

Climate Policy Update

May 23, 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

- **Manchin says energy permitting reform language could be released this week** (*PoliticoPro*)

Senate Energy and Natural Resources Chair Joe Manchin aims to release draft legislative language to overhaul energy permitting rules this week, following negotiations with Sen. John Barrasso (R-WY). The goal is to expedite approvals for new power lines, clean energy projects, pipelines and export terminals. While talks are ongoing, and growing urgency to address increasing electric demand continues, all eyes will be on the discussion draft legislation once released.

- **Climate debate bedevils farm bill as House panel holds vote** (*E&E News*)

The House Agriculture Committee will markup the “*Farm, Food and National Security Act*,” a five-year farm bill during this week, as disagreements between Republicans and Democrats are already emerging. The proposed bill includes increased funding for conservation efforts but eliminates the focus on climate change in the programs Democrats championed in the Inflation Reduction Act (IRA).

- **Biden's \$7B 'clean' hydrogen dream faces pipeline hurdle** (*E&E News*)

President Biden's plan to develop a “clean” hydrogen industry is facing early struggles about the lack of regulations for transporting the fuel, which could hinder emission reduction efforts. The insufficient infrastructure to transport hydrogen from production facilities to buyers is also a significant challenge for the emerging industry. Retrofitting existing gas lines with hydrogen is being considered, yet there are also concerns about potential leaks, explosions and nitrous oxide emissions.

- **Utility group sues EPA over 'premature' carbon capture standard in power plant rule** (*E&E News*)

The Edison Electric Institute (EEI) has taken legal action against the Biden administration's recent climate rule, which mandates that fossil fuel power plants must utilize carbon capture and storage. This represents a confrontational shift for the organization, which helped craft the new ruling, and had not opposed the Clean Power Plan established during the Obama administration.

- **EVs top rail as largest US transportation user of electricity** (E&E News)

According to recent federal data published by the United States Energy Information Administration, electric vehicles surpassed rail in consuming U.S. power last year, marking a significant change in the transportation industry. For the past 20 years, freight and passenger rail had been the largest electricity consumer in the transportation sector nationwide. However, in 2023, electricity usage from electric vehicles (EVs) and plug-in hybrids rose by almost 50% compared to the previous year, reaching over 7,000 gigawatt-hours.

- **Charging stations are failing to keep up with the EV boom** (Washington Post)

As the number of EV registrations in the U.S. increased nearly threefold since 2016, the disparity of EVs and public chargers continues to widen, as today there are more than 20 electric cars per public charger in the U.S.

- **Will big business rescue the Democrats' climate law?** (E&E News)

The U.S. Chamber of Commerce and the American Petroleum Institute, two trade groups whose campaign arms heavily support Republican candidates, are preparing to defend the law, despite both organizations largely opposing the Democratic-led legislation two years ago.

- **Lawsuit slams DOE's LNG pause as unconstitutional** (E&E News)

The Pelican Institute for Public Policy and the Liberty Justice Center have sued the Department of Energy (DOE) over its pause on liquefied natural gas (LNG) export approvals, claiming it is unconstitutional and harmful to the economy. The lawsuit was filed on behalf of the Oil & Gas Workers Association. The DOE has stated that the pause is necessary to update analyses on the economic and climate implications of LNG exports, while the oil & gas industry has opposed the decision.

- **DC Circuit LNG fight showcases rift on social cost of carbon** (E&E News)

The U.S. Court of Appeals for the District of Columbia Circuit is considering whether to order a second review of the potential impact of two LNG export projects in Texas on climate change and air quality. The case revolves around the use of the social cost of carbon in evaluating energy projects, with the court questioning the adequacy of the Federal Energy Regulatory Commission's (FERC) analysis.

State and Local

- **20 states sue to block Biden's NEPA rule** (PoliticoPro)

Republican attorneys general from 20 states, led by Iowa Attorney General Brenna Bird and North Dakota Attorney General Drew Wrigley, are suing to stop the White House's recent regulation on how agencies should follow the National Environmental Policy Act (NEPA). While the Biden administration has framed the rule as a means to expedite permitting for renewable energy and other critical infrastructure projects, opponents from conservative-leaning states argue that the changes will hinder development.

- **California solar market lagging a year after policy shift — DOE lab** (E&E News)

DOE's Lawrence Berkeley National Laboratory issued a new report showing a significant decline in rooftop solar installations after the California Public Utilities Commission (CPUC) implemented net metering reforms, leading to the lowest number of installations in over a decade. The reforms included

a new “net billing tariff” that reduced the reimbursement rates for excess solar power sent back to the grid.

- **California lawmakers reject bill to add sunset date on \$24 utility charge** (*E&E News*)

The CPUC decided in early May to apply a monthly fee of \$24.15 to the majority of electricity customers’ bills, in addition to a rate change aimed at encouraging the adoption of electric appliances and vehicles. Legislation introduced in the California Assembly aiming to repeal the CPUC’s new \$24 utility bill charge did not receive enough support in the Assembly Appropriations Committee and ultimately died.

- **Clean energy keeps exceeding California’s grid demand** (*Office of Governor Newsom*)

Gov. Newsom (D-CA) announced that clean energy resources have outperformed grid demand for 34 days straight. During his address at the Vatican Climate Summit, Gov. Newsom emphasized the importance of this achievement and advocated for the advancement of renewables.

- **DeSantis Signs Law Deleting Climate Change from Florida Policy** (*New York Times*)

Florida’s new legislation, signed by Gov. Ron DeSantis (R-FL), removes the requirement for the state to consider climate change when creating energy policy. The law, effective from July 1, also bans offshore wind turbines in state waters and eliminates grant programs supporting energy conservation and renewable energy. Additionally, it removes regulations on using climate-friendly products, buying fuel-efficient vehicles and restricting fuel types for appliances.

- **FERC chair: Louisiana gas export project review isn’t over** (*E&E News*)

The chair of FERC informed lawmakers that the agency is still reviewing emissions estimates for a proposed gas export facility in Louisiana, causing a delay in making a final decision on the terminal. Despite a final environmental review issued by FERC last July, the commission has not yet brought the project up for a vote at its monthly meetings. Last week, FERC staff requested more information from Venture Global about the emission rates for the Calcasieu Pass 2 (CP2) after concerns were raised by the Sierra Club.

International

- **Global critical mineral supply gap looms, IEA says** (*E&E News*)

Global critical mineral prices fell in 2023, but the supply chains are heavily concentrated, which could pose challenges for clean energy aspirations in the long term. The International Energy Agency’s (IEA) report highlighted projections of future demand exceeding global supply for certain critical minerals by the early 2030s.

- **Google invests 1 billion euros in Finnish data centre to drive AI growth** (*Reuters*)

Google plans to invest €1 billion (\$1.1 billion) in expanding its data center campus in Finland to boost its artificial intelligence (AI) business in Europe. The Nordic region’s favorable cooler climate, tax benefits and renewable energy availability make it an attractive location for data centers.

- **UK will not weaken next carbon budget, energy minister says** (*E&E News*)

The U.K. government has decided not to carry over surplus emissions reductions from previous years to future climate targets, despite overachieving in the previous budget period. This decision aims to

avoid weakening future climate targets and maintain the United Kingdom's international credibility. The government's independent climate advisers support this decision and emphasize the need for more investment in low carbon solutions.

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

"I like to say that the folks from another side of the dais want [power] lines and the folks on this I want pipelines — but we really want both, because we know that both are essential."

—Senator Bill Cassidy (*E&E News* – [May 21](#))

Congressional Hearings (May 20 - May 24, 2024)

Senate

[Hearing to Examine the Opportunities, Risks, and Challenges Associated with Growth in Demand for Electric Power in the United States](#)

Senate Energy and Natural Resources

Tuesday, May 21, 10:00 AM ET

[Hearings to examine proposed budget estimates and justification for fiscal year 2025 for the Department of Energy, including the National Nuclear Security Administration](#)

Senate Appropriations

Wednesday, May 22, 10:00 AM ET

[Hearings to examine Federal programs for the circular economy, focusing on state and local perspectives on efforts to improve reuse and recycling](#)

Senate Environment and Public Works

Wednesday, May 22, 10:00 AM ET

House of Representatives

[Green Building Policies: Jeopardizing the American Dream of Homeownership](#)

House Energy and Commerce

Wednesday, May 22, 2:00 PM ET

[Examining the President's FY 2025 Budget Request for the United States Geological Survey and the Office of Surface Mining Reclamation and Enforcement](#)

House Natural Resources

Wednesday, May 22, 2:00 PM ET

[Oversight of the U.S. Department of Energy](#)

House Oversight and Accountability

Thursday, May 23, 9:00 AM ET

[Examining the President's FY 2025 Budget Request for the Bureau of Ocean Energy Management, the Bureau of Safety and Environmental Enforcement, and the Office of Natural Resources Revenue](#)

Hearings to examine water scarcity in a changing climate

Senate Budget

Wednesday, May 22, 10:30 AM ET

Hearings to examine new standards and practices in mining, focusing on health and safety.

Senate Health, Education, Labor and Pensions

Wednesday, May 22, 2:30 PM ET

House Natural Resources

Thursday, May 23, 10:00 AM ET

Federal Agency Climate News

Department of Energy

U.S. Department of Energy Announces Sale of Northeast Gasoline Supply Reserve as Americans Hit the Road for Summer Driving Season (May 21)

Department of the Treasury

U.S. Department of the Treasury, IRS Release Additional Guidance to Boost American Clean Energy Manufacturing (May 16)

Funding and Comment Opportunities

FY2024 Vehicle Technologies Office Research & Development

Department of Energy

Close Date: June 24, 2024

Bipartisan Infrastructure Law (Bill) – 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

Concentrating Solar Flux to Heat and Power

Department of Energy

Close Date: August 8, 2024

Solar and Wind Interconnection for Future Transmission

Department of Energy

Close Date: June 28, 2024

D.C. Climate Events

Knowing Your Company's Obligations Under the New SEC Rule on GHG Emissions

United States Energy Association

Wednesday, May 22, 2:00 PM ET

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

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