

by Pam Radtke Russell, CQ Roll Call Staff

A Keystone XL amendment is likely to be considered as part of an energy and jobs package (HR 4480) that the House will take up beginning at noon. The amendment is one of about 25 that could be offered under House Rules, which will allow up to 27 amendments to the bill, a package of seven measures that Republicans say would boost energy production. Even if the amendment is attached to the bill, and the bill passes in the House, it has little chance of making it into law because the Senate isn't expected to touch the legislation.

The House is scheduled to hold two hours of debate on the bill beginning at noon, with 10 minutes of debate allowed on each amendment.

The Keystone amendment, offered by Lee Terry, R-Neb., and Connie Mack, R-Fla., mirrors language in the stalled highway bill that would require the Federal Energy Regulatory Commission to issue a permit within 30 days of receiving the application for the construction of Keystone. If FERC doesn't approve within the given time, Keystone would be considered approved.

Some of the other amendments offered to the bill include:

- One from Scott Rigell, R-Va., to open up leasing off Virginia's coast for oil and gas exploration.
- One from Democrats Rosa DeLauro of Connecticut and Massachusetts' Ed Markey and Barney Frank that would require \$128 million collected from energy lease sales to be directed to the Commodity Futures Trading Commission to facilitate efforts to reduce speculation in energy markets.
- One from Markey to bar the export of oil and gas produced from leases and permits awarded as a result of the requirements of the bill.
- One from Gene Green, D-Texas, that would strike language from the bill that requires cost and feasibility to be considered by the EPA when proposing modifications to National Ambient Air Quality Standards.
- One from Rush Holt, D-N.J., to reduce the number of onshore leases where no exploration or extraction activities are occurring.

Late Night, Quorum-less Debate Held on Disapproval Resolution. Utility lobbyists have been working hard on Capitol Hill. As senators from Nebraska, Georgia, Wyoming, Alabama, North Dakota and Oklahoma rose Tuesday night to speak in favor of Oklahoma Republican James

Inhofe's disapproval resolution (S J Res 37) that would nullify EPA's mercury and air toxic standards, each had impressive detail about how the rule would affect utilities in their state and throughout the nation. During about 90 minutes of late-night debate, Wyoming Republican Michael Enzi said implementing the Utility MAT standard would cost the average homeowner about \$400 a year. Mike Johanns, R-Neb., said it would cost one utility in his state \$900 billion to \$1.3 billion to be in compliance, all of which will be paid for by customers of the utility.

Rhode Island Democrat Sheldon Whitehouse countered with his own information, detailing how Wisconsin Energy, Seminole Energy, Duke Energy and PSE&G have said the new standard won't be a burden and will have little impact on ratepayers. Other Democrats said the Republicans' numbers were wrong. Frank Lautenberg of New Jersey commented, "This isn't an accounting exercise. We're talking about the well-being of our children."

The difference in cost calculations and utility opinions on the standard are as varied as each utility's generating portfolio. Utilities heavy with coal generation, such as the Basin Electric Cooperative and American Electric Power, will carry a much heavier burden under the standard than utilities such as Duke or Exelon, which have more nuclear- and natural gas-generated electricity.

Most Democrats noted the lack of a quorum for the anticipated debate (it had been anticipated Tuesday morning, not at 8 p.m.), possibly indicating that Inhofe's resolution doesn't have the support necessary to pass. "We'll find out if there is enough support for the resolution at about 11:30 a.m." when the Senate will vote on a motion to proceed on the resolution, Inhofe said.

If the measure does make it through Congress, Inhofe dared President Obama to make good on his threat to veto it. "Does the president really want to veto, just a few months before the election, a bill that is going to cost the American people over 200,000 jobs this year? I don't think he'll do it because he wants to get re-elected more than he wants to do this," Inhofe said.

House Efficiency Bill Detailed. A day after yet another news conference urging Senate consideration of an energy efficiency bill (S 1000) introduced last year by Jeanne Shaheen, D-N.H., and Rob Portman, R-Ohio, the House side will get in on the game. Rep. Charlie Bass, R-N.H., will detail his own energy efficiency bill (HR 4017) this morning to the Alliance to Save Energy. While much of the publicity and hype has surrounded the Shaheen-Portman bill, Bass' proposal faces much better odds of advancing. House leaders are looking to burnish Bass' leadership qualifications before his tough upcoming election, and they may consider passage of his bill as a means to that end. By contrast, the Shaheen-Portman measure faces an uphill battle getting Senate Majority Leader Harry Reid to bring the bill to the floor. Not only is the schedule tight before the lame-duck session, but Portman is said to be on Mitt Romney's short list for vice president — a designation unlikely to win any favors from Reid.

High Expectations for Gulf of Mexico Lease Sale Today. The Bureau of Ocean Energy Management will hold the first lease sale for oil and gas development in the Central Gulf of Mexico since the 2010 explosion of the Deepwater Horizon off Louisiana's coast. Interest is expected to be strong because of pent-up demand and uncertainty over when the next lease sale will be held, and strongest from the big oil companies that have money to explore and

develop the deeper parts of the Gulf. Newer technology and the political stability of the Gulf of Mexico had been attracting attention before the spill. The last lease sale in 2010, just before the explosion and spill, yielded a record of almost \$1 billion in bids.

But former Minerals Management Service Director Randall Luthi, now president of the National Ocean Industries Association, said that longer waits for permit approval and concern over litigation could limit interest in the blocks. Erik Milito, director of upstream and industry operations for the American Petroleum Institute, said in a briefing that the next five-year plan for Gulf of Mexico development needs to be expanded to include areas not previously offered for leasing, including off the Atlantic Coast.

House Panel Takes Up Interior/Environment Appropriations. This afternoon, a House Appropriations subcommittee will begin marking up the 2013 fiscal package for EPA and the Interior Department. As Lauren Gardner reports for CQ Today, House GOP appropriators are proposing to reduce EPA funding to its lowest level in 15 years. The \$28 billion draft Interior-Environment appropriations bill would provide \$7 billion for the EPA, a 17 percent cut that would push funding for the agency below fiscal 1998 levels. House appropriators say their draft would reduce funds for EPA Administrator Lisa P. Jackson's office by more than 30 percent, cut funding for the congressional affairs office by half and cap agency personnel at the lowest level since 1992.

Two Reports Question Military Involvement in Biofuels. Two studies, one from the Congressional Research Service and a second from RAND Corp., offer ammunition to lawmakers seeking to sink one of the Obama administration's key biofuels initiatives. The CRS report counters the argument that adding biofuels helps relieve the logistical issues of delivery fuel to forward operating areas. The report suggests that Congress should consider whether the biofuels industry is necessary for national defense, especially as domestic crude production is on the rise. The RAND report says that even with increased production, the relatively low amount of U.S. oil production means the nation will continue to be dependent on other countries for oil. However, RAND says the best way to reduce that dependency is through energy efficiency measures, not renewable fuels. The studies find that the high cost of alternative liquid fuels do not offer the Department of Defense a way to significantly reduce fuel expenses.

Thanks to John Donnelly and Philip Brasher for their contributions.

Call Energy and Climate Executive Briefing Editor Pam Radtke Russell at 202-650-6868; email her at pamrussell@cqrollcall; or follow her on Twitter [@radtkerussell](https://twitter.com/radtkerussell).