

Energy and Climate Issues



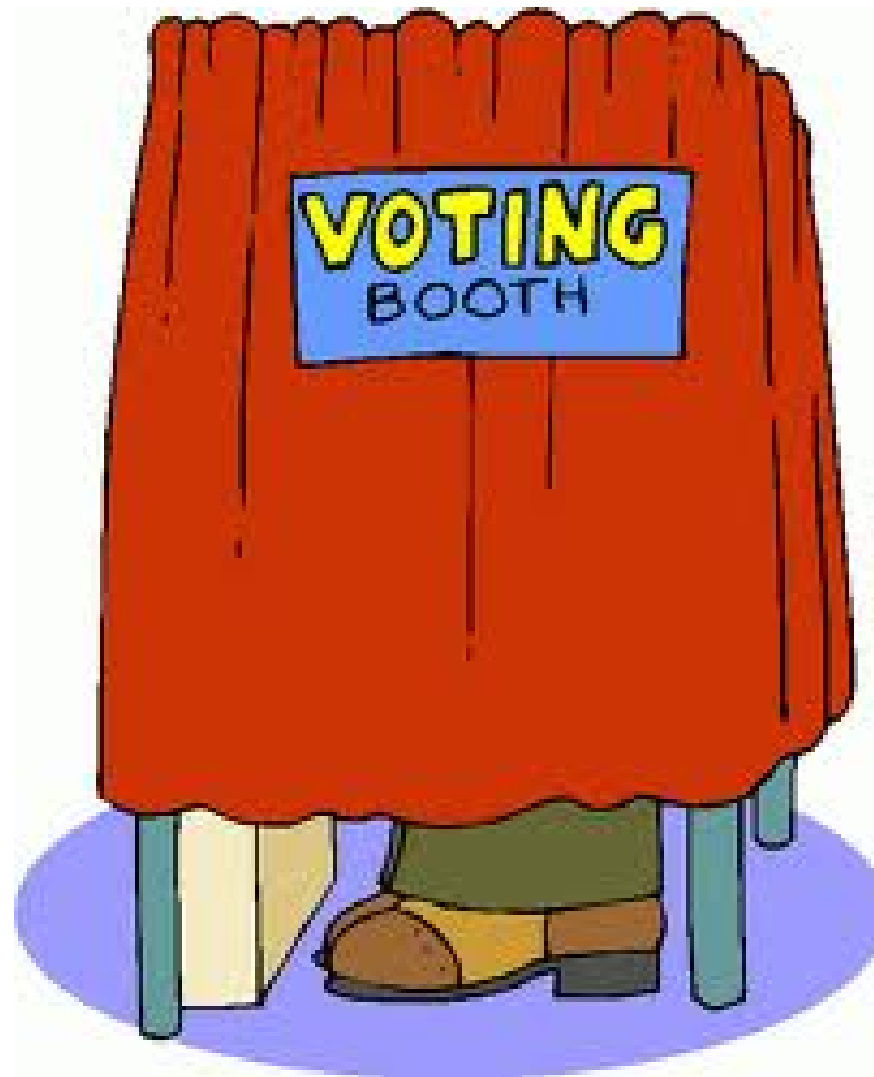
Council of Industrial Boiler Owners 32nd Annual Meeting

**October 20 - 22, 2010
Williamsburg, VA**

Government Affairs Session

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

2010 Midterm Elections



Game Reset

U.S. House of Representatives

255 Democrats | **178 Republicans** | 2 Vacancies

218 for majority; all up for election November 2010

U.S. Senate

59 Democrats | **41 Republicans**

51 for majority; 1/3 up for election

Control of Congress is in Play



“there’s no doubt there are enough seats in play that could cause Republicans to gain control”

Robert Gibbs on NBC Meet the Press, July 11, 2010

Cook Political Report

- “**40 seat GOP pickup** in the House, and **90 rated competitive or likely GOP.**”
- “The current outlook is for a **7-9 seat net gain** for Republicans.”

Rothenberg Political Report

- “Likely Republican gain of **40-50 House seats, with 60 seats possible.**”
- “Republicans likely to gain **6-8 seats**”

Larry Sabato

- “We have not changed our projection of **+47 GOP seats in the House.** In our estimate, the new House will be controlled by the GOP.”
- Likely Republican Senate gain of + **8-9 seats**

Real Clear Politics

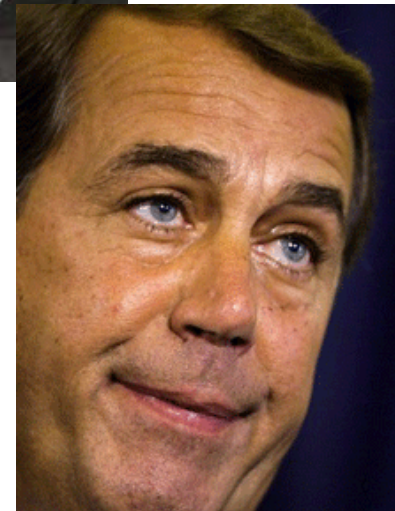
- House – **GOP +54.5** ; Senate – **GOP +7**

If Republicans Take the House

Obama's options: President Clinton's "triangulate" or press ahead

Either way, Republicans will control Congress with a thin majority:

- **First 100 days - legislation for show**
- **Oversight & investigation**
- **Gridlock**



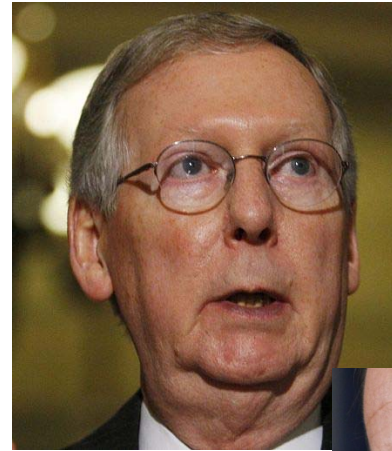
Hard Questions in 2011...with Meaning for 2012

**Will health care be repealed
and replaced?**

Will the economy be “fixed”?

**Will unemployment be under
control?**

**Will tea partiers be satisfied
that honor is restored?**



CIBO Committees – 2011 Projected

House E&C Today

Chairman – Henry Waxman (D-CA)

Energy Sub. – Markey (D-MA)

Non-Coastal 'D' Reps – 14/36 (39%)

House E&C – GOP Control

Chairman – Upton (MI) / Shimkus (IL)

Energy Sub. – Upton/ Hall (TX)

Non-Coastal 'R' Reps – 12/23 (52%)

Senate EPW Today

Chairman - Barbara Boxer (D-CA)

Air Sub. – Carper (D-DE)

Non-Coastal 'D' Reps – 2/12 (17%)

Senate EPW – GOP Control

Chairman – Jim Inhofe (R-OK)

Air Sub. – Vitter (R-LA)

Non-Coastal 'R' Reps – 6/7 (86%)

* Does not account for change in Committee Ratios

CIBO Committees – 2011 Projected

Senate Energy Today

Chairman – Jeff Bingaman (D-NM)

Energy Sub. – Maria Cantwell (D-WA)

Non-Coastal 'D' Reps – 6/13 (46%)

Senate Energy – GOP Control

Chairman – Richard Burr (R-NC)

Energy Sub. – John Barrasso (R-WY)

Non-Coastal 'R' Reps – 7/10 (70%)

* Does not account for change in Committee Ratios

CIBO Committees – 2011 Projected

House Approps Today

Chairman – David Obey (D-WI)

Energy Sub. – Pete Visclosky (D-IN)

Non-Coastal 'D' Reps – 15/37 (41%)

House Approps – GOP Control

Chairman – Jerry Lewis (R-CA)

Energy Sub. – R. Frelinghuysen (R-NJ)

Non-Coastal 'R' Reps – 16/23 (70%)

Senate Approps Today

Chairman - Daniel Inouye (D-HI)

Energy Sub. – Byron Dorgan (D-ND)**

Non-Coastal 'D' Reps – 10/18 (56%)

Senate Approps – GOP Control

Chairman – Thad Cochran (R-MS)

Energy Sub. – K.B. Hutchison (R-TX)

Non-Coastal 'R' Reps – 8/12 (66%)

*Does not account for change in Committee Ratios

** Retiring – likely replaced by Sen. Feinstein (D-CA)

CIBO Committees – 2011 Projected

Senate EPW Democrats

Barbara Boxer (CA) – Chairman

Max Baucus (MT)

Tom Carper (DE)

Frank Lautenberg (NJ)

Ben Cardin (MD)

Bernie Sanders (VT)

Amy Klobuchar (MN)

Sheldon Whitehouse (RI)

Tom Udall (NM)

Jeff Merkley (OR)

Kirsten Gillibrand (NY)

Arlen Specter (PA)

Senate EPW Republicans

Jim Inhofe (OK) – Ranking Member

George Voinovich (OH)

David Vitter (LA)

John Barrasso (WY)

Mike Crapo (ID)

Kit Bond (MO)

Lamar Alexander (TN)

CIBO Committees – 2011 Projected

Senate Energy Democrats

Jeff Bingaman (NM) – Chairman

Byron Dorgan (ND)

Ron Wyden (OR)

Tim Johnson (SD)

Mary Landrieu (LA)

Maria Cantwell (WA)

Bob Menendez (NJ)

Blanche Lincoln (AR)

Bernie Sanders (VT)

Evan Bayh (IN)

Debbie Stabenow (MI)

Mark Udall (CO)

Jeanne Shaheen (NH)

Senate Energy Republicans

Lisa Murkowski (AK) – Ranking Mem.

Richard Burr (NC)

John Barrasso (WY)

Sam Brownback (KS)

Jim Risch (ID)

John McCain (AZ)

Bob Bennett (UT)

Jim Bunning (KY)

Jeff Sessions (AL)

Bob Corker (TN)

CIBO Committees – 2011 Projected

House E&C Democrats (36)

John Dingell (MI)

Rick Boucher (VA)

Bart Gordon (TN)

Bart Stupak (MI)

Charlie Melancon (LA)

Baron Hill (IN)

Zack Space (OH)

Jerry McNerny (CA)

Betty Sutton (OH)

Bruce Braley (IA)

House E&C Republicans (23)

Nathan Deal (GA)

Roy Blunt (MO)

Steve Buyer (IN)

CIBO Committees – 2011 Projected

Senate Approps Dems (18)

Robert Byrd (WV)

Patty Murray (WA)

Byron Dorgan (ND)

Arlen Specter (PA)

Senate Approps Repubs (12)

Kit Bond (MO)

Judd Gregg (NH)

Bob Bennett (UT)

Sam Brownback (KS)

George Voinovich (OH)

Lisa Murkowski (AK)

* Half of Committee Republicans will be new, not counting ratio changes

Impact on CIBO's Issues

Cap and Trade Legislation - dead

Energy Bill still alive; RES, nuclear, coal, nat gas

Pendulum swings back away from an activist government

“bailout” and “stimulus” are toxic ideas

EPA keeps rolling on.....

NAAQS (PM, Ozone, SO_x, No_x), GHG Tailoring Rule, GHG Reporting Rule, MACT, Coal Ash, Clean Air Transport Rule (CAIR), etc...

FOR IMMEDIATE RELEASE
Thursday, Oct. 14, 2010

CONTACT: Press office
(202) 225-3641

Barton, Burgess Ask EPA to Explain Costs Of Multiple Billion-Dollar Regulations

“Republican staff produced a chart identifying around 40 proposed or finalized Clear Air Act regulations, as well as regulations in the pre-proposal stages. **EPA’s own compliance cost estimates, to the extent they are available, identify at least eight rules with costs estimated to exceed \$1 billion,**”

ISSUES CIBO ADVOCATING IN 111th CONGRESS

<u>Issue</u>	<u>Regulatory Activity</u>	<u>Legislative Activity</u>	<u>CIBO Action</u>
BMACT	EPA rules by 1/16/10	Coalition Hill visits; Senate and House letters to EPA and WH	CIBO Hill visits seeking Congress' help; Hill briefing on IHS/CIBO Jobs Report
RCRA Coal Ash	EPA rule 2010-2011	Coalition Hill visits; Senate and House letters to EPA and WH	CIBO Hill visits seeking Congress' help
NAAQS	EPA rules in 2010-2011	Coalition Hill visits; Member letters	Coalition participation

ISSUES CIBO ADVOCATING IN 111th CONGRESS

<u>Issue</u>	<u>Regulatory Activity</u>	<u>Legislative Activity</u>	<u>CIBO Action</u>
Climate/Energy Cogen	Issue monitored in all rules	House debate on provisions and definitions for draft bill	CIBO Hill visits on "EGU," industry CHP utilization, useful thermal energy
Climate/Energy Renewable Electricity Standard	30 states have RES No federal RES	House passed Waxman climate/energy bill; Senate Energy Cmte passed Bingaman energy bill; New Senate draft improved biomass def	Advocated policy on renewable biomass definition
Climate/Energy Energy-Intensive Industry	Issue monitored in all rules	Senate Kerry-Lieberman draft improved approach over House-passed bill	Advocated for global competitiveness and to prevent leakage
Climate/Energy Clean Coal	Issue monitored in all rules	Senator Dorgan (D-ND) Clean Coal CCS Technology Pathways Initiative	Robert Besette testified on views of industry

Issue Priority for CIBO

<u>Issue</u>	<u>CIBO Priority – 111th</u>	<u>CIBO Priority – 112th</u>
MACT	High	
RCRA Coal Ash	High	
Climate Change / GHG Regulation	High	
RES	High	
NAAQS – PM, SO ₂ , Ozone, NO _x	Moderate	
Clean Air Transport Rule (CAIR – 2)	Moderate	
Clean Coal	Moderate	
Climate Change Adaptation	N/A	