

Climate Policy Update

March 22, 2023

Good evening!

This is Akin'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

- **House Republicans Unveil Energy, Permitting Package** (*E&E News*)
Last week, the House GOP announced H.R. 1, the Lower Energy Costs Act. As expected, the package is composed of bills advanced in the House Energy and Commerce, Natural Resources, and Transportation and Infrastructure committees. The package is slated to progress to the House Rules Committee the week of March 27 ahead of moving to the floor. Specifically, the package aims to “promote natural gas exports, ease some permitting related to critical minerals, and repeal the Democrats’ methane fee,” as well as amend Section 401 of the Clean Water Act and codify “Trump-era rules to speed up environmental reviews under the National Environmental Policy Act.”
- **Biden’s Green Allies Promise Lawsuit over Alaska Oil Project** (*Politico*)
Fallout from the President’s approval of ConocoPhillip’s Willow project includes an anticipated “legal brawl that will likely align the Biden administration and Republican lawmakers against environmentalists who have largely backed the President’s climate agenda.” While the Biden administration approved fewer drilling areas than initially proposed, green groups argued that the project undermines the President’s commitment to slashing greenhouse gas emissions. Moreover, Sen. Dan Sullivan (R-AK) has already committed to supporting the Biden administration against legal challenges.
- **Biden Issues His First Veto, Nixing Measure Blocking New Investment Rule** (*CNBC*)
On Monday, President Biden issued his first veto to reject a Congressional Review Act measure to block “a Labor Department rule allowing for certain retirement plans to weigh environmental, social, and corporate governance factors when selected investments, instead of making decisions based solely on the best rate of return.” Two Senate Democrats—Sens. Joe Manchin (D-WV) and Jon Tester (D-MT)—and one House Democrat—Jared Golden (D-ME)—joined Republicans to pass the bill.
- **Biden Warns that Climate Change Could Upend Federal Spending Programs** (*New York Times*)
In the Economic Report of the President, the Biden administration cautioned that a “warming planet posed severe economic challenges for the United States, which would require the federal government to reassess its spending priorities and how it influenced behavior.”
- **Biden Will Let California Lead on Electric Trucks, Despite Industry Protest** (*Washington Post*)
The Biden administration is slated to “approve new California rules to cut tailpipe pollution and phase out sales of diesel-burning trucks,” which may ultimately catalyze a transition to electric-powered

trucks. As such, the Environmental Protection Agency (EPA) will allow California to enforce regulations that are more stringent than federal requirements. In addition to California, six states have committed to abiding by California's greater regulatory standards.

State & Local

- **Judge Pauses Biden Waterway Protections in Texas, Idaho** (*Associated Press*)
U.S. District Judge Jeffrey Vincent Brown “paused the Biden administration’s waterway protections in Texas and Idaho as Republicans across the country challenge the environmental regulations as vague and argue the rules would create economic burdens.” Approximately half of the states are involved in lawsuits to challenge the Biden administration’s Waters of the United States (WOTUS) rule regarding protection under the Clean Water Act.
- **DeSantis, 18 States to Push Back Against Biden ESG Agenda** (*The Hill*)
Last week, Gov. Ron DeSantis (R-FL) and 18 other states announced a joint effort to roll back the Biden administration’s environmental, social and governance (ESG) policies. The states—including Alabama, Alaska, Arkansas, Georgia, Idaho, Iowa, Mississippi, Missouri, Montana, Nebraska, New Hampshire, North Dakota, Oklahoma, South Dakota, Tennessee, Utah, West Virginia and Wyoming—cite concerns that investor prioritization of sustainability and ethical considerations will hinder the U.S. economy. As such, the group intends on pursuing state-level efforts to block ESG policies.
- **Governor Newsom and Legislative Leaders Strike Deal on Proposal to Hold Big Oil Accountable** (*Gov. Gavin Newsom*)
Gov. Gavin Newsom (D-CA) released language on his special session proposal to hold Big Oil accountable for the cost of gas. Further, the Governor met with Attorney General Rob Bonta (D-CA), as well as “representatives from a broad coalition of nearly 200 organizations, stakeholders, and local leaders supporting the measure to create strong and effective new oversight over oil companies to protect Californians.” Specifically, the proposal will establish a California Energy Commission to monitor the California petroleum market.
- **Nearly Two-Thirds of California is Now Drought Free** (*The Hill*)
The U.S. Drought Monitor revealed that, due to this year’s rainfall and snow events, “nearly two-thirds of California is now drought-free.” Specifically, approximately 27.93% of the state is experiencing moderate drought whereas 8.49% is facing severe drought. However, no areas in California are presently experiencing extreme drought conditions.
- **New York Assembly Chairs Lay Out Budget Priorities** (*Politico*)
The New York Assembly democrats outlined various environmental priorities in its budget. These efforts include banning fossil fuel combustion appliances in new buildings and tasking the New York Power Authority to pursue renewables if the private sector fails to meet state-wide climate goals. Additionally, the Assembly democrats suggested increasing the Environmental Protection Fund and boosting investments in water infrastructure. Meanwhile, the Senate democrats’ proposal included a “modified version” of Gov. Kathy Hochul’s (D-NY) cap-and-invest plan, “with a prohibition on trading of any pollution allowances and prohibiting linkage with other markets without legislative approval.”

International

- **U.N. Warns of ‘Rapidly Closing’ Window to Avert Global Warming** (*The Hill*)
The United Nations (U.N.) issued a report that cautioned of the “rapidly closing window” to address climate change. The report synthesized previous publications, ultimately concluded that climate change is undoubtedly caused by humans and will result in premature deaths, as well as that a “substantial reduction” in fossil fuel use is necessary to reduce emissions. Additionally, the research projected that the planet “is on track to exceed 1.5 Celsius of warming—a temperature gain that

scientists have said should be avoided to avert some of the most serious climate change consequences.”

- **[NASA Uses 30-Year Satellite Record to Track and Project Rising Seas](#)** (*NASA*)
The National Aeronautics and Space Administration (NASA) utilized its satellite data to determine that the “average global sea level rose by 0.11 inches from 2021 to 2022.” NASA has been monitoring sea surface height since 1993 and has concluded that, since then, “the average global sea level has increased by 3.6 inches.” Looking ahead, the agency’s projections estimate a 0.26-inch sea-level rise per year by 2050.
- **[Germany Sees Progress in EU Talks for Ban on Fossil Fuel Cars](#)** (*Reuters*)
Germany’s Transport Ministry detailed that its talks with the European Commission regarding the banning of new combustion engines by 2035 are in progress. Germany objected to the European Parliament, the European Commission and the European Union’s agreement to phase out fossil fuel-powered cars, as Germany “wants sales of new cars with internal combustion engines to be allowed after [2035] if they run on e-fuels.” While negotiations continue, it is unclear when an agreement will be reached.
- **[African Infrastructure Gets Boost from \\$12 Billion Climate Fund](#)** (*Bloomberg*)
The Green Climate Fund committed to its “biggest ever African equity investment, backing infrastructure that can withstand the impact of a warming climate.” Specifically, the Green Climate Fund is providing \$253.7 million to the Infrastructure Climate Resilient Fund.

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

“Every time we need a pipeline, road or dam, an average of almost 5 years and millions of dollars in costs get added to the project to comply with Washington’s permitting process. That’s too long.”

– *Speaker Kevin McCarthy (R-CA) discussing H.R. 1 ([E&E News](#) - March 15)*

“Climate change is a threat to human well-being and planetary health [...] There is a rapidly closing window of opportunity to secure a livable and sustainable future for all.”

– *UN Climate Change 2023 Synthesis report ([The Hill](#) - March 20)*

Upcoming Congressional Hearings (March 20 - 24, 2022)

Senate

[Hearings to Examine the President’s Proposed Budget Request for Fiscal Year 2024 for the Environmental Protection Agency](#)

Senate Environment and Public Works

Wednesday, March 22, 10:00 AM EST

406 Dirksen Senate Office Building

House of Representatives

[Budget Hearing – Fiscal Year 2024 Request for the Department of Energy](#)

House Appropriations

Thursday, March 23, 10:30 AM EST

2362 Rayburn House Office Building

Unleashing American Power: The Development of Next Generation Energy Infrastructure

House Science, Space and Technology

Thursday, March 23, 3:00 PM EST

2318 Rayburn House Office Building

Federal Agency Climate News

White House

Biden-Harris Administration Takes New Action to Conserve and Restore America's Lands and Waters (March 21)

Department of Interior

Secretary Haaland Announces Nearly \$50 Million for Wildfire Mitigation and Resilience from Bipartisan Infrastructure Law (March 17)

Department of Energy

DOE Releases New Reports on Pathways to Commercial Liftoff to Accelerate Clean Energy Technologies (March 21)

DOE Announces \$590 Million to Increase Bioenergy Research (March 17)

Funding Opportunities

Hydrogen Fuel Shot

Department of Energy

Close Date: April 28, 2023

Enhanced Geothermal Systems Pilot Program

Department of Energy

Close Date: June 16, 2023

Carbon Capture Large-Scale Pilots

Department of Energy

Close Date: June 21, 2023

Civil Nuclear Credit Program

Department of Energy

Close Date: May 31, 2023

Energy Efficiency and Conservation Block Grant Program

Department of Energy

Close Date: July 31, 2023

Resilient and Efficient Codes Implementation

Department of Energy

Close Date: March 27, 2023

Energy Improvements in Rural or Remote Areas

Department of Energy

Close Date: June 28, 2023

Carbon Capture Demonstration Projects Program

Department of Energy

Close Date: May 23, 2023

Environmental Justice Collaborative Problem-Solving Cooperative Agreement Program

Environmental Protection Agency

Close Date: April 10, 2023

Environmental Justice Thriving Communities Grantmaking Program

Environmental Protection Agency

Close Date: May 31, 2023

Pollution Prevention Grant: Environmental Justice in Communities

Environmental Protection Agency

Close Date: June 6, 2023

Environmental Justice Government-to-Government Program

Environmental Protection Agency

Close Date: April 10, 2023

Climate Pollution Reduction Grant Program

Environmental Protection Agency

Close Date: March 31, 2023

Pollution Prevention Grant: Environmental Justice Through Safer/Sustainable Products

Environmental Protection Agency

Close Date: June 20, 2023

Upcoming D.C. Climate Events (Registration)

Tradeable Energy Quotas: Could They Spark a Global Just Transition

The Institute for Policy Studies

Tuesday, March 21, 2:00 PM EST

Tackling the Problem of Permitting

Our Energy Policy

Wednesday, March 22, 12:00 PM EST

Innovation for Resilience

The Center for Strategic and International Studies

Thursday, March 23, 9:00 AM EST

A Model for Decarbonizing Cities

The Atlantic Council

Wednesday, March 22, 9:00 AM EST

Economic Diplomacy Through Infrastructure Support

The Wilson Center

Wednesday, March 22, 3:00 PM EST

Grow Organic: The Climate, Health, and Economic Case for Expanding Organic Agriculture

The Environmental and Energy Study

Thursday, March 23, 12:00 PM EST

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

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