

An Energy Policy Reset

A Look at Energy Policy Under
the Trump Administration

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The State of American Energy

- Coal has gone from 50% of electricity generation in 2008 to around 30% (Source: Energy Information Administration)
- Natural gas has largely filled this void despite policies propping up renewables
- Oil and gas production has skyrocketed over the past decade (non-federal lands)
- Oil imports have dropped roughly 27% since 2005 (Source: Energy Information Administration)
- U.S. is now exporting oil and natural gas

Obama's Energy Agenda

- Coal in the crosshairs
- Keep-it-in-the-ground
- Bias toward intermittent renewables

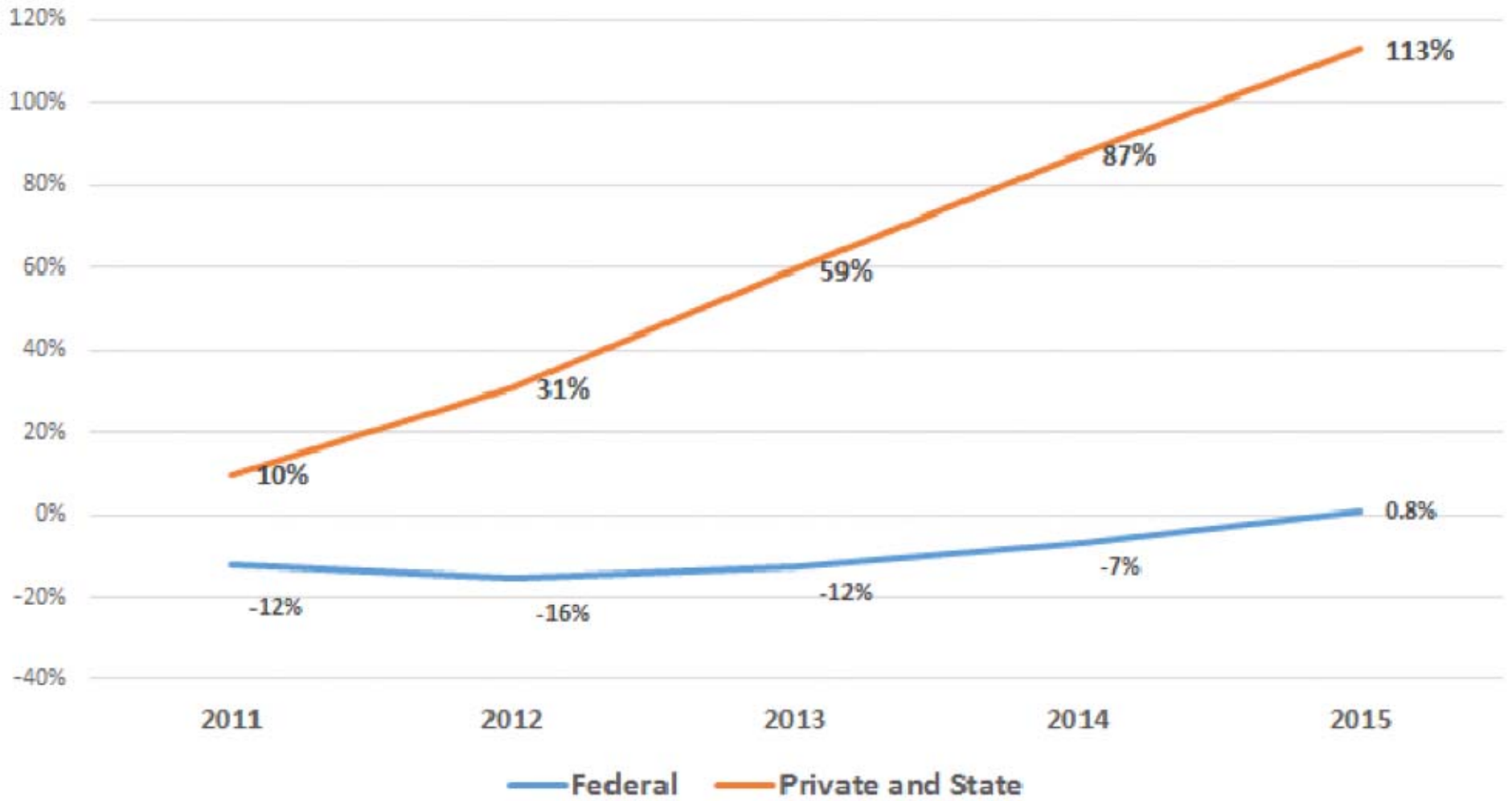
Policies Targeting Coal

- Mercury and Air Toxics Standards, Cross State Air Pollution rule
- Failed cap-and-trade legislation
- Legally questionable Clean Power Plan

Keep-It-In-The-Ground

- Stonewall pipeline infrastructure (Keystone XL and Dakota Access)
- Decline in lease sales on federal lands
- Blocked offshore areas
- Coal lease moratorium and Stream Protection Rule
- Plans were thwarted by the surge in production on state and private lands

Oil Production on Federal vs. Private and State Lands, Percent Change from FY 2010



Source: Congressional Research Service

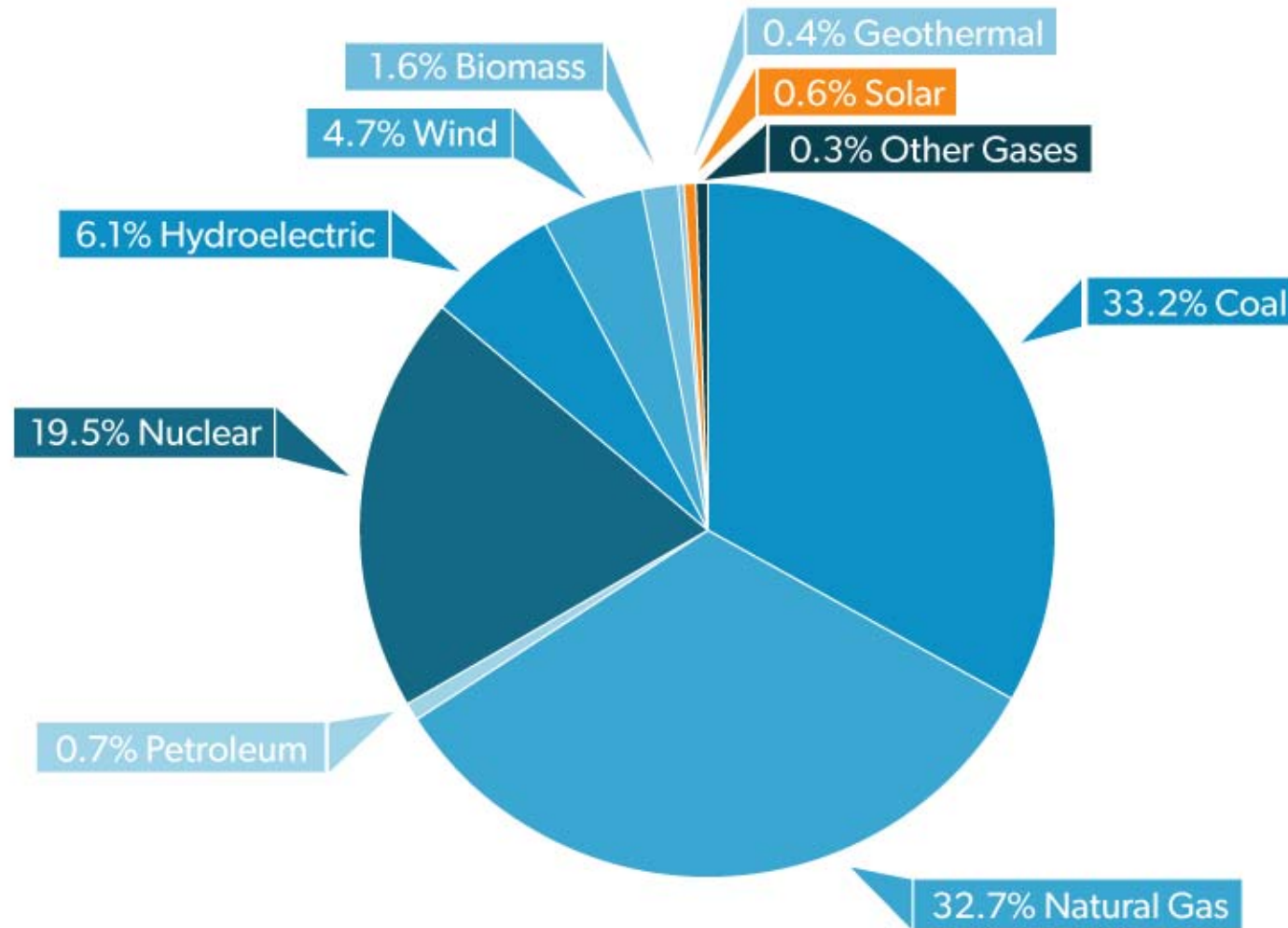
Subsidies for Renewables

“we need to ultimately make clean, renewable energy the profitable kind of energy” –President Obama

- DOE Loans (Solyndra, Fisker, A123)
- Extensions of wind PTC and solar ITC
- Despite favoritism, wind and solar remain a small percentage of our energy use

Solar

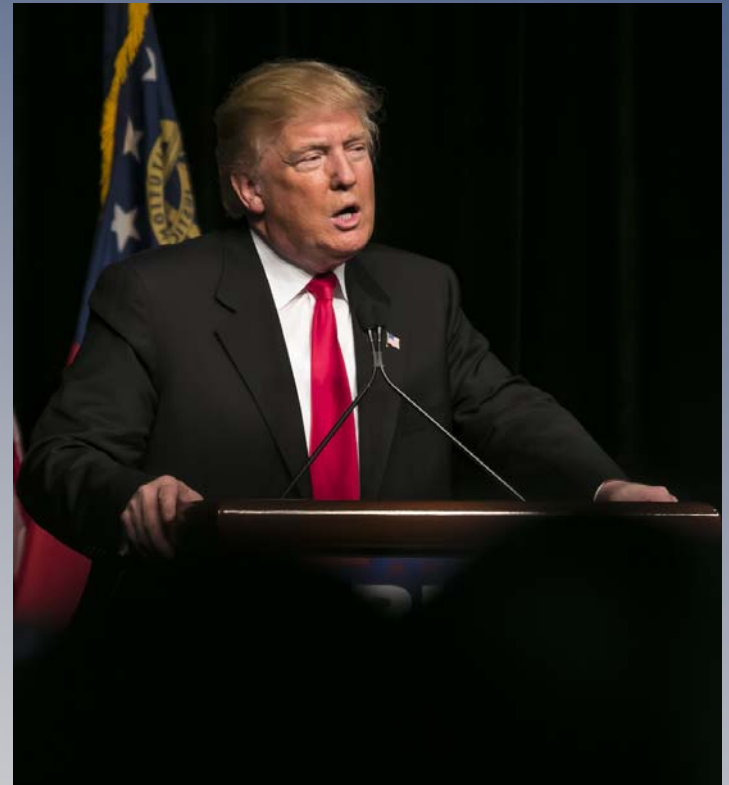
Percent of Total U.S. Central Station Electricity Generation



Source: EIA, MER, March 2016

Donald Trump the Candidate

- Not a career politician
- Strong economic message
- American workers first
- Captured Rust Belt by bringing working class back into GOP



America First Energy Plan

“According to the Institute for Energy Research, lifting the restrictions on American energy will create a flood of new jobs ”-Donald Trump

- Pro-energy, pro-development
- Unleash America’s energy potential
- Save jobs threatened under Obama’s climate policies

Trump's Campaign Promises

- Rescind the Clean Power Plan
- Approve energy infrastructure projects
- Unlock federal oil and gas
- Withdraw from Paris agreement
- Review the CO2 endangerment finding
- Will not support a carbon tax or use of the social cost of carbon

Transition: How to Implement Campaign Promises

- Trump lacked political infrastructure of a traditional candidate
- Relied heavily on free-market think tanks
- Instructed transition be bold
- Detailed agency action plans

Report Card: What Has The New Administration Accomplished So Far?

Energy and Climate Executive Order

- ✓ Review the Clean Power Plan
- ✓ End the use of the social cost of carbon
- ✓ Withdraw the coal lease moratorium on federal lands

Clean Power Plan: Next Steps and Challenges

- Clean Power Plan can't be undone overnight
- New rulemaking process
- Legal challenges

Pipeline Infrastructure

- ✓ Executive order advancing the Keystone XL and Dakota Access pipelines
- ✓ Permits for both pipelines have been approved
- ✓ Review of permitting process so businesses can expect more certainty when investing in infrastructure projects

Fuel Economy Executive Order

- ✓ Review mandates for Model Years 2022-2025



Fuel Economy Mandate: Next Steps and Challenges

- Lengthy review process
- Administration must decide if they want to maintain or lower the levels
- Legal challenges

FY 18 Budget Recommendations

- ✓ DOE: 5.6 percent decrease from 2017
- ✓ EPA: 31 percent decrease from 2017
- ✓ Interior Department: 12 percent decrease from 2017
- ✓ State Department: 21 percent decrease from 2017

FY 18 Budget: Next Steps and Challenges

- Bipartisan pushback
- Who will win the budget battle, Trump or Congress?



Promises Made, Promises Kept?

- The Paris Climate Agreement
- The CO2 Endangerment Finding
- Unlocking federal lands for energy production
- Personnel appointments

Paris Climate Agreement

- To stay or not to stay, that is the question
- Final decision in May?
- What are the options?

Endangerment Finding

- Trump committed to reviewing the CO2 endangerment finding
- Legal challenges

Unlocking Federal Lands

- Offer more leases on federal lands
- Streamline the permitting process
- New five-year offshore plan
- Revamp leasing process for all forms of energy

Personnel is Policy

- Key decision-makers still not in place
- The administration needs to fill spots at CEQ, EPA, Interior, DOE, and FERC
- Agencies are hampered by lack of political leadership

Big Picture: What Does This All Mean?

- Federal lands are back in the game
- Allow coal to compete on level regulatory playing field
- Energy security in the U.S. and around the world
- More markets, less mandates

Questions?

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