

POLITICO's Morning Energy  
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By Alex Guillén

With help from Erica Martinson

**IT'S GETTING HOT IN HERE:** It wasn't just your imagination: the lower 48 set a new heat record in 2012, NOAA says. The average annual temperature for the contiguous U.S. was 3.2 degrees Fahrenheit above the 20th century average and a full degree higher than the previous 1998 record. And it's not a flash in the pan. NOAA scientists say more warmer-than-average years are on the horizon, and that will likely lead to more frequent extreme weather events, drought and other negative impacts. Erica Martinson has more: <http://politi.co/XK5nou>

**CASE IN POINT:** Today's highs should be in the mid-50s to near 60 degrees, according to the Capital Weather Gang: <http://wapo.st/13eT2bW>

**FROM THE HILL:** "The facts speak for themselves," Senate Environment and Public Works Chairwoman Barbara Boxer said in a statement, referring to mounting evidence like the NOAA report and Hurricane Sandy. "We need to focus now on what we must do to address climate change so that we can protect our people, local communities, and the nation's economy." Boxer has previously said she plans to work regularly with other interested senators for climate change legislation "clearinghouse," and plans to hold hearings on specific climate change issues such as infrastructure adaptation and energy efficiency.

**MEANWHILE, DOWN UNDER:** It's so hot down in Australia that their Bureau of Meteorology had to add two new colors to its temperature map. "The scale has just been increased today and I would anticipate it is because the forecast coming from the bureau's model is showing temperatures in excess of 50 degrees," David Jones, head of the bureau's climate monitoring and prediction unit, said (that's 50 degrees Celsius, or about 122 degrees Fahrenheit, of course). The Age: <http://bit.ly/VLL18X>

**HAPPY WEDNESDAY** and welcome to Morning Energy, where we're probably a little to excited that "Pocahontas" is on Netflix. Send your energy news to [aguillen@politico.com](mailto:aguillen@politico.com), and follow on Twitter [@alexguillen](https://twitter.com/alexguillen), [@Morning\\_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

**SCOTUS RULES NARROWLY IN CLEAN WATER ACT CASE:** The Supreme Court on Tuesday ruled 9-0 to reverse and remand a lower-court ruling about who's responsible for stormwater pollution in Los Angeles County Flood Control District v. NRDC, et al. Relying on earlier precedent, the justices ruled in brief and technical fashion, sidestepping any broader impact on the Clean Water Act. "The flow of water from an improved portion of a navigable waterway into an unimproved portion of the same waterway does not qualify as a "discharge of a pollutant" under the CWA," Justice Ruth Bader Ginsburg wrote for the court: <http://1.usa.gov/ShY18q>

**ALSO IN SUPREME COURT NEWS:** Chief Justice John Roberts was miffed last month when EPA released a final rule regarding Clean Water Act rules for logging roads the Friday

before the high court held a hearing on the matter, and the justices aren't letting the issue go. Yesterday, the court ordered the parties in the joint cases, Decker v. Northwest Environmental Defense Center, et al. and Georgia-Pacific West v. NEDC, to file briefs up to 3,000 words "addressing the effect of the Environmental Protection Agency's amendment to its stormwater-discharge rule" by Jan. 22.

**DON'T MESS WITH TEXAS...S WATER SUPPLY:** The Texas Commission on Environmental Quality has filed a petition with the Supreme Court arguing that New Mexico is violating a 1938 pact on how water from the Rio Grande is used by Texas New Mexico and Colorado. "It is unfortunate that we have had to resort to legal action, but negotiations with New Mexico have been unsuccessful, and Texas is not getting the water that it is allocated and legally entitled to," said TCEQ Commissioner Carlos Rubinstein. TCEQ's complaint: <http://bit.ly/WKCVwu>

**INTERIOR TAKES MAGNIFYING GLASS TO SHELL ARCTIC DRILLING:** The Interior Department is launching a review of its Arctic drilling program because of Shell's recent string of mishaps in the region, including the grounding of the Kulluk drilling rig. The "expedited, high-level assessment" will focus on Shell's operations as a part of an evaluation of the department's offshore drilling program in the Beaufort and Chukchi seas. The review will be completed within the next 60 days. Talia Buford has more for Pros: <http://politico.pro/10d7oeg>

**CAP GIVES OBAMA HIGH MARKS ON FIRST TERM ENERGY ACHIEVEMENTS:** The Center for American Progress this morning is putting out an evaluation of President Barack Obama's first term when it comes to energy priorities. Of the ten issues CAP identifies, it marks seven as "done," including stricter fuel economy standards, cutting mercury emissions, and investing in clean energy and grid modernization. CAP gives Obama a "partial success" on federal energy efficiency standards, and blames Congress for two failures, establishing a cap and trade program and a national clean energy standard. "The administration accomplished nearly all of these goals despite the worst economy in nearly 80 years and strong opposition from Big Oil, coal, and other energy interests," CAP's Dan Weiss writes: <http://bit.ly/UHXgaZ>

**ENERGY PACS ALREADY EYEING 2016:** Plenty of political action committees are reporting little to no activity in their most recent FEC filings, which cover through the end of 2012 - but some PACs are working ahead. John Kasich, who isn't up for reelection until 2014, landed \$11,543 from Duke Energy PAC, which also reported sending money to Democrats Mary Landrieu and Mark Udall, both up for reelection in 2014. Exelon PAC reported sending money to 2014-ers Mark Begich, Tim Johnson and Jim Inhofe as well as 2016-ers Ron Wyden and Barbara Mikulski. Xcel Energy PAC reported contributions to 2014-ers Mark Udall, Tim Johnson and John Cornyn, plus 2016-ers Chris Coons, Chuck Grassley and Chuck Schumer.

\*\* A message from America's Natural Gas Alliance: Apache Corporation is an innovator when it comes to natural gas development. This month, they will be the first company to power an entire fracturing job with cleaner burning natural gas. Learn more: <http://bit.ly/WKGOJK> \*\*

**ZOI JOINS WIND STARTUP BOARD:** Cathy Zoi, who left her position as acting Undersecretary of Energy in 2011 and has also done stints at the EPA and Clinton White House,

is joining the board of Makani Power, a California wind startup. Makani, which has been backed by ARPA-E money and Google, is developing an airborne, or floating, wind turbine. Zoi has most recently been mentioned as a potential replacement for Energy Secretary Steven Chu.

**CONSERVATIVE GROUP GOES AFTER GREEN POLICY:** A coalition led by former George W. Bush administration environmental officials and the Environmental Defense Fund wants to galvanize conservatives to support greener policies. The Conservation Leadership Council is emphasizing public-private partnerships and other market-based approaches to environmental policy that largely mirrors the "cooperative conservation" agenda Bush promoted with former Interior Secretary Gale Norton. Darren Goode has the story: <http://politico.pro/WKVrVw>

## **SPEED READS**

- The Center for Western Priorities has put out a 'mini-documentary series' interviewing people living near and worried about oil and natural gas operations in Colorado: <http://bit.ly/VNSXqh>
- "The economic, environmental, and political realities surrounding a carbon tax are clear indications that this is bad policy," David Kreutzer of the Heritage Foundation writes: <http://herit.ag/Wr48nm>
- The National Audubon Society has put out a map showing important bird areas near where the Kulluk ran aground in Alaska (and has since been towed away): <http://bit.ly/REOsQT>

## **QUICK HITS**

- Fisker doesn't plan to restart production until the sale of its batterymaker A123 to China's Wanxiang is cleared. Reuters: <http://reut.rs/UAjiaP>
- Rep. Marsha Blackburn plans to introduce legislation putting up roadblocks for foreign-owned companies to buy U.S. firms that got DOE funding. Memphis Business Journal: <http://bit.ly/13f7v7L>
- Tesoro plans to shut down its Kapolei refinery in Hawaii and start converting it to an 'import, storage and distribution terminal,' the Honolulu Star-Advertiser writes: <http://bit.ly/VR6AUP>
- MISO is proposing giving state regulators more authority for allocating transmission project costs. Platts: <http://bit.ly/SiLaUL>
- Brazil says it won't resort to energy rationing. AP: <http://bit.ly/U2WRMr>

**THAT'S ALL FOR ME.** Can you paint with all the colors of the wind?

\*\* A message from America's Natural Gas Alliance: We believe in a clean energy future. Natural gas is a cleaner energy choice and a key partner to solar and wind technologies. From California to Florida, natural gas facilities are working with renewable energy to ensure steady, affordable

and cleaner energy choices for communities across our nation. Because it is an abundant and affordable energy source available right here in America, natural gas can help make the promise of cleaner energy a reality in more American communities. Natural gas is smarter power today. Visit [anga.us](http://anga.us) to learn more. \*\*

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