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## Chinese cars make inroads

BY: **KELSEY TAMBORRINO** | 05/13/2026 05:45 AM EDT

*With help from Pavan Acharya, Josh Siegel and Zack Colman*

### QUICK FIX

- **The prospect of Chinese electric vehicles coming into the U.S. looms large** ahead of President Donald Trump's trip to Beijing this week.
- **The House is expected to vote as soon as today on legislation** to allow the sale of E15 gasoline year-round.
- **It's a busy day elsewhere on the Hill**, with top energy officials appearing across the Capitol and a hearing on transmission permitting.

**GOOD WEDNESDAY MORNING!** I'm your host, Kelsey Tamborrino. Ihna Varner of Bracewell is the trivia winner. Augusta and Juneau are the two U.S. state capitals that begin with the name of a month. For today: What was the first toy advertised on television?

Josh Siegel will be your host tomorrow, so send your tips and trivia answers to him at [joshuasiegel@politico.com](mailto:joshuasiegel@politico.com). You can follow me at [@kelseytam](https://twitter.com/kelseytam) or on Signal at [kelseytam.90](https://signal.com/kelseytam.90).

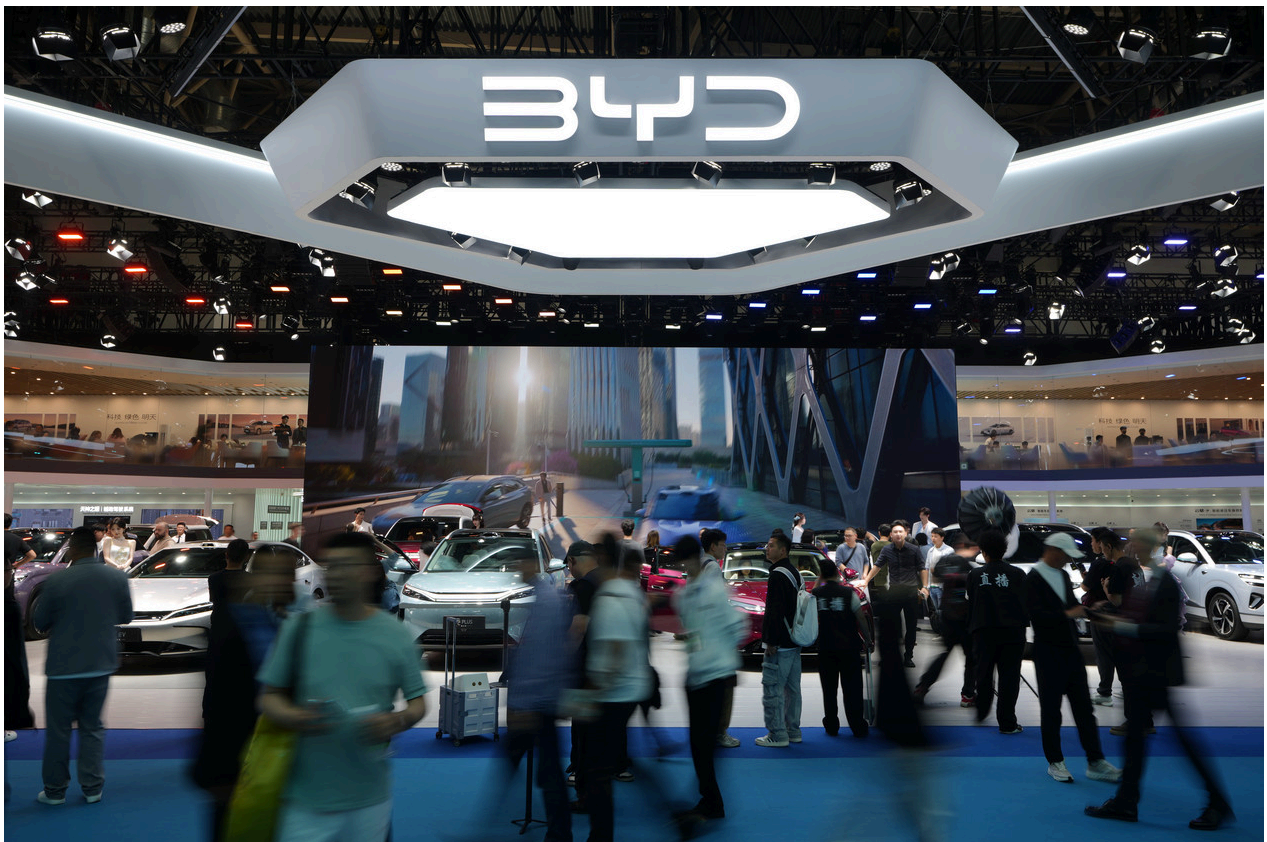
Check out the [POLITICO Energy podcast](#) — all the energy and environmental politics and policy news you need to start your day, in just five minutes. Listen and subscribe for free at [politico.com/energy-podcast](https://politico.com/energy-podcast). Today's episode: ***A federal gas tax holiday could be coming. Will it matter?***

#### DRIVING THE DAY

**PLUGGING IN:** Trump's trip to China this week comes as lawmakers and the U.S. auto industry are growing increasingly anxious about the possible entry of cheap Chinese electric vehicles into the United States — potentially wiping out the nascent U.S. EV sector at a time when fuel costs are soaring and rising car prices are souring public sentiment, [Zack Colman](#), [Jordyn Dahl](#), [Sara Schonhardt](#) and [Charlie Cooper](#) report.

A flurry of [new legislation](#) backed by the top [auto lobbying organization](#) and [manufacturers](#) along with [bipartisan warnings from Congress](#) to Trump to avoid deals are evidence that U.S. automakers are in a panic over the potential entry of Chinese EVs or manufacturing investment.

“They’re absolutely more than worried — they’re scared stiff,” said Michael Dunne, chief executive officer of Dunne Insights, an automotive consultancy. “Imagine if the Chinese come in with a \$25,000 EV. That could catch like wildfire.”



Visitors tour Chinese automaker BYD booth at the Auto China 2026, in Beijing, Saturday, April 25, 2026. | AP

The White House, in a statement, rejected the notion that it would allow any technology that would threaten U.S. national security, and an U.S. auto executive who was granted anonymity to discuss private conversations told POLITICO three senior administration officials insisted the auto sector would not be on the negotiating table for Trump's visit.

Still, automakers speaking to POLITICO expressed fears that Chinese EV brands could pose an existential threat to their business and impose security risks on American consumers. And the fact that the U.S. industry and its boosters have rallied their Washington allies for this week's summit is an indication that they are anxious about any unscripted dialogue between Trump and Xi Jinping.

"I hope it isn't on the agenda. But we are also doing everything we possibly can to keep it off the agenda," said Scott Paul, president of the Alliance for American Manufacturing, a coalition of U.S.-based companies. "There's a great deal of concern about this one."

#### GAS PRICES

**PUMP THE BRAKES:** Congressional leaders aren't exactly throwing their weight behind legislative proposals to suspend the federal gasoline tax, [Andres Picon, Pavan Acharya and Amelia Davidson report](#). Instead, they're preferring to wait and see whether Trump will make a more direct appeal to Congress.

Trump [on Monday said](#) "We're going to take off the gas tax for a period of time, and when gas goes down, we'll let it phase back in," without elaborating on who the "we" was. His allies on the Hill did not appear to be jumping at the chance to move legislation on the matter quickly.

Speaker [Mike Johnson](#) (R-La.) said it is "certainly" an "intriguing" idea but said Republicans still have to assess and consider potential "unintended consequences" before moving forward with a bill. House Majority Leader [Steve Scalise](#) (R-La.), who helps set the chamber's calendar, also did not promise a vote on the issue.

"It's a conversation that I think we're willing to have, and I'm certainly willing — I think most of our colleagues are — to hear the president's arguments if that's a case he wants to make to Congress," Senate Majority Leader [John Thune](#) (R-S.D.) told reporters Tuesday.

#### ON THE HILL

**MOMENT OF TRUTH FOR E15:** The House is expected to weigh in today on legislation, [H.R. 1346 \(119\)](#), that would allow year-round sales of fuel that uses a blend of 15 percent ethanol, as well as make reforms to the small refinery exemption program under the Renewable Fuel Standard.

The vote marks the latest escalation in [the lengthy saga of bipartisan midwestern lawmakers](#) trying to enact permanent E15. Agriculture industry groups [and even Trump](#) have put their support behind year-round E15, but the bill still faces heavy opposition from oil state lawmakers and small refiners.

The House Rules Committee cleared the way Tuesday for lawmakers to consider the legislation by approving a single-sentence resolution to decouple the ethanol issue from the farm bill, [H.R. 7567 \(119\)](#), as Marc Heller reports.

Emily Skor, the CEO of biofuels trade group Growth Energy, said the timing of today's vote "couldn't be more relevant" given rising gas prices. "This is a vote that is going to support lower gas prices for every driver across the country," she told ME. The Renewable Fuels Association echoed [in a letter to the House](#) on Tuesday that the legislation "provides an immediate and practical way" to help cut costs at the pump.

"Expanding year-round access to E15 strengthens domestic energy production, reduces reliance on foreign sources of petroleum, and creates additional market opportunities for America's farmers and rural communities," RFA President and CEO Geoff Cooper wrote.

The Fueling American Jobs Coalition, which includes independent U.S. oil refiners, meanwhile said in a statement the bill will increase costs while stripping protections for U.S. small and independent refiners. "There's a cruel irony that this scheduled House vote coincides with new reports that the Trump Administration is considering 'all measures' to lower gas prices for American consumers," the group said. It added Congress should not advance "unbalanced legislation that risks raising gas prices."

Should it pass the House, the path through the Senate [is another matter](#). "In the Senate, it has to be part of a bigger bill," Sen. [Chuck Grassley](#) (R-Iowa) said on a call with agriculture reporters, adding that time is short before the November midterm elections.

**WHERE THE WIND BLOWS:** A group of 55 House Democrats, led by Rep. [Seth Magaziner](#) of Rhode Island, is pressing the Pentagon for further information on its actions [stalling onshore wind project permits](#).

"While we recognize that the Department's review of potential impacts on military operations and readiness is an important and complex responsibility, the current situation represents an unexplained and significant departure from longstanding practice," the [lawmakers wrote](#) in a Tuesday letter to Pentagon leadership and shared exclusively with Amelia.

The lawmakers requested a classified briefing from the Pentagon to understand the basis for any slowdowns.

**OPENING UP THE CABINET:** Several top administration officials are hitting Capitol Hill today to discuss the fiscal 2027 budget, including Interior Secretary Doug Burgum, who [will appear before the House Natural Resources Committee](#), and EPA Administrator Lee Zeldin, who will appear before a [Senate Appropriations subcommittee](#).

Elsewhere on the Hill, all five commissioners on the Nuclear Regulatory Commission will appear [before the Senate Environment and Public Works Committee](#), Energy Secretary Chris Wright will testify before the [Senate Armed Services Committee](#) and Forest Service Chief Tom Schultz will join senators [on the Energy and Natural Resources Committee](#).

**GOP NODS AT TRANSMISSION:** Republicans leading the Energy and Commerce Committee are [holding a hearing](#) this morning on ways to boost transmission, a signal of bipartisan interest in a key element of permitting talks.

House Republicans last Congress balked at provisions pushed by Democrats that would make it easier to build new large power lines to accommodate renewable energy, a big factor in the bipartisan effort to ease federal permitting rules going down in flames. But now, the GOP is feeling growing pressure to respond to electricity price hikes and meet the rising power demand from AI data centers.

“We’ve been pressing for this kind of hearing all year long. This is something constructive that can lead to a bipartisan path forward,” said Rep. [Kathy Castor](#) (D-Fla.), ranking member of the committee’s energy subcommittee, at the United States Energy Association’s policy forum on Tuesday.

Still, Chair [Brett Guthrie](#) (R-Ky.) is planning to warn against efforts to give the federal government more power to approve, plan and coordinate transmission lines, by arguing states are better situated to make those decisions.

The purpose of the hearing is to “examine the longstanding role of states in the permitting process and how best to ensure transmission permitting and construction is efficient and predictable, and provides for affordable, reliable power,” Guthrie will say according to his prepared remarks that his office shared with our Josh Siegel. “As a practical matter, this enables consideration of what works best for communities and states and what is most affordable for ratepayers in those areas.”

Former FERC Commissioner Mark Christie, a Republican who chaired the committee at the beginning of the Trump administration, is planning to echo that point, as will a top official from Southern Company, a utility covering the Southeast.

Christie, in his prepared testimony submitted to the committee, warned that expanding FERC’s authority to override state decisions on whether to build transmission lines or

mandating a minimum amount of transmission between regions would not lead to new projects getting built and would instead “further inflate consumers’ monthly power bills.”

“A legislative transmission mandate will not serve consumers nor any credible ‘affordability’ agenda,” wrote Christie, a former state utility commissioner in Virginia.

Clay Rikard, senior vice president of system planning at Southern Company, plans to urge lawmakers to ease environmental laws that he says are “obstacles to building the energy infrastructure that this country needs,” including the National Environmental Policy Act, Clean Water Act and Endangered Species Act.

But in his prepared testimony, Rikard warned against actions to specifically boost federal power over transmission approvals, arguing such measures would “drive higher costs for our customers, weaken our system reliability, and disrupt our efficient, integrated planning.”

Ahead of the hearing, [the Electricity Customer Alliance submitted recommendations](#) to the committee with five areas of reform. Those recommendations include easing federal permitting barriers, streamlining siting and permitting processes and growing interregional transmission capacity.

**ME FIRST — MARKEY CALLS FOR FTC PROBE:** Sen. [Ed Markey](#) of Massachusetts, the top Democrat on the Senate Small Business Committee, wants the Federal Trade Commission to investigate whether oil and gas companies are unfairly benefiting from the energy crisis triggered by the start of the U.S.-Israel war with Iran.

Markey, [in a letter shared first with ME](#), asked the commission to formally probe “whether oil and gas companies are engaging in price gouging, market manipulation, or anti-competitive pricing practices that are driving up costs.”

“The American people are not asking oil and gas companies to absorb unforeseeable losses or forgo reasonable returns,” Markey wrote in the letter, which is directed to FTC Chair Andrew Ferguson. “They are asking that these companies not exploit a geopolitical emergency and national energy affordability crisis to post windfall profit records as domestic pump prices reach multi-year highs.”

Markey’s inquiry comes as the price of a barrel of oil circles triple digits and costs at the pump have increased about \$1.50 nationally since the start of the war, [according to American Automobile Association figures](#).

Back in 2021, then-President Joe Biden [similarly urged the FTC](#) to investigate oil and gas companies over concerns of “anti-consumer” behavior as gasoline prices surged.

**YEARLY VISIT:** The Women's Mining Coalition will be up on Capitol Hill today and Thursday for its annual fly-in. During the fly-in, "nearly 50 attendees will talk all things critical minerals, permitting reform and energy dominance," the coalition said.

#### AT THE AGENCIES

**BURGUM ON ALASKA, VENEZUELA:** Interior Secretary Doug Burgum told reporters that projects in Alaska and Venezuela are gaining momentum. Burgum said that developers of the \$44-billion Alaska LNG project are "making great progress" lining up off-takers and debt financing for the massive pipeline project.

Burgum, who will head to Alaska next week for an energy conference hosted by Republican Gov. Mike Dunleavy, said Pacific countries are looking for new sources and argued the long-anticipated project is a "strategic asset" given supply disruptions from the Middle East. But the project has faced years of delay and struggled to secure the necessary financing to get started, with many analysts believing it is over budget. "I'm still optimistic," Burgum said of the project, which is a Trump administration priority.

Burgum in comments to the U.S. Energy Association summit said that Venezuelan oil will increasingly be part of the world's resource mix as countries reassess dependence on Middle Eastern nations. Trump administration officials recently visited Caracas with U.S. oil companies to meet with officials there and discuss potential investment opportunities.

But Burgum did not say whether the Trump administration was considering incentives to coax companies to enter Venezuela. "The companies that have been down there are incentivized by the fact that there's just so much opportunity," he told reporters after his speech. "So I think the free markets are going to help drive a lot of capital to Venezuela."

**DOE OFFICIAL DISHES ON ENERGY PRICES:** The Trump administration has "no plans to extend the release" from the Strategic Petroleum Reserve beyond the 172 million barrel it already committed, Kyle Haustveit, assistant secretary for the DOE Hydrocarbons and Geothermal Energy Office, told reporters Tuesday at the USEA policy conference.

The SPR release was part of a coordinated global effort in March with International Energy Agency members to address supply shortages and price spikes following Iran's closure of the Strait of Hormuz. But prices have continued ascending as the war with Iran approaches the middle of its third month.

Haustveit did not offer details about whether DOE is helping to secure legislative support for suspending the gasoline tax beyond saying he is not personally involved. "The President is looking at it. He's publicly announced that," Haustveit said.

**DON'T DO SWETT IT:** FERC Chair Laura Swett warned that PJM's struggle to address the growing power needs from data centers threatens the country's artificial intelligence ambitions, and suggested the grid operator is facing a "legitimacy crisis," [Bloomberg reported](#).

Perhaps PJM "simply has grown too big to function," [Swett said](#) at PJM's annual stakeholder meeting this week. "We simply cannot have a market that falls short at exactly the time when we must successfully navigate this once-in-a-generation opportunity to cement America's energy leadership." She also announced [FERC will hold a July 23 conference](#) to discuss reforms for the U.S. largest grid.

**Permitting thoughts:** Swett also offered thoughts Tuesday on legislative efforts to reform permitting laws.

"The Clean Water Act has become a weapon for states to effectively veto federal projects that cross state boundaries," Swett said at the USEA forum. The chair added she supported the intent of the Clean Water Act to protect U.S. waters, but said it should stop there when it comes to projects in front of FERC.

"They should not be able to effectively veto a project on their own, unilaterally," she said. "So if Congress could make clear that the Clean Water Act state piece is really an analysis and [should] be feeding into FERC to make their final decision without the ability to halt the entire thing, that would be a generational change."

#### INDUSTRY INTEL

**FIRST IN ME — LOOKING AHEAD:** Investment in clean energy has been ramping up and is expected to continue as developers race to "safe harbor" their projects before a crucial July 4 deadline — and the increase in investing is borne out by [a new report](#) from the American Council on Renewable Energy. For the report, ACORE said it surveyed respondents at 36 "top U.S. and multinational companies."

Of those surveyed, close to 70 percent of capital providers said they planned to increase their investment in clean energy this year from 2025 — and more than 40 percent expect that increase to be by more than 10 percent.

Further, more project sponsors are expecting to increase development this year from 2025 rather than decrease. Ten percent of project sponsors, however, are planning to decrease their U.S. clean energy development by more than 10 percent.

But the outlook beyond 2026 is murkier. The survey said that "policy and investment uncertainty clouds the trajectory post-2026" as companies face "additional roadblocks to

financing and developing clean energy infrastructure,” an apparent allusion to the drawn-out phase out of certain clean energy tax credits.

“Our sector is thriving and poised to meet this moment of significant electricity demand growth, but investors and developers need policy certainty to deliver on this critical infrastructure for American energy security,” ACORE President and CEO Ray Long said in a statement.

#### THE GRID

— ['Out of control': Inflation surges to highest point in 3 years, driven by energy](#), via POLITICO

— [Top EPA official bought oil, gas and power plant stocks — then quickly dumped them](#), via NOTUS

— [Oil majors return to Alaska as state becomes 'world's hottest play'](#), via Financial Times

— [US considers financing billions of dollars for nuclear plant parts, industry group says](#), via Reuters

— [Choose your own adventure: Facing Lee Zeldin in Congress](#), via E&E News

#### ON THE CALENDAR

### WEDNESDAY

**9:30 a.m.** — The Senate Energy and Natural Resources Committee [holds a hearing](#) on the Forest Service's FY2027 budget request.

**9:30 a.m.** — The Senate Armed Services Committee [holds a hearing](#) on the Department of Energy and National Nuclear Security Administration atomic energy defense activities in review of the Defense Authorization Request for Fiscal Year 2027 and the Future Years Nuclear Security Program.

**10 a.m.** — The House Natural Resources Committee [holds a hearing](#) on Interior Secretary Doug Burgum's FY2027 budget request.

**10 a.m.** — The Senate Environment and Public Works Committee [holds a hearing](#) on the Nuclear Regulatory Commission's FY2027 budget request.

**10 a.m.** — The House Foreign Affairs Committee [marks up a number of bills](#), including [H.R. 7037 \(119\)](#), the Developing Overseas Mineral Investments and New Allied Networks for Critical Energies Act.

**10:15 a.m.** — The House Energy and Commerce Committee's Subcommittee on Energy holds a hearing titled, "[Wires, Rates, and States: Permitting Transmission for Reliable and Affordable Power](#)"

**10:30 a.m.** — The Senate Appropriations Committee's Subcommittee on Interior, Environment, and Related Agencies [holds a hearing](#) on EPA's FY2027 budget request.

**Noon** — The Urban Institute holds a discussion on "[Environmental Justice and Health Equity: Can Cumulative Impact Laws Help Address Environmental Health Disparities?](#)"

**2 p.m.** — The Cato Institute [holds a forum](#) on "How America Can Unleash the Next Energy Revolution."

**2:15 p.m.** — House Natural Resources ranking member [Jared Huffman](#) (D-Calif.) and Rep. [Andrea Salinas](#) (D-Ore.) [hold a news conference](#) on "the proposed rollback of the Roadless Area Conservation Rule."

**THAT'S ALL FOR ME!**

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