

Climate Policy Update

December 5, 2022

Good evening! This is Akin Gump's weekly policy newsletter on **climate change** policy and regulatory developments, providing information on major climate policy headlines from this past week and forthcoming climate-related events and hearings:

National

- **Department of the Interior New Methane Rule** (*Speaking Sustainability*)
The Department of Interior's (DOI) Bureau of Land Management (BLM) recently released its proposed methane rule, furthering the Biden administration's whole-of-government response to climate change. The rule "seeks to modernize BLM's decades-old requirements around oil and gas venting, flaring and leaks" and "will increase royalty payments by nearly \$39 million per year to support oil and gas waste management efforts and compensate federal and Indian mineral owners accordingly."
- **EPA Takes Next Steps in Renewable Fuel Standard Program for 2023-25** (*Environmental Protection Agency*)
The Environmental Protection Agency (EPA) issues a proposal expanding the Renewable Fuel Standard (RFS) program. The proposal "includes steady growth of biofuels for use in the nation's fuel supply for 2023, 2024, and 2025" and suggests "new regulations governing the generation of qualifying renewable electricity made from renewable biomass that is used for transportation fuel in electric vehicles." The EPA is seeking comments and will hold a public hearing in January.
- **3 Tribes Dealing with the Toll of Climate Change Get \$75 Million to Relocate** (*NPR*)
The DOI announced that the Quinault Indian Nation, the Network Village and the Native Village of Napakiak will receive \$25 million each to address the impacts of climate change and "help relocate to higher ground." Additionally, the Federal Emergency Management Agency (FEMA) will provide about \$17.7 million "to help these three communities buy, demolish and build new infrastructure."

- **[U.S. Fed Proposes Plan for Banks to Manage Climate-Linked Financial Risk](#)** (*Reuters*)
The U.S. Federal Reserve Board released proposed principles for “how large banks should manage climate-related financial risks.” The plan details guidelines for banks “to consider climate-related financial risks in their audits and other risk management and add climate-related scenario analysis to traditional stress testing.”
- **[Biden Expects Climate Law ‘Tweaks’ to Appease Allies](#)** (*E&E News*)
During a press conference with French President Emmanuel Macron, President Biden suggested that the Inflation Reduction Act may be altered to European Union countries’ concerns about “provisions in the climate law that favor renewable energy components that are manufactured in the United States.”
- **[New Plastics Bill Emphasizes Climate Change, Justice](#)** (*E&E News*)
Sen. Cory Booker (D-NJ) and Rep. Jared Huffman (D-CA) released their *Protecting Communities from Plastics Act* last week, targeting plastics production and pausing “the permitting of new and expanded plastics facilities.” In response, the American Chemistry Council criticized the bill, outlining that Congress should focus on supporting the U.S. economy while reducing plastic waste.
- **[ESG Score Hurts Credit Rating for 20 Percent of Organizations](#)** (*Utility Dive*)
Moody’s Investors Service issued a report suggesting that “companies that decide to disregard sustainability will probably pay a higher cost for capital.” Moreover, the report concluded that “lower-rated firms tend to receive the lowest ESG scores, as such criteria have “a highly negative or very highly negative credit impact on just over half of speculative-grade entities.”
- **[ESG-Linked Bonds Seen Stalling on Greenwash and Legal Fears](#)** (*Bloomberg*)
Sustainability-linked bonds—which impose a penalty on issuers if they do not meet an environmental, social and governance (ESG) target, “are set to lose their dominance in ESG sales in the near future.” Barclays analysts predict that sustainability-linked bonds will lose ground as investors are skeptical of their environmental benefits and issuers are concerned with potential litigation risks.

State and Local

- **[Governor Mills Announces \\$5.4 Million in Climate Investments to Protect Communities and Create Jobs](#)** (*Governor Janet Mills*)
Gov. Janet Mills (D-ME) released a plan detailing climate change-related projects with a focus on creating clean energy jobs. \$2.9 million of the proposal’s funding will be awarded in grants to Maine cities, towns, and tribal governments to “plan for climate change, reduce carbon emissions, transition to clean energy, and increase their resilience to the effects of climate change.” Additionally, \$2.5 million will be directed towards workforce grants to support “the development of good-paying clean energy and energy efficiency jobs.”

- **Governor Cooper Highlights Transition to Clean Transportation Future** (*Governor Roy Cooper*)
At a Medium- and Heavy-Duty Electric Vehicle State Policy Bootcamp and Showcase, Gov. Roy Cooper (D-NC) reaffirmed his commitment to electrifying such vehicles in North Carolina. Highlighting the state’s “progress in electric vehicle manufacturing,” Gov. Cooper stressed that North Carolina is “well-positioned to be at the head of the global market transition to zero-emission vans, buses, and trucks.”
- **DEP Launches \$12.7 Million Initiative to Electrify Truck Fleets for Cleaner Air** (*Pennsylvania Department of Environmental Protection*)
Pennsylvania’s Department of Environmental Protection (DEP) announced the Electrifying Truck Fleets for Cleaner Air in Our Communities. The initiative seeks to “support local freight truck electrification” and will prioritize projects in “environmental justice areas, high traffic density areas, and Act 47 financially distressed municipalities.” Further, DEP provided about \$2 million to the Driving PA Forward State Clean Diesel Grants to “replace old diesel trucks with zero- or low-emission trucks.”
- **Duke Energy, Advocates Tout Offshore-Wind Benefits—Despite Higher Cost—at Renewables Summit** (*Charlotte Business Journal*)
At a Growth of Offshore Wind in the Southeast panel, Duke Energy’s Managing Director of Business Development Spencer Hanes expressed “interest in seeing regulators include offshore wind” in the state regulator’s plan to slash Duke Energy’s carbon emissions. However, Hanes acknowledged that “offshore wind is significantly more expensive than solar.”

International

- **Climate Change Has Cost the EU €145 Billion in a Decade** (*World Economic Forum*)
Eurostat released data indicating that “heatwaves, floods, and storms are estimated to have caused €145 billion in economic losses in the EU in the last decade.” The European Environmental Agency (EEA) identified that “weather and climate-related extremes made up around 80 percent of the total economic losses caused by ‘natural hazards’ in the 27-member bloc.”
- **India Shakes Up Global Approach to Climate Change as G20 Chair** (*The Hill*)
Indian Prime Minister Narendra Modi announced that, as the head of the Group of 20 (G20), it “intends to use its new position to secure green investment and shift global governance to the benefit of the ‘Global South.’” Moreover, India is expected to “push rich countries to keep their long-delayed promises for significant amounts of spending for climate adaptation in lower-income countries.”
- **Australian Banking System Cushioned for Imminent Climate Change-Related Risks** (*Reuters*)
The Australian Prudential Regulation Authority (ARPA) determined that “potential economic downturns caused by climate change could pose risks to the loan books of Australia’s top five banks without resulting in any severe stress to the system and the economy.”

- [U.S. to Expand Solar Panel Tariffs After Probe Finds Chinese Evasion](#) (Reuters)

After an investigation found that Chinese solar panel manufacturers “were trying to dodge tariffs by finishing their products in Southeast Asian countries,” U.S. trade officials will impose duties on such companies. If the proposal is finalized, companies will “face the same duty rates the United States already assesses on their Chinese-made products” for solar panels made in Malaysia, Cambodia, Thailand and Vietnam. Notably, a two-year waiver issued by President Biden would prevent the tariffs from being imposed until June 2024.

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

Quotes of the Week

“There’s tweaks that we can make [...] it was never intended, when I wrote the legislation, it never intended to exclude folks who were cooperating with us.”

-President Joe Biden discussing European Union concerns with the Inflation Reduction Act

(E&E News — December 1, 2022)

“Our G20 priorities will be shaped in consultation with not just our G20 partners, but also our fellow travelers in the global South, whose voice often goes unheard.”

-Indian Prime Minister Narendra Modi discussing G20 priorities

(The Hill — December 1, 2022)

Upcoming Congressional Hearings (December 5 – December 9, 2022)

Senate

No relevant Senate hearings.

House of Representatives

[Solving the Climate Crisis: Key Accomplishments, Additional Opportunities, and the Need for Continued Action](#)

Tuesday, December 6, 1:30 PM EST

House Select Committee on the Climate Crisis

2167 Rayburn House Office Building

Federal Agency Climate News

The White House

[Biden-Harris Administration Announces New Actions to Support Indian Country and Native Communities Ahead of the Administration's Second Tribal Nations Summit \(November 30\)](#)

U.S. Department of the Interior

[Departments of the Interior, Agriculture Advance Mining Reforms Aimed at Protecting and Empowering Tribal Communities \(December 1\)](#)

[Biden-Harris Administration Makes \\$135 Million Commitment to Support Relocation of Tribal Communities Affected by Climate Change \(November 30\)](#)

[Interior Department Takes Action to Reduce Methane Releases on Public and Tribal Lands \(November 28\)](#)

Environmental Protection Agency (EPA)

[EPA Takes Next Steps in Renewable Fuel Standard Program for 2023-25 \(December 1\)](#)

Funding Opportunities

[Pumped Storage Hydropower Wind and Solar Integration and System Reliability Initiative](#)
Department of Energy
Close Date: December 15, 2022

[Long-Duration Energy Storage Demonstrations](#)
Department of Energy
Close Date: March 3, 2023

Comment Opportunities

[Nationwide Recommendations for Impact Pile Driving Sound Exposure Modeling and Sound Field Measurement for Offshore Wind Construction and Operations Plans](#)
Department of the Interior
Close Date: December 12, 2022

[Greenhouse Gas Reduction Fund](#)
Environmental Protection Agency
Close Date: December 15, 2022

[Climate Pollution Reduction Grants](#)
Environmental Protection Agency
Close Date: January 18, 2023

[Transportation Programs](#)
Environmental Protection Agency
Close Date: January 18, 2023

[Methane Emissions Reduction Program](#)
Environmental Protection Agency
Close Date: January 18, 2023

[Funding to Address Air Pollution](#)
Environmental Protection Agency
Close Date: January 18, 2023

[Low Emissions Electricity Program & GHG Corporate Reporting](#)
Environmental Protection Agency
Close Date: January 18, 2023

[Industrial Efficiency and Decarbonization](#)
Department of Energy
Close Date: January 4, 2023

Upcoming D.C. Climate Events (Registration)

[An Employer-Enabled Electric Vehicle Transition](#)

The Atlantic Council

Monday, December 5, 2:00 PM EST

[Renewables 2022](#)

The International Energy Agency

Tuesday, December 6, 5:00 AM EST

[European Carbon Capture & Storage Strategy](#)

The Atlantic Council

Tuesday, December 6, 8:00 AM EST

[How We Talk About Climate Change and Solutions](#)

The Washington Post

Wednesday, December 7, 11:00 AM EST

[Climate Change and Malnutrition: Many Channels for Impact,
Many Opportunities to Act](#)

The Center for Strategic and International Studies

Wednesday, December 7, 12:00 PM EST

[Energy Insights](#)

Resources for the Future

Thursday, December 8, 9:15 AM EST

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

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