

# Climate Policy Update

May 30, 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

- **Treasury Unveils Proposed Rules For Climate Law's Tech-Neutral Credits** (*PoliticoPro*)

The Biden administration released preliminary guidance on May 29 for technology-neutral tax credits for electricity generation that are projected to contribute significantly to the reduction of greenhouse gas emissions as outlined in the Inflation Reduction Act (IRA).

- **Biden Admin Offers First Offshore Wind Lease in Gulf of Maine** (*E&E News*)

The Department of the Interior is moving forward with a plan to lease offshore space in the Gulf of Maine, which could potentially pave the way for the first floating wind project on the East Coast. Initially suggested by Maine's Governor Janet Mills in 2021, the proposed research lease in federal waters would enable the state to construct a trial project for floating turbines and assess the impact of wind energy on the Gulf's ecosystem.

- **Carbon Offsets, a Much-Criticized Climate Tool, Get Federal Guidelines** (*New York Times*)

The Biden administration has introduced guidelines for the use of carbon offsets to address global warming, aiming to ensure their effectiveness. These guidelines stress the significance of "high-integrity" offsets that lead to tangible and measurable reductions in emissions. While certain critics contend that the guidelines lack specificity and enforcement, advocates believe they can facilitate the establishment of a more extensive market for top-quality offsets that effectively address climate change.

- **How Biden Would Address Climate Change in a Second Term** (*E&E News*)

While much of President Biden's first term was focused on passing landmark climate legislation, the focus of a potential second term would likely involve setting in motion long-term climate solutions, such as expanding transmission lines, increasing energy storage, decarbonizing heavy industry and continuing efforts to get IRA dollars to critical projects.

- **'Huge Impact': Biden on Cusp of Slashing Emissions from New Homes** (*E&E News*)

The Biden administration is currently exploring the possibility of implementing a federal mandate that would necessitate newly constructed homes to adhere to the most recent international energy

efficiency standards. This potential mandate could result in reduced energy consumption and emissions, but it may also lead to augmented construction costs for new homes.

## State and Local

- **Grid Batteries Boosting Natural Gas in Texas — Report** (*E&E News*)

The utilization of batteries on the Texas grid has substantially expanded, offering backup power during periods of high demand and resulting in significant cost savings in the market. While batteries support renewable energy, they have also contributed to a rise in natural gas generation as gas plants have more capacity to meet the increasing electricity demand.

- **Illinois Set to Adopt ‘Nation-Leading’ Carbon Pipeline, Storage Rules** (*E&E News*)

Illinois Governor J.B. Pritzker is planning to sign the “SAFE CCS Act,” which aims to regulate carbon dioxide storage and transportation, including a temporary halt on approvals for CO2 pipelines for up to two years. The legislation, passed by the Illinois Legislature, sets standards for the growing carbon capture and storage industry. Once signed, Illinois will join California as the only states to implement a moratorium on CO2 pipelines.

- **Vermont Governor Vetoes Bill for 100% Renewable Energy by 2035** (*E&E News*)

Vermont Governor Phil Murphy vetoed a bill that aimed to mandate state utilities to obtain all renewable energy by 2035, citing concerns about the potential financial burden on ratepayers. The proposed legislation would have required major utilities to achieve this target by 2030, positioning Vermont as the second state with such an aggressive timeline if it had been passed. Currently, Vermont utilities are mandated to purchase 75% renewable energy by 2032.

- **Proposal to Cut Wind Farm’s Size Rejected by Washington Governor** (*E&E News*)

Washington Governor Jay Inslee rejected a recommendation to reduce the size of the Horse Heaven wind farm project, which was initially planned to include 222 wind turbines and three solar arrays. The suggestion to downsize the project was made due to the presence of endangered hawk species in the area, but Gov. Inslee emphasized the importance of expanding renewable energy projects to meet the state’s growing energy demands and rejected the council’s recommendation.

## International

- **Macron Ally Backs Spanish Socialist as EU Climate Boss** (*E&E News*)

Spain’s Deputy Prime Minister Teresa Ribera has received support from Pascal Canfin, a member of the European Parliament and ally of French President Emmanuel Macron, in her bid to lead the European Union’s (EU) Green Deal. Ribera, who is leading the Spanish Socialists’ campaign for the EU election, is seeking a key position in the next European Commission and has expressed strong disapproval of Commission President Ursula von der Leyen, accusing her of making too many compromises with the political right on environmental policies.

- **Momentum Building Behind Global Company Climate Disclosures, Standards Body Says** (*Reuters*)

The International Sustainability Standards Board (ISSB) reported that more than 20 countries are adopting international climate-related disclosure standards, representing a significant portion of global economic growth, stock market capitalization and greenhouse gas emissions. While the EU’s company

climate disclosures are considered interchangeable with ISSB norms, some jurisdictions are proposing adjustments, which could lead to increased compliance costs for international companies.

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

“Voluntary carbon markets can help unlock the power of private markets to reduce emissions, but that can only happen if we address significant existing challenges [...] The principles released today are an important step toward building high-integrity voluntary carbon markets.”

–Janet Yellen, Secretary, U.S. Department of the Treasury (New York Times – [May 28](#))

## Congressional Hearings (May 28 – May 31, 2024)

### Senate

No relevant Senate hearings.

### House of Representatives

No relevant House hearings.

## Federal Agency Climate News

### White House

[Biden-Harris Administration Takes Action to Expand Access to Capital for Small- and Medium-Sized Climate Businesses](#) (May 30)

[Biden-Harris Administration Announces New Steps to Bolster Domestic Nuclear Industry and Advance America’s Clean Energy Future](#) (May 29)

[Biden-Harris Administration Launches Federal-State Initiative to Bolster America’s Power Grid](#) (May 28)

[Biden-Harris Administration Announces New Principles for High-Integrity Voluntary Carbon Markets](#) (May 28)

### Department of the Treasury

[U.S. Department of the Treasury, IRS Release Proposed Guidance to Continue Investment Boom in Clean Energy Production](#) (May 29)

### Department of Energy

[Biden-Harris Administration Announces First State in Nation to Launch Historic Home Energy Rebates Program to Lower Families’ Utility Bills](#) (May 30)

## Funding and Comment Opportunities

[FY2024 Vehicle Technologies Office Research & Development](#)

Department of Energy

Close Date: June 24, 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

**Advanced Manufacturing and Recycling Program**

**Department of Energy**

Close Date: June 24, 2024

**Solar and Wind Interconnection for Future Transmission**

**Department of Energy**

Close Date: June 28, 2024

**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

**D.C. Climate Events**

**Energy Leadership Conversation with Wael Sawan**

**Center for Strategic and International Studies**

Tuesday, June 4, 9:00 AM ET

**International Minerals Diplomacy: A Fireside Conversation with Bob Wilt, CEO of Ma'aden**

**Center for Strategic and International Studies**

Wednesday, June 12, 9:00 AM ET

**Leadership Conversation with Dan Brouillette, President and CEO of the Edison Electric Institute**

**Center for Strategic and International Studies**

Tuesday, June 11, 10:00 AM ET

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

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