

# Climate Policy Update

November 15, 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

- [\*\*Biden-Harris Administration Strengthens Proposal to Cut Methane Pollution to Protect Communities, Combat Climate Change, and Bolster American Innovation\*\*](#) (EPA)

The Environmental Protection Agency (EPA) announced its proposed methane rule. If finalized, the updated rule “would provide more comprehensive requirements to reduce climate and health-harming air pollution, including from thousands of existing oil and gas sources nationwide.” Additionally, the rule seeks to “promote the use of innovative methane detection technologies and other cutting-edge solutions.” Finally, the update would “establish a super-emitter response program that would leverage data from regulatory agencies or approved third parties with expertise in remote methane detection technology.” EPA is accepting comments on the proposal through February 13, 2023 and will provide virtual training sessions on November 17 and 30 prior to issuing a final rule in 2023.

- [\*\*Manchin FERC Shake-Up May Stymie Biden's Clean Energy Plans\*\*](#) (E&E News)

On Thursday, Sen. Joe Manchin's (D-WV) team explained that the Senator is “not comfortable” holding a nomination hearing for Federal Energy Regulatory Commission Chair Richard Glick. With his nomination to head the agency for an additional four years hinging on the Senate, Sen. Manchin's hesitation may “derail policies critical for President Biden's clean energy and climate agenda” and cause Democrats to “lose their majority on the five-person commission.”

- [\*\*White House Wants Lame-Duck Permitting Bill\*\*](#) (E&E News)

Press Secretary Karine Jean-Pierre noted that the White House hopes that “Congress will advance Manchin's effort to streamline permitting as part of a pending defense authorization package during the upcoming lame-duck session.” Sen. Manchin has previously expressed a desire to incorporate his permitting reform language into the National Defense Authorization Act as well.

## State and Local

- **[Why Climate-Friendly Democrats Won at the State Level](#)** (*E&E News*)

Last Tuesday's midterm election proved to be successful for climate-friendly, Democratic gubernatorial candidates as "they scored legislative victories in Minnesota and Michigan, held onto the governorship in ruby-red Kansas, and won back the corner offices in deep blue Maryland and Massachusetts."

- **[3 Ways the Midterms Will Transform Energy](#)** (*E&E News*)

While state legislatures largely remain in Republican control, "Democrats gained, maintained, or deepened control in several key states, opening up the door for new state policies to promote clean energy in power grids, buildings, and cars." However, Republicans in Texas "held onto every statewide elected position" and are expected to defend fossil fuel production and oppose the Biden administration's clean energy policies. Finally, utility commissions elections largely resulted in Republicans maintaining their position on Republican-led panels.

- **[California Grid Plan Stirs Concerns of a Solar Shutdown](#)** (*E&E News*)

The California Public Utilities Commission released an updated plan for the state's solar incentive program, amending a proposal that would have "charged rooftop solar customers a monthly fee." The new proposal "would overhaul the state's current net metering incentives, which offers users financial credit on their bills in exchange for returning power generated from rooftop solar panels back to the grid." The update includes "a more dynamic tariff that changes based on the electricity system's needs at that time."

- **[Nodal Exchange to Launch the First-Ever Washington Carbon Allowance and National Wind Renewable Energy Certificate Futures Contracts in Collaboration with IncubEx](#)** (*Business Wire*)

Nodal Exchange and IncubEx announced a December 5 launch date for the Washington Carbon Allowance (WCA). The WCA "will be the first exchange listed and cleared contract corresponding with the newest regional carbon market in North America, in Washington state." The WCA contract "joins the Slate of North American listed carbon products on the Nodal Exchange including: California Carbon Allowance (CCA) futures and options, California Carbon Offset (COO) futures, and Regional Greenhouse Gas Initiative (RGGI) futures and options."

## International

- **[COP 27 Update for Business Leaders: Green Funding, Climate Technologies Top Countries' To-Do List](#)** (*Speaking Sustainability*)

To view ongoing COP 27 Coverage, visit [Speaking Sustainability](#) daily.

With COP 27 underway, discussions have centered on climate financing to support loss and damage funding for developing countries experiencing disproportionate impacts of climate change. Additionally, "the COP 27 Presidency has identified sustainable transport—especially low or zero-emissions vehicles and green shipping corridors—as a high-priority industry for

COP 27.” Various countries are “looking to reduce methane emissions as a way to keep [greenhouse gas] levels at 1.5 to 2 degrees Celsius over preindustrial levels.” Finally, “nations are expected to begin carrying out plans for an international carbon market cooperation and the new UN crediting mechanism.”

- **COP 27: A Fair COP or a COP Out?** *(Speaking Sustainability)*  
With the first week of COP 27’s conclusion, key takeaways include discussions around the international community falling short of the Paris Agreement goals; loss and damage financing and climate justice efforts; holding donor countries “accountable for commitments to mobilize collectively \$100 billion of climate finance per year between 2020 and 2025;” renewal of an international fossil fuel non-proliferation treaty; methane mitigation proposals; and carbon credits and pricing.
- **Climate Funding Tops Open Session of COP 27 as Developing Countries Struggle** *(Egypt Today)*  
Chair of the African Union and President of Senegal Macky Sall stressed that “Africa is experiencing the impact of climate change in a very tough way, as most adaptation projects on the continent are funded through loans.” The African Union Chair called on “other countries to bear the responsibility of their actions,” adding that “fulfilling the \$100-billion pledge has never been more essential than now.”
- **New Climate Insurance Fund Launched at COP 27 for Nations Hit by Worsening Disasters** *(Time)*  
On Monday at COP 27, “the Group of Seven leading economies launched a new insurance system Monday to provide swift financial aid when nations are hit by devastating effects of climate change.” While the insurance system—dubbed the Global Shield—is expected to provide “aid in the event of climate-related disasters in vulnerable nations,” critics note that it will not slow down the effects of climate change.
- **U.S. and China, the World’s Biggest Greenhouse Gas Emitters, Resume Climate Talks** *(The Washington Post)*  
After President Biden and China’s Xi Jinping “struck an agreement Monday at the Group of 20 summit,” the U.S. and China have resumed negotiations. The agreement was made during COP 27, where “the United States and China are usually the two most consequential negotiators.”
- **A \$20 Billion Deal Aims to Help Indonesia Quit Coal. Will it Work?** *(The Washington Post)*  
The United States and Japan—among other countries— “pledged to mobilize \$20 billion to help Indonesia, the world’s fifth-largest greenhouse gas emitter, shut down coal plants and ramp up investment in renewable energy.” This announcement comes after approximately a year of negotiations between “U.S. Climate Envoy John Kerry and Indonesian Finance Minister Sri Mulyani Indrawati, as well as several conversations between President Biden and Indonesian President Joko Widodo.”
- **Biden Touts ‘Unprecedented’ U.S. Actions at Egypt Climate Summit** *(Politico)*  
In his remarks at COP 27, President Biden took “a victory lap Friday on climate change—seeking to persuade skeptics from around the world that the backsliding of the Trump era is over.” The President specifically touted the signing of the Inflation Reduction Act and the rejoining of the 2015 Paris climate agreement.

- [Kerry's Climate Credit Plan Risks Payouts for Carbon-Cutting Mirage](#) (*Bloomberg*)

At COP 27, U.S. Climate Envoy John Kerry announced a “new plan to expand the sale of carbon credits in order to boost renewable projects in developing countries.” In an effort to avoid the misuse of funding, Kerry committed to developing safeguards over the next year.

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

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## Quotes of the Week

“If we don’t come up with creative ways to mobilize the money we need, to accelerate the transition in the energy sector, we are going to blow through 1.5 [...] By ensuring a predictable finance stream for energy transition, this approach will increase the bankability of clean energy projects, and it will unlock more concessionary, up-front capital.”

**-U.S. Climate Envoy John Kerry *outlining the need to expand the sale of carbon credits***

*(Bloomberg—November 9, 2022)*

“Finally, thanks to the actions we’ve taken, I can stand here as president of the United States of America and say with confidence, the United States of America will meet our emissions targets by 2030.”

**-President Joe Biden *discussing U.S. climate policy at COP 27***

*(Politico—November 11, 2022)*

## Upcoming Congressional Hearings (November 14 – 18, 2022)

### Senate

### House of Representatives

#### [Farm Bill 2023: Rural Development/Energy Programs](#)

Senate Agriculture, Nutrition, and Forestry Committee  
Tuesday, November 15, 10:00 AM ET  
328 Russell Senate Office Building

*No relevant House hearings.*

#### [Pending Nominations](#)

Senate Energy and Natural Resources Committee  
Thursday, November 17, 11:00 AM ET  
366 Dirksen Senate Office Building

## Federal Agency Climate News

### The White House

[President Biden Announces New Initiatives at COP27 to Strengthen U.S. Leadership in Tackling Climate Change](#) (November 11)

[Biden-Harris Administration Proposes Plan to Protect Federal Supply Chain from Climate-Related Risks](#) (November 10)

[Biden-Harris Administration Announces Roadmap for Nature-Based Solutions to Fight Climate Change, Strengthen Communities, and Support Local Economies](#) (November 8)

### Environmental Protection Agency (EPA)

[Biden-Harris Administration Strengthens Proposal to Cut Methane Pollution to Protect Communities, Combat Climate Change, and Bolster American Innovation](#) (November 11)

### U.S. Department of Energy (DOE)

[DOE Invests Millions in America's Massive Lithium-Production Potential](#) (November 11)

[Biden-Harris Administration Launches First-Of-Its-Kind \\$50 Million Program to Help Nonprofits Make Critical Energy Upgrades](#) (November 10)

## Funding Opportunities

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

[Regional Clean Hydrogen Hubs](#)  
**Department of Energy**  
Close Date: November 7, 2022

## 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

[Section 45W Credit for Qualified Commercial Clean Vehicles and Section 30C Alternative Fuel Vehicle Refueling Property Credit](#)

**Internal Revenue Service**

Close Date: December 3, 2022

[Credit for Carbon Oxide Sequestration](#)

**Internal Revenue Service**

Close Date: December 3, 2022

[Credits for Clean Hydrogen and Clean Fuel Production](#)

**Internal Revenue Service**

Close Date: December 3, 2022

## Upcoming D.C. Climate Events (Registration)

[U.S. Climate Policy: The Road Ahead](#)

**Resources for the Future**

Monday, November 14, 8:00 AM ET

[The Impact of 5G on Energy](#)

**PunchBowl**

Wednesday, November 16, 9:00 AM ET

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

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