2013/14 PM – Dec. 2012 Litigation | Coalition Hill visits; Member letters | Coalition participation / Latta-Barrow Letter |

2012 In Review

| <u>Issue</u> | <u>Regulatory Activity</u> | <u>Legislative Activity</u> | <u>CIBO Action</u> |
|--------------------------------------|---|--|---|
| Climate/Clean Energy Standard | Issue monitored in all rules | Legislation impeded by Oil and Gas Exploration | Monitored possible movement of legislation / Meetings with Senate Energy Committee |
| Climate/Energy Efficiency | Issue monitored in all rules / Executive Order | Senate Shaheen-Portman legislation / Portions included in H.R. 4850 | Hill Meetings to inform Shaheen and Portman on legislation |
| | | | |

2012 Elections



Political Game Reset

U.S. House of Representatives

241 Republicans | **194 Democrats**

218 for majority; all up for election November 2012

U.S. Senate

53 Democrats | **47 Republicans**

51 for majority; 1/3 up for election

Control of Senate is in Play...barely



“But there's a one-in-three chance we could lose. I'm being myself -- frank. We've got a big challenge, and we've got work to do.”

- *Speaker Boehner on Fox News April, 2012*

Cook Political Report

- **GOP +1, with 10 toss-ups (5 Democrat, 5 Republican)**
- Arizona moved to Toss-Up

Rothenberg Political Report

- “Our current [House] projection is a **Democratic gain of 4 to 10 seats**”
- “Likely [Senate] range is **no change to Republican +4 seats** likely at this point.”

Larry Sabato

- “there’s very little indication that Republicans will lose their House majority.”
- Democrats would win 2 of the 6 toss-ups, good enough for a **51-49 Dem edge**

Real Clear Politics

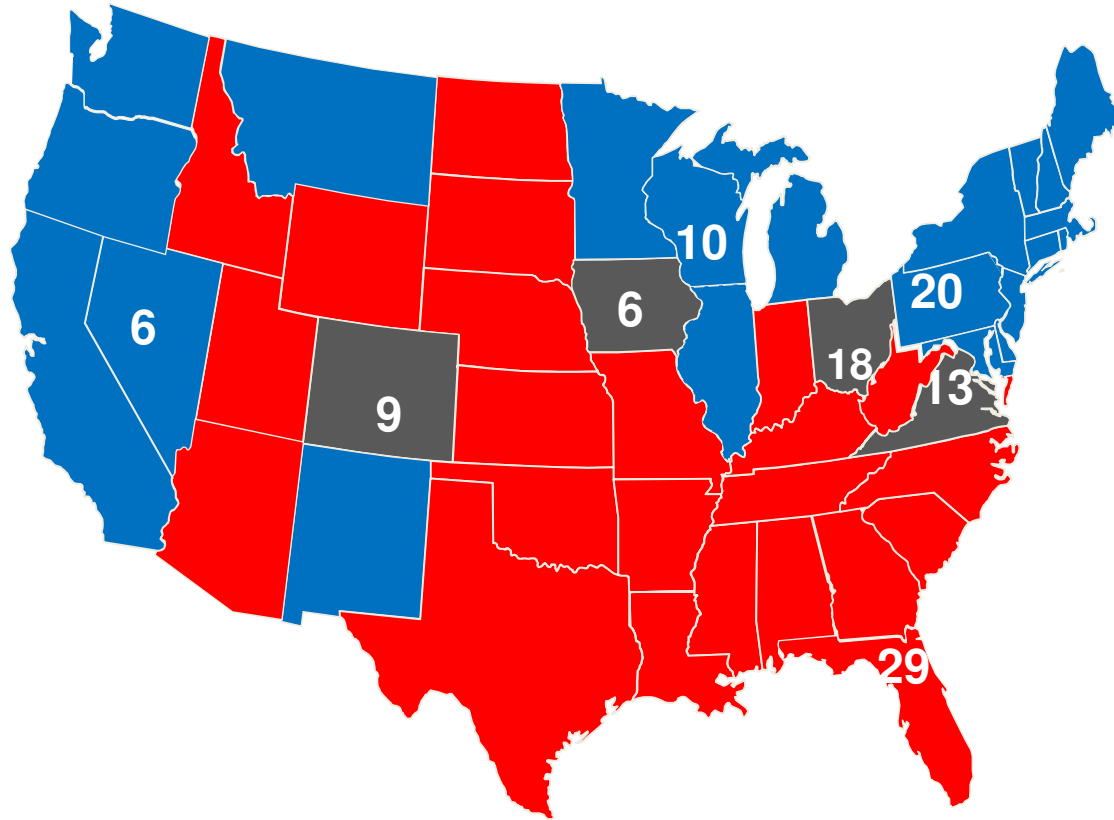
- House – **210 Solid/Likely GOP**; Senate – **GOP +1**

It's a Matter of [Electoral] Arithmetic


- A) Don't believe the hype**
- B) 251-181 without 8 toss-up States (RCP)**
- C) Romney has to win all 8 toss-ups to hit 270, or win all but Ohio, and flip one – MN, WI, MI, etc..**



Electoral Map – “Reed” Clear Politics



 **235 - ROMNEY**

 **257- OBAMA**

If Republicans Take the Senate

Either way, Repubs or Dems will control Congress with a thinner majority:

- **Controlling Agenda**
- **Oversight & investigation**
- **More Gridlock?**



CIBO Committees – 2013 Projected

Senate EPW Today

Chairman - Barbara Boxer (D-CA)

Air Sub. – Tom Carper (D-DE)

Senate EPW – GOP Control

Chairman – Jim Inhofe (R-OK)*

Air Sub. – John Barrasso (R-WY)

Senate Energy Today

Chairman – Jeff Bingaman (D-NM)**

Energy Sub. – Maria Cantwell (D-WA)

Senate Energy – GOP Control

Chairman – Richard Burr (R-NC)

Energy Sub. – Jim Risch (R-ID)

* Term-Limited if Republicans don't take Majority (Vitter)

** Retiring – Wyden expected to Chair

CIBO Committees – 2013 Projected

Senate Approps Today

Chairman - Daniel Inouye (D-HI)

Energy Sub. – Dianne Feinstein (D-CA)

Senate Approps – GOP Control

Chairman – Thad Cochran (R-MS)

Energy Sub.– Lamar Alexander (R-TN)

CIBO Committees – Looking to 2013

Senate Energy Democrats

Jeff Bingaman (NM) – Chairman

Ron Wyden (OR)

Tim Johnson (SD)

Mary Landrieu (LA)

Maria Cantwell (WA)

Bernie Sanders (VT)

Debbie Stabenow (MI)

Mark Udall (CO)

Jeanne Shaheen (NH)

Al Franken (MN)

Chris Coons (DE)

Joe Manchin (WV)

Senate Energy Republicans

Lisa Murkowski (AK) – Ranking Mem.

John Barrasso (WY)

Jim Risch (ID)

Mike Lee (UT)

Rand Paul (KY)

Dan Coats (IN)

Rob Portman (OH)

John Hoeven (ND)

Dean Heller (NV)

Bob Corker (TN)

Impact on CIBO's Issues

Boiler MACT and Coal Ash get a boost

Tighter Senate might be enough

Low Hanging Fruit

Energy Efficiency will have more momentum

EPA keeps rolling on.....

90% of EPA actions are by court order or legislative mandate

What About the Lame Duck??

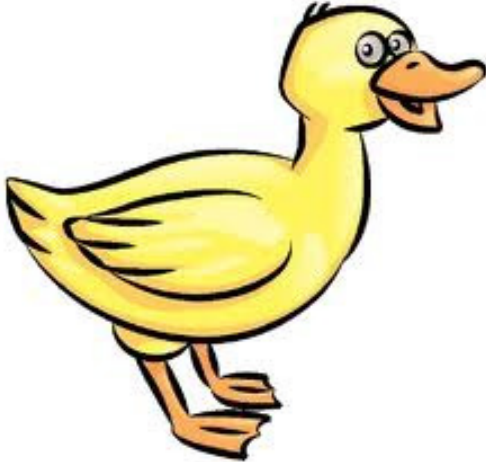
2010 Not-So-Lame Duck



- Tax deal
- Unemployment benefits extension
- Food safety
- 'Don't ask, don't tell'
- Government funding
- 9/11 responders health bill
- Strategic Arms Reduction Treaty (New START)

What About the Lame Duck??

2012 – An Encore Presentation?



- Tax deal (**Fiscal Cliff**)
- Unemployment benefits extension (**again**)
- Food safety (**Farm Bill**)
- Government funding (**Done Until March 2013**)
- 9/11 responders health bill (**Doc Fix**)
- Energy Efficiency – H.R. 4850

Or the Midnight Regulations Duck??



Still Waiting to Go Final:

PM2.5 NAAQS (Dec. 2012)

Cement MACT (Dec. 2012)

Boiler MACT

GHG NSPS for New Coal-Fired Power Plants

Coal Ash

“Waters of the U.S.” Jurisdictional Guidance

RCRA Definition of Solid Waste

Proposed Regulations After the Election:

GHG NSPS for Existing Coal-Fired Power Plants

GHG NSPS for Refineries

Ozone NAAQS

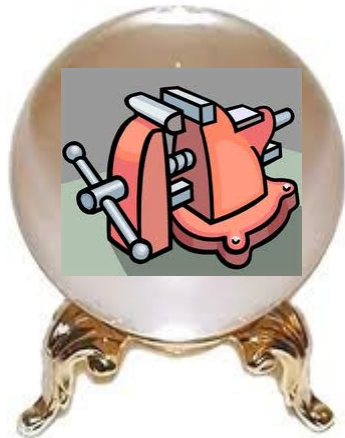
Tier 3 Standards for Refiners and Automakers

CSAPR Replacement

2013

Looking Ahead – More Gridlock?

Moderates Retiring or Lost Already (Senate)



Jeff Bingaman (D-N.M.)

Kent Conrad (D-N.D.)

Joe Lieberman (I-Conn.)

Ben Nelson (D-Neb.)

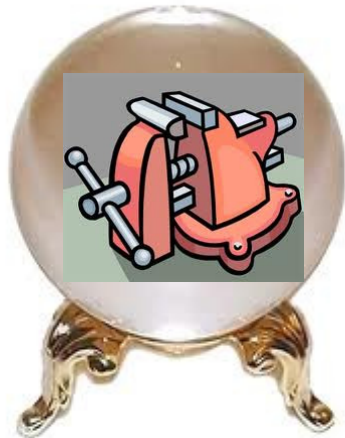
Olympia Snowe (R-Maine)

Jim Webb (D-Va.)

Dick Lugar (R-IN)

Looking Ahead – More Gridlock?

Moderates Retiring or Lost Already (House)



Dan Boren (D-Okla.)
Jerry Costello (D-Ill.)
Norm Dicks (D-Wash.)
David Dreier (R-Calif.)
Charlie Gonzalez (D-Texas)
Timothy Johnson (R-Ill.)
Dale Kildee (D-Mich.)
Steven LaTourette (R-Ohio)
Brad Miller (D-N.C.)
Mike Ross (D-Ark.)
Heath Shuler (D-N.C.)
Jason Altmire (D-Pa.)
Russ Carnahan (D-Mo.)
Tim Holden (D-Pa.)

Looking Ahead

2013 Issues



- Energy Efficiency
- NAAQS
- Clean Air
- Macro Approaches to Regulation
- Enforcement / CBI / EJ

Looking Ahead

Water



- ❑ Federal jurisdiction
- ❑ Permitting: point sources, water intake, nonpoint sources
- ❑ Numeric standards and EPA TMDL Vision

Looking Ahead

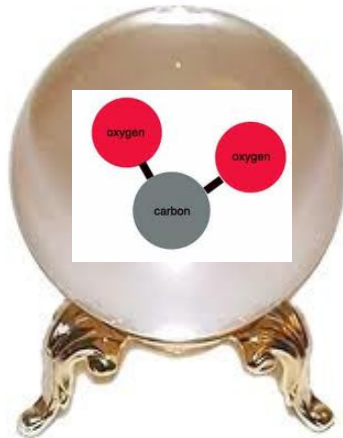
Carbon / Climate

Carbon Tax

- Carbon reduction and revenue-raiser
- Managed Carbon Price Act of 2012

Climate Adaptation

- “Global Weirding”
- Power plant and water issues
- U.S. company “no regrets” strategies
- State plans under development



2013 PRIORITY SETTING

| <u>Issue</u> | <u>CIBO Priority – 112th</u> | <u>CIBO Priority – 113th</u> |
|--|---|---|
| Boiler MACT | High | |
| RCRA Coal Ash | High | |
| NAAQS – PM, SO ₂ , Ozone | High | |
| Energy Efficiency | Moderate | |
| Enforcement / CBI / EJ | Low | |
| Water | Low | |
| Climate – Adaptation / Carbon Tax | Low | |

PLACE YOUR BETS



Bo Obama



Seamus Romney