

# Climate Policy Update

**Akin Gump**  
STRAUSS HAUER & FELD LLP

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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

- **[Omnibus Package: 4 Takeaways on Energy and Environment](#)** (*E&E News*)  
On Thursday, December 29, 2022, President Joe Biden signed a \$1.7 trillion omnibus spending bill. The omnibus includes “modest increases for energy and environment agencies” and provides funding for more than 1,000 climate-related, congressionally directed projects. In light of the *CHIPS and Science Act of 2022*, the omnibus provided dollars for relevant research and development endeavors. However, the spending bill notably “snubbed an executive order from [the President] earlier this year designed to boost domestic renewable energy manufacturing.” Moreover, the omnibus excluded Sens. Joe Manchin (D-WV) and John Barrasso's (R-WY) *America's Outdoor Recreation Act*.
- **[Climate-Focused Agriculture Bill Hitches Ride on Omnibus](#)** (*E&E News*)  
With the support of the House Agriculture Committee Chair Rep. GT Thompson (R-PA), the omnibus text included the *Growing Climate Solutions Act*. The bill—introduced by Rep. Abigail Spanberger (D-VA) and Sen. Mike Braun (R-IN)—seeks to assist farmers in measuring and verifying greenhouse gas reductions through partnerships between third-party conservation vendors, farmers and the Department of Agriculture (USDA).
- **[Congress Offers \\$1 Billion for Climate Aid, Falling Short of Biden's Pledge](#)** (*New York Times*)  
The omnibus included \$1 billion to assist vulnerable countries in addressing climate change, ultimately falling short of President Biden's “promise that the United States will spend \$11.4 billion annually by 2024 to ensure developing nations can transition to clean energy and adapt to a warming planet.” While Democrats advocated for the spending bill to include \$3.4 billion for such global climate programs, Republicans killed “what they called ‘radical environmental and climate policies.’”
- **[EPA and Army Finalize Rule Establishing Definition of WOTUS and Restoring Fundamental Water Protections](#)** (*EPA*)  
On December 30, 2022, the Environmental Protection Agency (EPA) announced a final rule regarding which waterways are federally protected under the *Clean Water Act*. This move reverses the Trump administration's definition, which the EPA argues will “strengthen fundamental protections for waters that are sources of drinking water while supporting agriculture, local economies, and downstream communities.”

- **[Biden Unveils Stricter Emissions Rules for Heavy-Duty Trucks](#)** *(CNBC)*  
The EPA released new rules on December 20, 2022—providing the “first update to clean air standards for heavy-duty vehicles in more than 20 years.” The more stringent regulations are expected to see significant emissions reductions by 2045, including “a 48 percent reduction in nitrogen oxide, a 28 percent reduction in benzene, a 23 percent reduction in volatile organic compounds, and an 18 percent reduction in carbon monoxide.”
- **[USPS Intends to Deploy over 66,000 Electric Vehicles by 2028, Making One of the Largest Electric Vehicle Fleets in the Nation](#)** *(USPS)*  
The United States Postal Service (USPS) announced that it is slated to obtain about 66,000 electric vehicles between now and 2028. Specifically, USPS expects a minimum of 60,000 Next Generation Delivery Vehicles, with 75 percent of them being battery-electric. Additionally, the USPS will utilize 21,000 commercial off-the-shelf vehicles, as well as internal combustion vehicles “necessary to meet immediate vehicle replacement needs.”

## Local

- **[New York State Climate Action Council Finalizes Scoping Plan to Advance Nation-Leading Climate Law](#)** *(New York State Energy Research and Development Authority)*  
On December 19, 2022, New York’s Climate Action Council, Department of Environmental Conservation and State Energy Research and Development Authority approved and adopted the New York State Climate Action Council Scoping Plan. The Scoping Plan—mandated by the Climate Leadership and Community Protection Act—outlines guidance for New York to meet its ambitious climate goals, including reducing greenhouse gas emissions from 1990 levels by 40 percent in 2030 and by 85 percent in 2050.
- **[Legislative Commission Objects to Withdrawal from Regional Carbon Market](#)** *(Virginia Mercury)*  
Virginia’s Joint Commission on Administrative Rules—composed of Virginia Senators and Assembly members to review state regulations and determine their consistency with the law—objected to Gov. Glenn Youngkin’s (R-VA) regulatory action to withdraw the Commonwealth from the Regional Greenhouse Gas Initiative (RGGI). The Commission is statutorily authorized to suspend the effective date of an objected regulation with the approval of the Governor—however, the legislative committee will not likely pursue such action as there will not be concurrence with Gov. Youngkin. However, the Commission may also send recommendations to the Governor and the General Assembly regarding its regulation review.
- **[Washington Adopts Plan for Transition to Zero-Emission Vehicles](#)** *(Department of Ecology)*  
On December 19, 2022, Washington’s Department of Ecology (Ecology) updated its Clean Vehicles Program, requiring that “all new, light-duty vehicles sold in Washington meet zero-emission vehicle (ZEV) standards by 2035.” This update follows the California Air Resources Board, as statute requires Ecology to “follow California’s strong emissions standards for cleaner vehicles.”
- **[Advanced Clean Cars II](#)** *(Department of Environmental Quality)*  
On December 19, 2022, Oregon’s Department of Environmental Quality (DEQ) updated the state’s Low Emission Vehicle/Zero Emission Vehicle program, which “requires auto manufacturers to deliver to Oregon a certain percentage of zero-emission passenger cars, SUVs, and light-duty trucks through the 2025 model year.” The new rule extends the program to the 2026-2035 model years and requires auto manufacturers to “deliver 100 percent new zero-emission battery electric and plug-in hybrid electric vehicles by 2035.”

## International

- **[Hit by Climate Change, Farmers in Cambodia Are Risking Everything on Microfinance Loans](#)** *(CNBC)*  
A study overseen by U.K. researchers outlines that the microfinancing (MFI) of climate change

adaptation projects is “pushing tens of thousands of farming families into debt traps.” Specifically, the study outlines that Cambodia has seen high levels of microfinance-related debt, however, the Cambodia Microfinance Association “maintains that MFI loans have an overall positive impact in increasing income and land ownership, and has issued lending guidelines to ‘reduce the risk of excessive debt’ for consumers.”

- **[WMO Releases ‘Tell-Tale Signs’ of Extreme Weather Conditions Around the World](#)** (*United Nations*)

The World Meteorological Organization (WMO) released its 2022 State of Climate report, noting that “the past eight years are on track to be the eight warmest years on record.” Moreover, the roundup stressed the importance of investing in “the basic global observing system” and boosting weather resilience to extreme floods, heat and drought. As such, the WMO will “promote a new way of monitoring the sinks and sources of carbon dioxide, methane and nitrous oxide by using the ground-based Global Atmosphere Watch, satellite and assimilation modeling.”

- **[ISSB Plans to Finalize Rules on Disclosure of Climate-Related Risks in 2023](#)** (*Wall Street Journal*)

The International Sustainability Standards Board (ISSB) expects to complete two rule proposals regarding companies’ climate risks disclosures. One of the rules seeks to compel companies to “disclose significant climate-related risk, such as floods and other extreme weather conditions.” The second rule aims to require organizations to “share information on how they manage, measure, and monitor certain sustainability risks.” The proposal received over 1,300 public comments with chief financial officers questioning how the ISSB’s rules would work alongside similar proposals from the U.S. Securities and Exchange Commission (SEC).

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

*“Congress just bankrolled a defense bill that was \$45 billion bigger than the president requested, but we failed to provide a penny to meet our commitments to the Green Climate Fund—a step that would truly help us defend our country and our planet from chaos and instability.”*

– **Sen. Ed Markey (D-MA)** *discussing the appropriations to the Green Climate Fund in the omnibus*  
([The New York Times](#) – December 20)

*“The EV revolution has begun, and momentum will only continue to build over the coming years [...] I’m excited to see the future unfold as more and more electric vehicles and charging infrastructure come online, battery range increases, and ZEVs transform into the most affordable and convenient options for almost everyone in Washington.”*

– **Gov. Jay Inslee (D-WA)** reacting to Washington’s updated Clean Vehicles Program  
([Department of Ecology](#) – December 19)

## Upcoming Congressional Hearings (January 3-6, 2023)

Senate

House of Representatives

No relevant Senate hearings.	No relevant Senate hearings.
<b>Federal Agency Climate News</b>	
<p><b>The White House</b></p> <p><a href="#">President Biden Delivers Electric Mail Trucks, Clean Air, and Lower Costs</a> (December 22)</p> <p><a href="#">Biden-Harris Administration Announces Historic Investment to Electrify U.S. Postal Service Fleet</a> (December 20)</p> <p><b>U.S. Department of the Interior</b></p> <p><a href="#">Biden-Harris Administration Invests More Than \$84 Million in 36 Drought Resiliency Projects</a> (December 22)</p> <p><b>Environmental Protection Agency</b></p> <p><a href="#">EPA and Army Finalize Rule Establishing Definition of WOTUS and Restoring Fundamental Water Protections</a> (December 30)</p> <p><a href="#">Final EPA Standards for Heavy-Duty Vehicles to Slash Dangerous Pollution and Take Key Step Toward Accelerating Zero-Emissions Future</a> (December 20)</p>	<p><b>U.S. Department of Energy</b></p> <p><a href="#">DOE Proposes New Efficiency Standards For Distribution Transformers</a> (December 28)</p>
<b>Funding Opportunities</b>	
<p><a href="#">Key Deployment Challenges for Offshore, Land-Based, and Distributed Wind</a></p> <p><b>Department of Energy</b></p> <p>Close Date: March 10, 2023</p>	<p><a href="#">Long-Duration Energy Storage Demonstrations</a></p> <p><b>Department of Energy</b></p> <p>Close Date: March 3, 2023</p>
<b>Comment Opportunities</b>	
<p><a href="#">Industrial Efficiency and Decarbonization</a></p> <p><b>Department of Energy</b></p> <p>Close Date: January 4, 2023</p> <p><a href="#">Climate Pollution Reduction Grants</a></p> <p><b>Environmental Protection Agency</b></p> <p>Close Date: January 18, 2023</p>	<p><a href="#">Energy Efficiency and Conservation Block Grant</a></p> <p><b>Department of Energy</b></p> <p>Close Date: January 13, 2023</p> <p><a href="#">Transportation Programs</a></p> <p><b>Environmental Protection Agency</b></p> <p>Close Date: January 18, 2023</p>

[Methane Emissions Reduction Program](#)

**Environmental Protection Agency**

Close Date: January 18, 2023

[Low Emissions Electricity Program & GHG Corporate Reporting](#)

**Environmental Protection Agency**

Close Date: January 18, 2023

[Supplemental Methane Rule](#)

**Environmental Protection Agency**

Close Date: February 13, 2023

[Funding to Address Air Pollution](#)

**Environmental Protection Agency**

Close Date: January 18, 2023

[Renewable Fuel Standard Program](#)

**Environmental Protection Agency**

Close Date: February 10, 2023

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

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