



Morning Energy

Delivered daily by 10 a.m., Morning Energy examines the latest news in energy and environmental politics and policy.

✉ **re Morning Energy newsletter**

Your email...

By signing up you agree to receive email newsletters or updates from POLITICO and you agree to our privacy policy and terms of service. You can unsubscribe at any time and you can contact us here. This sign-up form is protected by reCAPTCHA and the Google Privacy Policy and Terms of Service apply.

Hill Democrats hunt for big oil

By **MATTHEW CHOI** | 04/05/2022 10:00 AM EDT

Presented by AVANGRID

With help from Josh Siegel and Alex Guillén.

Editor's Note: Morning Energy is a free version of POLITICO Pro Energy's morning newsletter, which is delivered to our subscribers each morning at 6 a.m. The POLITICO Pro platform combines the news you need with tools you can use to take action on the day's biggest stories. Act on the news with POLITICO Pro.

QUICK FIX

- **The Senate Commerce committee digs into the root cause of rising gasoline prices** as Hill Democrats seek to turn up the heat on the oil industry.
- **The IPCC's climate report offered the starkest warning yet to cut greenhouse gases**, and it provides fresh fodder for Democrats aiming to craft climate legislation.
- **The EU is considering more drastic measures against Russian fossil fuels** as evidence of probable war crimes in Ukraine emerges.

HAPPY TUESDAY! I'm your host, Matthew Choi. Sadly, no one knew the first ever Buc-ee's was opened in Clute, Texas, in 1982. For today: What is the busiest airport in East Africa? Send your tips and trivia answers to mchoi@politico.com. Find me on Twitter @matthewchoi2018.

Check out the POLITICO Energy podcast — all the energy and environmental politics and policy news you need to start your day, in just five minutes. Listen and subscribe for free at politico.com/energy-podcast. On today's episode: A short-term oil, long-term green deal?

POLITICO Energy | EP622

A short-term oil, long-term green deal?

SHARE SUBSCRIBE

A message from AVANGRID:

As a leading sustainable energy company, we are accelerating the transformation to a cleaner tomorrow. [Learn how here.](#)

DRIVING THE DAY

AN OIL AND GAS GRILLING PREVIEW: Today kicks off the latest series of showdowns between congressional Democrats and the fossil fuel industry with the Senate Commerce Committee set to dive into whether there's enough transparency in how the sector sets fuel prices. Democrats have been rattled by the spike in retail gasoline and heating oil costs, and they're looking to pin the prices on oil firms' prioritizing investor returns over consumer welfare, while Republicans push the blame on the Biden administration's climate policies.

But if you're hoping to hear from the oil and gas companies themselves, you'll have to wait another day when the House Energy and Commerce meets with the leadership of BP America, Chevron, Devon Energy, Exxon Mobil, Pioneer Natural Resources and Shell USA. The firms declined to attend today's hearing, which will instead feature Kathleen Sgamma, president of Western Energy Alliance, and Robert McCollough, an energy expert who's appeared regularly over the last couple of decades in Congress (like here, giving testimony on the Enron scandal back in 2002).

Still, Senate Commerce Chair Maria Cantwell (D-Wash.) isn't giving up on getting some oil and gas bigwigs over to her side of the Rotunda, with her staff saying they'll try to corral them after the next recess. During a Senate Energy Committee on energy security back in March, Cantwell floated a joint hearing with House Energy and Commerce, and Senate Majority Leader Chuck Schumer also pushed for oil and gas executives to testify before the Senate on rising prices.

EXPANDING THE PROBE: The House Oversight Committee may also have a hearing on gasoline prices on the horizon. The committee has been trying for months to get board members of oil majors to testify as part of its probe into the industry's role in climate change misinformation, and House Oversight Chair Carolyn Maloney (D-N.Y.) and Environment Subcommittee Chair Ro Khanna (D-Calif.) wrote to the heads of big oil companies Monday that they were adding price gouging to their investigation.

The Democrats are calling on the companies to suspend stock buybacks and dividends during the war in Ukraine and to invest in gasoline price relief and clean energy. But Susan Grissom, chief industry analyst for refining group American Fuel and Petrochemical Manufacturers, pointed out to reporters Monday that the high cost of crude was the biggest cause of high gasoline prices and that rebates for consumers could actually raise overall costs if it encourages demand without an increased supply of feedstock.

AROUND THE WORLD

THE IPCC'S DIRE WARNING: This week's fossil fuel-centered hearings will also be colored by the warnings from some of the world's top climate change scientists. The Intergovernmental Panel Climate Change's latest report warned Monday that the planet is in a now-or-never phase to keep warming under 1.5 degrees Celsius that requires countries to peak emissions within the next three years and reduce them by half of 2019 levels by 2030. Even 2 degrees C could be out of reach without a peak by 2025.

Though the report didn't name the country, many climate experts told POLITICO that China is the wildcard in the world's emissions going forward. Beijing plans to peak its emissions some point before 2030, and its coal consumption will be on the rise until after 2026.

Republicans and industry representatives often compare the U.S. to countries like China or Russia that are more heavily reliant on coal and have less stringent environmental standards as a justification to boost domestic oil and gas production. The U.S. has reduced emissions as the boom in natural gas production displaced a lot of coal in the last decade, Republicans and industry advocates stressed during Senate Energy's hearing on energy security last month, and they're likely to lean into that point as they go after the Biden administration's energy policy in the hearings this week.

The IPCC report emphasizes a rapid transition to clean energy and deployment of carbon removing technology is absolutely crucial to stave off the worst impacts of climate change. And climate advocates dismiss as green washing the claims from the industry that it is imposing stringent environmental standards on fossil extraction, since the carbon is still going to end up in the atmosphere. "The fossil fuel industry maintains a massive dark-money apparatus to obstruct all meaningful efforts toward decarbonization and to block and harass competing technologies like wind, solar, batteries and hydrogen," Sen. Sheldon Whitehouse (D-R.I.) said in a statement.

CALL TO LEGISLATIVE ACTION: The new assessment also underscores the need for strong climate legislation, Sen. Tom Carper (D-Del.) said. Democrats are still seeking a compromise on clean energy legislation with Senate Energy Chair Joe Manchin (D-W.Va.), hoping

to get an agreement done this spring, kicking off that effort in earnest after confirming Judge Ketanji Brown Jackson to the Supreme Court, POLITICO's Burgess Everett reported Monday. The clean energy provisions under the House-passed Build Back Better package last year would cut electric power sector emissions by 64-73 percent below 2005 levels by 2031, according to a report by the Rhodium Group.

"Future generations will look back at this critical moment in history to assess our response to these clear warnings," Carper wrote. "If we fail to act, we will leave the costly burden of addressing this crisis to our children and their children — or even worse — leave them with an irreversibly damaged planet."

GOING AFTER RUSSIAN OIL: The European Union is eyeing a ban on Russian oil imports in response to the country's brutality in Ukraine, which western leaders have denounced as war crimes. The ban could come as part of a package of sanctions signed off at a meeting of EU ambassadors on Wednesday, but some countries' hesitancy to bar energy imports could slow that timeline down.

Officials in Germany are warming to a harder line on Russian energy imports after images emerged showing massacred civilians, mutilated bodies and mass graves in Bucha, Ukraine. French President Emmanuel Macron called for greater sanctions on Russian oil and coal on Monday. Read more from POLITICO's Europe team.

ON THE HILL

DELIVERING ON ELECTRIC VEHICLES: The House Oversight Committee holds a hearing today on electrifying the U.S. Postal Service's fleet, including economic and environmental benefits of transitioning away from internal combustion engines. Democrats are frustrated the agency didn't seek more electric delivery vehicles under its contract with Wisconsin-based manufacturer Oshkosh.

"Electric vehicles are the vehicles of the future," Chair Carolyn Maloney plans to say today. "To continue purchasing gas-guzzling vehicles is not only bad for the environment—it's bad for the Postal Service, and bad for its customers."

The committee asked USPS' inspector general last month to see if the agency was meeting its environmental obligations in its vehicle buy. The Postal Service shortly after said it would be increasing the number of EVs in its vehicle order to 10,000.

The witnesses today include USPS IG Tammy Whitcomb; Victoria Stephen, who oversees USPS' Next Generation Delivery Vehicle program; Jill Naamane of GAO's Physical Infrastructure Team; and ZETA CEO Joe Britton.

SECOND CHANCES: David Uhlmann, nominee to lead EPA's enforcement, and Carlton Waterhouse, nominee to head its solid waste office, are scheduled to get votes in Senate EPW ... again. But ME is keeping an eye out if the planned Thursday vote will actually happen after months of the nominees getting scheduled hearings only to be yanked at the last minute (they did get voted out of committee last year but failed to get floor time and had to return to committee).

Sens. Bill Cassidy (R-La.) and Cynthia Lummis (R-Wyo.) are still keeping their holds on EPA nominees to secure their state's energy priorities. Cassidy's and Lummis' offices said they haven't seen anything new on that front that would lead the lawmakers to waver, and an EPA spokesperson said there were no other updates on the nominations on their end.

CLEAN COUNTRY: The House Agriculture Committee is diving into clean energy opportunities in rural areas today as it takes on this year's Farm Bill. Both energy executives and USDA representatives are on the docket, including Xochitl Torres Small, USDA under secretary for rural development.

AROUND THE AGENCIES

FERC'S DOLLAR ASK: FERC is hoping to bolster its community engagement work with a \$44 million budget boost. The self-funded agency is asking Congress to sign off on its fiscal 2023 budget that would total \$508.4 million for the commission and includes more hires centered on environmental justice work and funding for the Office of Public Participation. The commission hopes to hire 43 full-time employees and raise staff pay 4.6 percent. POLITICO's Catherine Morehouse has more.

A message from AVANGRID:



THE GRID

- "Toad whose habitat is at geothermal project site is emergency listed as endangered," via The Nevada Current.
- "Coalition lobbies for reforms to speed hydropower permitting, enhance climate considerations," via POLITICO.
- "German regulator takes over Gazprom Germania to ensure energy supply," via Reuters.
- "Ukraine massacre has U.S. and allies seeking new ways to punish Putin," via POLITICO.

THAT'S ALL FOR ME!

A message from AVANGRID:
 Strong communities are more sustainable, and business has a role in building a better society. Because our customers, our communities, and every one of us deserves a future built on clean energy. Learn more about how we're [leading the way there](#).

Follow us on Twitter



- Matt Daily @dailym1**
- Gloria Gonzalez @ggonzalez2176**
- Matthew Choi @matthewchoi2018**
- Zack Colman @zcolman**
- Alex Guillen @alexguillen**
- Ben Lefebvre @bjlefebvre**
- Annie Snider @annelizabeth18**
- Kelsey Tamborrino @kelseytam**
- Catherine Morehouse @cmorehouse10**
- Josh Siegel @SiegelScribe**

FOLLOW US



About Us

Advertising

Breaking News Alerts

Careers

[Credit Card Payments](#)

[Digital Edition](#)

[FAQ](#)

[Feedback](#)

[Headlines](#)

[Photos](#)

[POWERJobs](#)

[Press](#)

[Print Subscriptions](#)

[Request A Correction](#)

[Write For Us](#)

[RSS](#)

[Site Map](#)

[Terms of Service](#)

[Privacy Policy](#)

[Do not sell my info](#)

[Notice to California Residents](#)



© 2022 POLITICO LLC