



President Trump's impact on Obama's environmental legacy

A&WMA GCC

February 16, 2017

Dan X. McGraw



About ICIS

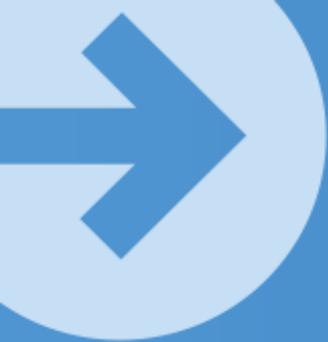
ICIS provide **market intelligence** to the global energy, petrochemicals and fertilizer industries

Companies in these markets trust us to provide accurate, relevant and timely **NEWS, PRICING DATA, ANALYTICS** and **CONSULTING** to guide their decision making.

Our information and analysis covers:

-  Chemicals: aromatics, olefins, intermediates, solvents and plastics
-  Energy: crude oil, natural gas, refined products, coal, carbon and biofuels
-  Fertilizers: ammonia, sulphur, nitrogen, urea and phosphates





Agenda

- 1) President Obama's climate legacy
- 2) How Trump could reverse those policies
- 3) Two examples
 - Clean Power Plan
 - Methane rules
- 4) Conclusion



President Obama's climate legacy

- Obama signed 35 executive orders during his two-term presidency
 - Those orders ranged from emission goals for federal buildings to fighting climate change
- Clean Power Plan and New Source Performance Standards
 - Both aimed at reducing carbon emissions from power sector
- Methane rules for oil and gas
 - Would reduce methane emission from oil and gas drilling on federal lands
- Paris Climate Accord
 - US' goal was 26-28% below its 2005 levels in 2025



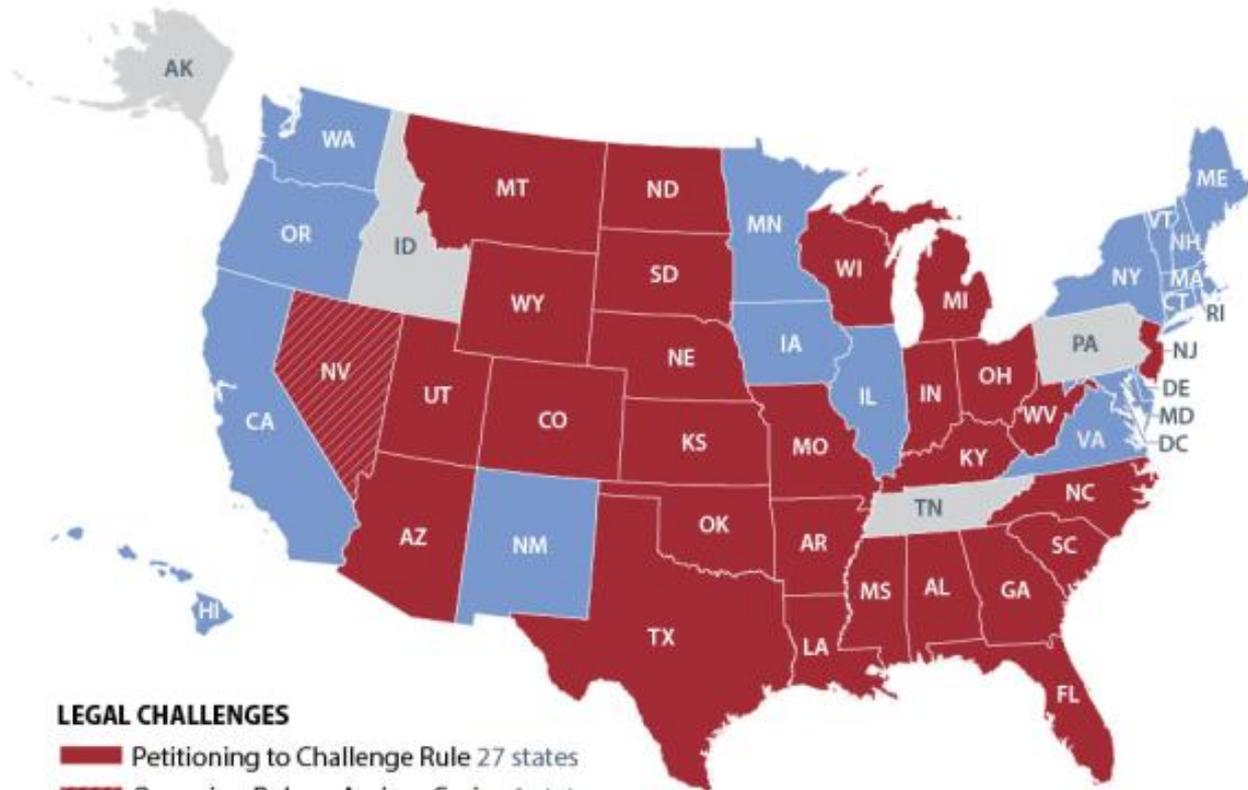
How Trump could reverse those policies

- Executive orders to reverse Obama policies
 - New executive orders that reverse, amend or stall any previous orders
 - Would take immediate effect and could shift environmental policy quickly
- Courts
 - Trump could choose not to defend policies that he does not wish to continue
- Congressional action
 - Congress could amend or rescind laws that support environmental policy
 - Democrats, however, could filibuster
 - Congress could reverse any agency policies under a Congressional Review Act (CRA)
 - Option would be limited to rules passed within the past 60 days
 - CRA has only been used once
- Unilateral decision
 - Could opt out of some policies without any approval



Clean Power Plan

- CPP would reduce power-sector emissions by 32% from 2005 levels by 2030 (111d)



LEGAL CHALLENGES

-  Petitioning to Challenge Rule 27 states
-  Opposing Rule as Amicus Curiae 1 state
-  Supporting Rule as Intervenor 18 states + DC
-  Not Party to Litigation 4 states



Way to unwind the CPP

- CPP would not be subject to a Congressional Review Act
 - CRA allows Congress to reject an agency regulation as long as it was finalized within a 60-day limit
 - Rarely used option for Congress
- Congress could amend the Clean Air Act to limit EPA authority
 - Democrats could filibuster this effort
- Trump could choose not to defend CPP in the courts
 - DC Circuit ruling cannot be derailed, because Trump administration missed deadline for additional options
 - If appealed, Trump could use this option in the Supreme Court



Methane rule for oil and gas sector

- Rule puts restrictions on flaring on federal lands and places requirements on detecting leaks and gas capture during pre-drilling phases



How to derail the methane rule

- Congressional Review Act
 - Unlike the CPP, the methane rule is within the 60-day window for Republicans to challenge
 - Republicans have already passed a CRA through the House of Representatives on Feb. 3
 - If approved by the Senate, Trump could immediately derail the final rule
- Trump could also stall Obama's broader goal of reducing methane emissions
 - These actions would happen unilaterally since additional rules have not been finalized

