

Climate Policy Update

August 1, 2024

Good morning!

This is Akin's newsletter on climate change policy and regulatory developments, providing information on major climate policy headlines from the past week and forthcoming climate-related events and hearings:

National

Senate committee approves permitting, grid package *(GreenWire)*

In a 15-4 committee markup vote, the Senate Energy and Natural Resources Committee approved broad permitting and grid development legislation, which received bipartisan support. The legislation, proposed by Chair Joe Manchin (I-WV) and Ranking Member John Barrasso (R-WY), includes provisions for renewable energy projects, oil and gas lease sales, and grid improvements. While the bill faces opposition from environmental groups and some senators, it marks a significant step in addressing energy and infrastructure issues.

FERC chair calls Manchin, Barrasso permitting plan 'promising' *(EnergyWire)*

During a recent congressional hearing covering the Federal Energy Regulatory Commission's (FERC) Fiscal Year 2025 Budget Request, FERC Chairman Willie Phillips expressed hope that the legislation introduced by Sens. Manchin and Barrasso is a step in the right direction.

Energy Department awards initial funds to Appalachian hydrogen hub *(PoliticoPro)*

The U.S. Department of Energy (DOE) has awarded an initial \$30 million in funding to the Appalachian regional hydrogen hub across West Virginia, Ohio and Pennsylvania, with a total potential funding of up to \$925 million. The hub, led by Battelle, aims to develop multiple hydrogen fueling stations and carbon dioxide storage sites across Appalachia, potentially producing over 1,500 metric tons of clean hydrogen per day and reducing carbon dioxide emissions.

Greens look to counter lawmaker push on hydrogen credits *(E&E News)*

More than one hundred groups are lobbying against exemptions proposed by 13 Senate Democrats that would impact the carbon-reduction benefits of the 45V hydrogen tax credits. The proposed exemptions aim to relax restrictions on the type, location and timing of energy used to produce hydrogen, but environmental and community groups argue that these changes would prioritize profits over climate and environmental concerns. The Treasury Department has yet to set a date for the release of the final 45V guidance.

Brown, Colleagues Call on Biden Administration to Block American Taxpayer Money from Going to Biofuels Made with Foreign Feedstocks *(Office of Senator Sherrod Brown)*

A bipartisan group of U.S. senators, led by Sherrod Brown (D-OH) and Roger Marshall (R-KS), is urging the Biden administration to restrict taxpayer money from subsidizing biofuels produced with imported foreign feedstocks. They are concerned that the use of foreign feedstocks, such as Chinese used cooking oil and Brazilian ethanol, undermines American farmers and the competitiveness of the domestic biofuel industry.

House's Tonko proposes creating a national carbon market *(PoliticoPro)*

Rep. Paul Tonko (D-NY) is sponsoring the "Climate Pollution Standard and Community Investment Act of 2024," which aims to make the Biden administration's greenhouse gas reduction goals part of federal statute and to implement a compliance carbon market at the national level. The bill faces challenges in passing this year due to the current legislative calendar and lack of support among the Republican-controlled House, but is expected to jump start the debate in Congress.

Members Request Immediate Withdrawal of Burdensome CEQ Regulation *(House Committee on Natural Resources)*

House Committee on Natural Resources Chairman Bruce Westerman (R-AR) has sent a letter along with eight Republican colleagues urging the heads of the Department of Defense, Council on Environmental Quality, the National Aeronautics and Space Administration (NASA), U.S. General Services Administration and the Federal Acquisition Regulatory Council to withdraw a proposed rule that requires federal contractors to report greenhouse gas emissions and climate-related financial risk to the U.K.-based Science Based Targets Initiative (SBTi).

Harris campaign pledges she won't ban fracking after Trump accusation *(PoliticoPro)*

Vice President Kamala Harris' campaign rejected claims made by former President Donald Trump that she intends to ban fracking if elected president. The campaign cited data demonstrating a surge in oil and gas production during the Biden administration. Trump's accusations arise as Harris is anticipated to adjust her viewpoints on energy matters following her more progressive stance during the 2020 election campaign.

EPA to crack down on landfill methane *(ClimateWire)*

The Environmental Protection Agency (EPA) is considering a new rule to regulate landfill gas emissions. Methane, a major component of landfill gas, is a potent greenhouse gas, and the proposed rule could result in substantial reductions in emissions at a relatively low cost. Stakeholders are urging the EPA to implement the new rule in a timely manner and to take advantage of technological advancements in methane monitoring to effectively address landfill emissions.

NOAA to send \$575M to coastal areas for climate resilience *(PoliticoPro)*

The Biden administration has announced \$575 million in federal grants to help fifteen states protect their shoreline communities from climate change impacts. These grants will fund various projects, such as building resilience hubs, acquiring at-risk properties and implementing nature-based strategies to address climate hazards.

Supreme Court sets date for water pollution case *(GreenWire)*

The Supreme Court will consider a case involving the EPA's approach to water pollution permits, particularly focusing on generic pollution standards under the Clean Water Act. San Francisco is challenging the EPA's

reliance on generic terms, claiming that it makes compliance unreasonably difficult. The case has drawn support from trade groups and major cities, and its outcome could impact EPA's permit-writing process for various industries under the National Pollutant Discharge Elimination System.

State and Local

California looks to extend carbon market 5 years ahead of end date *(ClimateWire)*

California plans to extend its carbon cap-and-trade program, which is set to expire in 2030, to provide regulated businesses with long-term certainty. The program, in place since 2012, has raised over \$3 billion annually for the state and influenced other states' decisions on cap-and-trade programs.

A new climate conversation starter *(Politico California Climate)*

Ana Matosantos, a former adviser to Gov. Gavin Newsom and former Gov. Jerry Brown, authored a report proposing detailed ideas for California's climate plans in the electricity sector. The report addresses challenges such as doubling electricity demand, incorporating natural gas and hydrogen, and building power lines for clean energy industries. Additionally, a coalition of clean energy industry and environmental groups, led by the Natural Resources Defense Council, is warning California lawmakers against making any changes to the state's energy-efficiency programs that reduce electricity bills despite there being no public proposals for changes at the moment.

Renewable advocates press for carbon pricing *(Politico Weekly New York & New Jersey Energy)*

A coalition called Carbon Free New York, supported by renewable energy advocates and allies, is urging the inclusion of the electricity sector in New York's potential statewide cap-and-trade program. This program, known as "cap-and-invest," would limit emissions and auction off allowances to polluters, with costs likely to be passed on to consumers. The coalition believes that the inclusion of the electricity sector in the program would bring benefits to local air quality in disadvantaged communities.

Capping carbon could help Maryland meet its climate goals — at a cost *(ClimateWire)*

A new analysis published by Resources for the Future to examine the effects of an economy-wide carbon market Maryland report found that implementing a cap-and-trade-style program could raise funds for clean energy projects in low-income communities but would likely face high prices initially as regulated industries start to formulate their emissions reduction strategies. If pursued, Maryland would join California and Washington as the third state in the U.S. with a statewide carbon market.

DOE greenlights second state to disburse climate law's energy rebates *(EnergyWire)*

The DOE has approved a Wisconsin plan to distribute nearly \$150 million in home energy rebates for electric appliances, home insulation and energy efficiency projects. This is part of an \$8.6 billion DOE initiative aimed at benefiting low- and moderate-income Americans. Wisconsin is the second state to receive DOE approval for these rebate programs.

Minnesota green-lights first natural gas 'innovation' plan *(EnergyWire)*

Minnesota regulators have approved a \$106 million natural gas innovation plan by CenterPoint Energy to reduce greenhouse gas emissions by 1.2 million metric tons over the next five years. The plan involves 17 pilot

projects aimed at reducing emissions from homes and businesses that use natural gas for heating and industrial purposes, including the use of hydrogen and renewable natural gas.

International

[US delays China's WTO challenge against Biden climate law](#) (*PoliticoPro*)

The United States blocked China's request for a dispute settlement panel to review whether certain provisions of President Joe Biden's Inflation Reduction Act comply with global trade rules. The U.S. accused China of trade "hypocrisy" for its substantial support for clean energy initiatives while targeting U.S. measures. China plans to make a second request for a panel, and both countries presented their arguments at the World Trade Organization's Dispute Settlement Body meeting.

Check out below for key quotes, federal agency news and a look at the week ahead in congressional hearings and think tank events:

Quote of the Week

"This was truly an overwhelming bipartisan vote of 15 to 4. A lot of times we see things come out on party-line votes, this is not party-line. This is everything that's needed in this country to make sure that we're able to deliver dependable, reliable and affordable energy in the cleanest fashion possible, realizing that we have to have dispatchable power now, but also realize that we're investing and we have to bring forward the transmission to basically move those electrons in the cleanest fashion with renewables. So we're doing everything we can to have a balanced approach."

-U.S. Senator Joe Manchin (I-WV) upon the conclusion of the Senate Energy and Natural Resources Business Meeting to consider the bipartisan Energy Permitting Reform Act of 2024 ([Senate Committee on Energy and Natural Resources Press Room](#) – July 31, 2024)

Congressional Hearings (July 29 – August 2, 2024)

Senate

[Committee Markup of Energy Permitting Reform Act of 2024 \(S. 4753\)](#)

Energy and Natural Resources

Wednesday, July 31, 10:00 AM ET

[Charging Ahead: The Future of Electric Vehicle Budget](#)

Wednesday, July 31, 10:00 AM ET

House of Representatives

No relevant hearings.

Federal Agency Climate News

Department of Energy

[Biden-Harris Administration Purchases More Than 4 million Barrels for the Strategic Petroleum](#)

Department of Transportation

[Excerpts: U.S. Transportation Secretary Pete Buttigieg on 'The Future of E-Mobility' with Axios](#) (July 29)

Reserve – Bringing Total Purchased to 40 million at a Good Deal for American Taxpayers (July 29)

Biden-Harris Administration Announces \$24 Million to Further Expand America’s Clean Energy Workforce and Enhance Manufacturing Efficiency (July 29)

The Partnership for Transatlantic Energy and Climate Cooperation (P-TECC) Statement of Principles – 2024 (July 25)

Department of Commerce

Biden-Harris Administration, NOAA Propose \$575 Million to Increase Coastal Climate Resilience (July 26)

Funding and Comment Opportunities

Concentrating Solar Flux to Heat and Power
Department of Energy
Close Date: August 8, 2024

Wholesale Electricity Market Studies and Engagements
Department of Energy
Close Date: August 22, 2024

Geothermal Technologies Office Geothermal Resources’ Value in Implementing Decarbonization (GTO GRID)
Department of Energy
Close Date: September 9, 2024

Bipartisan Infrastructure Law Enhanced Geothermal Systems (EGS) Pilot Demonstrations
Department of Energy
Close Date: September 25, 2024

Fiscal Year 2024 Solar Energy Supply Chain Incubator
Department of Energy
Close Date: October 7, 2024

Connected Communities 2.0: Innovations to Manage Growing Transportation, Building, and Industrial Loads to the Grid
Department of Energy
Close Date: October 10, 2024

Offshore Wind National and Regional Research and Development
Department of Energy
Close Date: November 7, 2024

Smart Manufacturing Technologies for Material and Process Innovation
Department of Energy
Close Date: November 18, 2024

D.C. Climate Events

Crypto, Data Centers, and Climate
The Federalist Society for Law and Public Policy Studies Environmental Law & Property Rights Practice Group
Monday, July 29, 3:30 PM ET

2024 Congressional Renewable Energy and Energy Efficiency EXPO and Policy Forum
Environmental and Energy Study Institute
Tuesday, July 30, 10:00 AM ET

For more information, please contact your regular Akin lawyer or advisor, or:

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