



Energy under the Trump Administration

Updates on Trump Energy Secretary Candidates

December 5, 2016

Harold Hamm, the Continental Resources CEO who was originally considered the leading candidate for Energy Secretary in the Trump Administration, stated on Dec. 1st that he was "not a contender" for the position, instead recommending **Representative Kevin Cramer** (R-North Dakota) for the position: "Kevin's a great guy, and he would be a perfect candidate, as well. I've put his name forward."^[i] Before being elected to Congress in 2012, Representative Cramer served as Public Service Commissioner in North Dakota. As both Public Service Commissioner and Congressman for North Dakota, Cramer directly witnessed the shale boom that has transformed the state into a major energy producer.

Hamm's declaration coincides with a recent switch in President-Elect Trump's energy transition team: Trump tapped Thomas Pyle, President of the Institute of Energy Research (IER), to lead the energy transition team following the departure of Mike McKenna.^[ii] Turnover in the transition team and Hamm's rejection of the position suggest that the search for a new Energy Secretary may be witnessing a significant change in trajectory, a conjecture that appears to be validated by the sudden emergence of new candidates within the last week.

Candidates from the Democratic Party

Although Congressman Cramer is a Republican, other congressional candidates for the Energy Secretary position are, interestingly, Democrats. Two names in particular have emerged from the pack: **Senator Joe Manchin** (D-West Virginia) and **Senator Heidi Heitkamp** (D-North Dakota). In addition to their party affiliation, Manchin and Heitkamp also share the fact that they represent energy-rich (in terms of fossil fuel endowment) states.

Senator Manchin's candidacy for the Energy Secretary position has been viewed by some circles as a means for the Trump Administration to "show the coal people how serious Trump is about coal."^[iii] Senator Manchin has long been an ardent supporter for the domestic coal

industry and has been vocal in his criticisms about the Obama Administration's positions on coal; in 2013, Manchin said, "The regulations the President wants to force on coal are not feasible. And if it's not feasible, it's not reasonable... It's clear now that the President has declared a war on coal." [iv] However, when asked about his consideration for the post, a spokesperson from Manchin's office denied the reports and said "he didn't think there was anything to the story and that it was the first the office had heard of it." [v] Senator Manchin's name has also been connected with the Secretary of State position. [vi]

Senator Heidi Heitkamp has also been rumored to be in the running for Energy Secretary, as well as the Secretary of Interior. [vii] According to a December 1st article on Reuters, Heitkamp "has been a supporter of domestic energy development both in fossil fuels and renewable resources." [viii] Of course, North Dakota, the state she represents, "is a major source of crude oil, coal and wind power" [ix] and has been one of the leading states in the U.S. shale hydraulic fracturing revolution.

From the Private Sector

Goldman Sachs **Chief Operating Officer Gary Cohn** has also been mentioned as a contender for the position, given his "long history as a commodities trader and deep expertise in the complexities of energy pricing." [x] Although neither Goldman Sachs nor Trump representatives have confirmed or denied the reports that Cohn was being considered, a Cohn appointment might be perceived as running counter to President-Elect Trump's campaign position of minimizing the influence on Washington from Wall Street and other special interests. President-Elect Trump has already selected Steve Mnuchin, a former Goldman Sachs partner, to become Treasury Secretary, and Steve Bannon, Trump's chief strategist, also previously worked at Goldman. [xi]

Conclusion

Given that Harold Hamm was long considered the top candidate for Energy Secretary, his explicit rejection of the position has suddenly cast greater uncertainty surrounding this Cabinet post. Nevertheless, the new shortlist of candidates that has emerged suggests that the new Secretary of Energy may not be substantially different from the Continental Resources CEO in terms of philosophy and outlook. Although non-fossil candidates have occasionally been mentioned in the past weeks, including nuclear energy-focused contenders such as **Commissioner Kristine Svinicki** [xii] (U.S. Nuclear Regulatory Commission) and **Donald Hoffman** [xiii] (former President of the American Nuclear Society), President-Elect Trump appears intent on tapping someone whose defining interest in energy lies in the coal, gas, and/or oil sectors.

[i] Julianne Geiger, "Harold Hamm Rejects Trump's Offer of Energy Secretary," OIPrice.com, December 1, 2016, last accessed December 3, 2016, <http://oilprice.com/Latest-Energy-News/World-News/Harold-Hamm-Rejects-Trumps-Offer-of-Energy-Secretary.html>.

[ii] Julian Spector, "Trump Energy Team Swaps Out Its Transition Team Leader," Greentech Media, December 1, 2016, last accessed December 3, 2016, <https://www.greentechmedia.com/articles/read/trump-doe-transition-team-lobbyist-oil-gas-koch>.

[iii] Lisa Hagen, "Trump considering Dem senator for Energy secretary: report," The Hill, December 1, 2016, last accessed December 5, 2016, <http://thehill.com/homenews/administration/308340-trump-considering-dem-senator-for-energy-secretary-report>.

[iv] "Manchin Slams Obama's War On Coal and Economy," Website of Joe Manchin: United States Senator West Virginia, last modified June 25, 2013, <http://www.manchin.senate.gov/public/index.cfm/press-releases?ID=e352d7be-2dd9-4b73-9f10-701060bc3ac6>.

[v] Eric Garcia, "Manchin's Office Refutes Reports He's Being Considered by Trump's Team," Roll Call, December 1, 2016, last accessed December 5, 2016, <http://www.rollcall.com/news/politics/report->

[manchin-being-considered-for-energy](#).

[vi] Eric Garcia, "Manchin Among Trump's Expanded Secretary of State List," Roll Call, December 5, 2016, last accessed December 5, 2016, <http://www.rollcall.com/news/politics/manchin-among-trumps-expanded-secretary-state-list>.

[vii] Ernest Scheyder, "Trump considering Senator Heitkamp of North Dakota for Cabinet: source," Reuters, December 1, 2016, last accessed December 5, 2016, <http://www.reuters.com/article/us-usa-trump-heitkamp-idUSKBN13Q500>.

[viii] Ibid.

[ix] Ibid.

[x] Charles Gasparino and Brian Schwartz, "Goldman's Gary Cohn on List for Trump Energy Secretary, Ponders Firm Exit," Fox Business, December 1, 2016, last accessed December 5, 2016, <http://www.foxbusiness.com/politics/2016/12/01/goldman-s-gary-cohn-on-list-for-trump-energy-secretary-ponders-firm-exit.html>.

[xi] Ibid.

[xii] Joel Myer, "NRC Commissioner in Running for Energy Secretary (Politico, Morning Energy)," The Energy News Feed, November 15, 2016, last accessed December 5, 2016, <http://energynewsfeed.blogspot.com/2016/11/nrc-commissioner-in-running-for-energy.html>.

[xiii] Rod Adams, "Will Donald Hoffman Be President Trump's Secretary Of Energy?" Forbes, November 10, 2016, last accessed December 5, 2016, <http://www.forbes.com/sites/rodadams/2016/11/10/will-donald-hoffman-be-president-trumps-secretary-of-energy/#3fc113d13115>.

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