



# Climate Policy Update

June 20, 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

### **Congress passes bipartisan nuclear bill in a bid to revive the struggling sector** *(PoliticoPro)*

Congress passed the ADVANCE Act to facilitate the development and deployment of new nuclear reactors. The act received bipartisan support, aiming to modernize regulations, streamline permitting and reduce licensing fees for new reactor technologies. Supporters believe that advancing nuclear energy will help combat climate change, create high-paying jobs and strengthen the country's energy security.

### **Biden administration sets labor rules for clean energy tax credits** *(PoliticoPro)*

The Biden administration has rolled out final rules to promote high-paying construction jobs and union-backed apprenticeships in exchange for tax credits in green-energy projects. Developers can qualify for a 30% credit on solar, wind and other clean energy projects by offering workers a prevailing wage and ensuring that apprenticeships play a significant role. The regulations are set to take effect later this summer.

### **DOE floats \$900M to build advanced reactors** *(EnergyWire)*

The Department of Energy plans to invest \$900 million in developing small nuclear reactors to bolster the industry, with a focus on supporting first-mover teams and spurring the technology's deployment. This initiative aligns with the Biden administration's goal of scaling up nuclear power to achieve clean, firm electricity capacity and reach net-zero emissions by 2050.

### **Biden's Tough-on-China Stance Threatens Green America Push** *(Wall Street Journal)*

The Biden administration's recent trade restrictions on Chinese clean-energy imports to protect domestic industries threatens the goal of building out U.S. renewable-energy generation. Although these actions aim to reduce the reliance on China and support domestic manufacturing, some industry executives are concerned

that these measures may lead to higher costs, cause delays in renewable energy projects and potentially hinder the U.S. from achieving its clean-energy and climate goals.

### **Energy takeaways from Donald Trump's Capitol Hill blitz** *(E&E News)*

Former President Donald Trump recently visited Capitol Hill to discuss his second term agenda, during which he emphasized his plans to expand fossil fuel production and reverse Biden administration policies promoting electric vehicles. Lawmakers described Trump's tone as upbeat and focused on reinstating his first-term policies on energy, the economy and foreign policy if re-elected.

### **'Clean' hydrogen may not slash CO2 for a decade — report** *(EnergyWire)*

A recent Moody's report highlights the challenges in infrastructure development, cost and transportation the clean hydrogen industry faces, likely slowing its emergence as a decarbonizing tool over the next decade. Delays in tax guidance and concerns about overreliance on tax credits are also influencing the industry's long-term development, with industry leaders and environmental groups offering differing perspectives on the draft guidance.

### **Oil industry sues over Biden truck emissions rule** *(ClimateWire)*

The American Petroleum Institute, along with other industry groups, is suing the Biden administration over new emissions rules for heavy-duty trucks, claiming that the requirements exceed the Environmental Protection Agency's (EPA) authority. The EPA's plan aims to set strong pollution standards for the transportation sector, with the goal of reducing carbon dioxide emissions and other pollutants by 2055.

### **SEC climate rule critics make their case in court** *(ClimateWire)*

Critics are asking a federal appeals court to permanently scrap the climate disclosure rule proposed by the Securities and Exchange Commission, arguing that it would impose an "extraordinary burden" on companies. The rule would require public companies to disclose details about their climate risk, and critics argue that it is an overreach that would cost companies billions of dollars to comply.

## State and Local

### **NY Gov. Hochul's bet against congestion pricing is backfiring** *(ClimateWire)*

New York Governor Kathy Hochul is facing political consequences for her recent reversal on congestion pricing in New York City. Her decision to cancel support for the tolling plan has led to criticism from fellow Democrats and left-leaning activists, who are now considering potential challengers to her in the upcoming election.

### **Texas water fight shows pushback on 'clean' hydrogen** *(EnergyWire)*

A \$2.5 billion hydrogen project in Texas is facing opposition over concerns about its potential environmental impact and water usage. Critics argue that the project, which aims to produce zero-carbon hydrogen using water from the Nueces River, could exacerbate water scarcity in the region.

### **California hydrogen hub expects to announce project winners as soon as next month** *(EnergyWire)*

The California hydrogen hub, ARCHES, is expected to announce the 37 projects that will receive funding in late July or early August. The organization has been in negotiations with the Department of Energy (DOE) over the funding recipients, aiming to convince the federal agency that it can meet its goals on the established timeline. California's effort to include hydrogen in its renewable energy transition is crucial, and the state's hydrogen hub is focused on decarbonizing public transportation, heavy-duty trucking and ports.

### **Colorado: A national model for electric heating?** *(EnergyWire)*

Xcel Energy, Colorado's largest gas utility, has received approval from the Colorado Public Utilities Commission to implement a plan aimed at cutting greenhouse gas emissions from home heating systems. The \$440 million plan includes measures to improve energy efficiency in homes, convert gas and water heaters to electric appliances and incentivize the construction of all-electric homes.

### **Florida has unraveled climate goals for years. DeSantis struck the latest blow.** *(ClimateWire)*

Governor Ron DeSantis recently toured flood-affected areas of South Florida and defended his decision to remove the state's climate change goals, arguing that the focus should be on affordability and reliability of energy. His decision faced criticism from environmentalists and Democrats, who view it as a step in the opposite direction from renewable energy and climate change initiatives.

## International

### **EU approves first-ever sanctions on Russian gas** *(PoliticoPro)*

The European Union (EU) has decided to impose sanctions on Russia's gas sector, targeting its liquefied natural gas (LNG) exports to the EU. Germany and Hungary initially opposed the deal, with Germany expressing concerns about the impact on small businesses due to expanded export obligations. The sanctions aim to restrict the resale of Russian LNG in EU ports and block financing for Russia's planned Arctic and Baltic LNG terminals.

### **Deal to limit oil and gas funding abroad hinges on US** *(ClimateWire)*

U.S. officials are considering a European Union-led proposal to end loans and guarantees from their export credit agencies to oil and gas projects. The fate of this proposal could affect the flow of funding into polluting energies. The pressure is on the U.S. to join the agreement, as its participation would be crucial in influencing other key countries.

### **G7 leaders remain vague on oil and gas phase-out** *(ClimateWire)*

Leaders of the G7 countries have vowed to end their use of coal by 2035, but they haven't provided concrete plans for phasing out oil and natural gas. Climate advocates criticized the commitments as merely restating past goals, and there are concerns about the lack of progress on transitioning away from gas. The G7 also expressed intentions to curb Russian energy revenues but left the door open for public investments in the gas sector, sparking some criticism from climate experts.

## [US as many as 15 years behind China on nuclear power, report says](#) (Reuters)

According to a report, the U.S. is up to 15 years behind China in high-tech nuclear power development, largely due to China's state-backed technology approach and extensive financing. To catch up technologically, the report suggests that the U.S. should develop a robust national strategy involving more investment in research and development, identifying and accelerating promising technologies and supporting the development of a skilled workforce.

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

"Meeting strong labor standards and building partnerships with unions will now be the norm for clean energy projects [...] Today's final rules give clarity and certainty to developers and the workers they employ that clean energy jobs will be good jobs."

-John Podesta, Senior Advisor to the President for International Climate Policy ([Department of Treasury](#) – June 18, 2024)

## Congressional Hearings (June 17 – June 21, 2024)

### Senate

No relevant hearings.

### House of Representatives

No relevant hearings.

## Federal Agency Climate News

### Department of Treasury

[U.S. Department of the Treasury, IRS Release Final Rules to Ensure Good-Paying Clean Energy Jobs, Expand Clean Energy Workforce as Part of President Biden's Investing in America Agenda](#) (June 18)

### Department of Energy

[DOE Leads Effort to Improve the Cybersecurity of Energy Supply Chains](#) (June 18)

[DOE Announces \\$900 Million to Accelerate the Deployment of Next-Generation Light-Water Small Modular Reactors](#) (June 17)

### White House

[Biden-Harris Administration Releases Agency Climate Adaptation Plans, Demonstrates Leadership in Building Climate Resilience](#) (June 20)

[Biden-Harris Administration Announces Historic Rules to Create Good-Paying, High-Quality Clean Energy Jobs](#) (June 18)

[Statement from National Security Advisor Jake Sullivan on the Global Effort to Strengthen the Cybersecurity of Energy Supply Chains](#) (June 18)

[Joint Fact Sheet: The United States and India Continue to Chart an Ambitious Course for the](#)

**Initiative on Critical and Emerging Technology**  
(June 17)

## Funding and Comment Opportunities

**FY2024 Vehicle Technologies Office Research & Development**

**Department of Energy**

Close Date: June 24, 2024

**Concentrating Solar Flux to Heat and Power**

**Department of Energy**

Close Date: August 8, 2024

**Advanced Manufacturing and Recycling Program**

**Department of Energy**

Close Date: June 24, 2024

**Wholesale Electricity Market Studies and Engagements**

**Department of Energy**

Close Date: August 22, 2024

**Solar and Wind Interconnection for Future Transmission**

**Department of Energy**

Close Date: June 28, 2024

**Geothermal Technologies Office Geothermal Resources' Value in Implementing Decarbonization (GTO GRID)**

**Department of Energy**

Close Date: September 9, 2024

**Bipartisan Infrastructure Law (BIL) – Joint Office of Energy and Transportation: Communities Taking Charge Accelerator, Fiscal Year 2024**

**Department of Energy**

Close Date: July 16, 2024

**Fiscal Year 2024 Solar Energy Supply Chain Incubator**

**Department of Energy**

Close Date: October 7, 2024

## D.C. Climate Events

**U.S.-India Clean Energy Partnership for 450 GW**

**Center for Strategic and International Studies**

Tuesday, June 18, 10:00 AM ET

**Climate and Trade Summit**

**Bipartisan Policy Center**

Wednesday, July 10, 1:00 PM ET

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

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