



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:

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National

- **[Biden-Harris Administration Announces \\$2.5 Billion to Cut Pollution and Deliver Economic Benefits to Communities Across the Nation](#)** (*Department of Energy*)
On February 23, 2023, the Department of Energy (DOE) announced the availability of \$2.52 billion in funding for the Carbon Capture Large-Scale Pilots program and the Carbon Capture Demonstration Projects Program. The programs—funded through the Infrastructure Investment and Jobs Act (IIJA)—seek to “accelerate the demonstration and deployment of carbon management technologies.”
- **[DOE Touts Grid Expansion Plans as Operators Raise Concerns](#)** (*E&E News*)
The DOE recently issued its drafted “National Transmissions Needs Study” to parse through “where and how interstate power networks need to expand by the 2030s to carry three to four times the flow of wind and solar power on the grid today.” Further, the study argues that increasing power-sharing among regions will boost resiliency against extreme weather. However, a major utility operator argued “the analysis needs to be stronger if DOE hopes to use it to implement new transmission authority under the [IIJA].”
- **[Biden-Harris Administration Announces \\$550 Million to Advance Environmental Justice](#)** (*Environmental Protection Agency*)
The Environmental Protection Agency (EPA) announced a \$550 million investment—supported by the Inflation Reduction Act (IRA)—to establish the Environmental Justice Thriving Communities

Grantmaking (EJ TCGM) program. The EPA anticipates awarding 11 cooperative agreements and the deadline for the application is May 31, 2023.

- **USDA Invests More Than \$48.6 Million to Manage Risks, Combat Climate Change** (*Department of Agriculture*)
The U.S. Department of Agriculture (USDA) announced a more than \$48.6 million investment to “mitigate wildfire risk, improve water quality, restore forest ecosystems, and ultimately contribute to USDA’s efforts to combat climate change.” USDA’s Forest Service and Natural Resources Conservation Service is expecting to invest in 14 new projects through the Joint Chief’s Landscape Restoration Partnership.
- **Biden Considers 1st Offshore Wind Auction in Gulf of Mexico** (*Associated Press*)
The Biden-Harris administration is considering the “first-ever lease sale for offshore wind in the Gulf of Mexico, a key part of a push to deploy 30 gigawatts of offshore wind by 2030 to help fight climate change.” The sale could occur as soon as this summer and includes Lake Charles, Louisiana, and Galveston, Texas. The Bureau of Ocean Energy Management is slated to oversee a 60-day public comment period to allow stakeholder input on the plan.
- **John Kerry Plans to Stay in Special Climate Envoy Role at Least Through Late This Year** (*Boston Globe*)
U.S. Special Presidential Envoy for Climate John Kerry noted to President Biden that he wishes to remain in his role until the Conference of Parties 28 (COP 28). At the United Nations (U.N.) climate conference, Kerry intends on addressing “the continued failure to do enough to starve off catastrophic climate change” and engaging in conversations about loss and damage funds for countries disproportionately impacted by climate change. However, Kerry expressed optimism that the tangible impacts of climate change “could push nations at the Dubai conference to deliver substantial progress.”
- **House Republicans Accelerate March Toward Big Energy Package** (*E&E News*)
The House GOP is pursuing myriad bills they wish to incorporate into their energy package, which is expected to be brought to the floor by the end of March. As such, House committees will hold hearings and markups on approximately 20 measures this week. Ultimately—while staffers have suggested that Republican leadership is interested in the Senate and House going into conference to produce a compromise package, it is unclear if there is a path forward for bipartisan action.
- **Anti-ESG Measure Targeting 401(k) Rule Headed for House Floor** (*Bloomberg Law*)
House Republicans are expected to vote on Rep. Andy Barr’s (R-KY) resolution to reverse a Department of Labor (DOL) rule to “allow retirement plan decision-makers to consider environmental, social, and corporate governance investment criteria as long as they are in the best financial interest of plan participants.” This Congressional Review Act parallels a resolution in the Senate championed by Sen. Mike Braun (R-IN) and supported by Sen. Joe Manchin (D-WV).

Local

- **Bill Would Require Utilities to Deliver on Promised Renewable Energy** (*Maryland Matters*)
A bill moving through the Maryland House of Delegates, sponsored by Del. Dana Stein (D-MD), “would require electricity supplies that claim to be providing clean energy to purchase power only from specific renewable energy sources within the region served by Maryland’s electric transmission supplier.” Moreover, the legislation mandates that companies disclose where they are sourcing their energy from.
- **This Reservoir on the Sacramento River Has Been Planned for Decades. What’s Taking So Long?** (*Cal Matters*)
The Sites Reservoir has been gaining support since California voters approved “a water bond that authorized \$2.7 billion for new storage projects” in 2014. However, the reservoir must still clear significant barriers, including the “acquisition of water rights, permitting, and environmental review,”

and the construction scheduled for 2024 is expected to be delayed. This project is necessary to store approximately “1.5 million acre-feet of Sacramento River water” to bolster the water supply for dry years. As such, lawmakers, farmers and water suppliers have expressed concern about the delay on the reservoir, particularly with California’s recent storms in which significant amounts of water could have been captured.

- **General Assembly Deal Sets Dominion Profits for Two Years While Overhauling Regulatory System** (*Virginia Mercury*)
Gov. Glenn Youngkin (R-VA) and Virginia’s General Assembly “reached a deal on sweeping legislation to adjust Dominion Energy’s profit margin and reform the state’s system of electric utility regulation.” The legislation sets Dominion’s profit margin at 9.7 percent for two years, after which the State Corporation Commission (SCC) will determine a new, set profit margin. Some environmental groups have expressed support for the legislation, as it ends Dominion’s “era of self-regulation,” while others were neutral on the bill after a provision regarding the Virginia Clean Economy Act’s plant closure schedule was removed.
- **Shapiro Silent on PA Joining Regional Climate Change Initiative** (*Patch*)
While Gov. Josh Shapiro (D-PA) continues to remain silent on his administration’s stance on Pennsylvania joining the Regional Greenhouse Gas Initiative (RGGI), Republicans are expected to introduce legislation to remove Pennsylvania from the cap-and-trade program. Pennsylvania Reps. James Struzzi (R-PA) and Dallas Kephart (R-PA) argued that the legislation aligns with Gov. Shapiro’s concerns with RGGI and will allow him to “support union workers and energy consumers throughout the Commonwealth by refocusing Pennsylvania’s energy policies on initiatives that benefit our Commonwealth.”

International

- **U.S. Eyes Trade Deals with Allies to Ease Clash over Electric Car Subsidies** (*New York Times*)
Treasury Secretary Janet Yellen detailed that the Biden-Harris administration is pursuing “limited free trade agreements with countries in Europe and Asia that would not require congressional approval as it looks to ease allies’ concerns about [the Inflation Reduction Act (IRA)].” At the Group of 20 (G20), Sec. Yellen expressed support for “rules allowing cars from Europe, Japan, and South Korea to receive [IRA] subsidies if they were leased” to assuage international concern. Finally, the Treasury Secretary underscored that the U.S. will try to not hinder Europe’s clean energy subsidies and incentives.
- **Brits Set for ‘Cheapest Energy Bills in Europe’ by 2035 as Grant Shapps Reveals Masterplan** (*Express*)
Energy Security and Net Zero Secretary Grant Shapps has committed to releasing a renewable and nuclear energy plan to reduce energy bills across the U.K. Moreover, the newly appointed Energy Secretary emphasized the U.K.’s need to reduce energy dependence on other countries and opted to express support for “clean, homegrown” energy.
- **EU-Central Asia Conference Focuses on Climate Action and Green Transition Efforts** (*Astana Times*)
The seventh European Union (EU) Central Asia High-Level Conference on Environment and Water Cooperation was held last week. Over 100 delegates attended the conference and discussed “strategic and pragmatic issues related to water, environment, climate change, and sustainable growth in Central Asia and stressed the challenges to accelerating the green transition and facilitating further green investments.” Moreover, participants recommitted to implementing the Paris Agreement and bolstering action to reach climate neutrality.
- **South Africa Introduces Solar Panel Tax Incentives for Homes, Adds New Incentive for Businesses to Adopt Renewables** (*Clean Technica*)
On February 22, South Africa’s Minister of Finance Enoch Godongwana rolled out short term tax

incentives for solar panel deployment. Individuals may “claim a rebate to the value of 25 percent of the cost of new and unused solar photovoltaic panels” while businesses “will be able to reduce their taxable income by 125 percent of the cost of an investment in renewables.”

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

“We’ve also discussed the possibility of forming critical minerals-free trade agreements that would enable Europe to qualify as a free trade partner.”

— **Secretary Janet Yellen speaking at Group of 20** ([New York Times](#) – February 24)

“We absolutely understand the road ahead and what we need to do, and I think we can make this COP even more important in terms of eliciting increased ambition [...] this has a chance of kicking everybody in the rear end and pushing this process into higher gear, which is where it needs to go.”

— **Special Climate Envoy John Kerry on COP28** ([Boston Globe](#) – February 26)

Upcoming Congressional Hearings (February 27 – March 3, 2023)

Senate

[Hearings to Examine the Climate Change and the Economic Risks to Coastal Communities](#)

Senate Budget

Wednesday, March 1, 10:00 AM EST

608 Dirksen Senate Office Building

House of Representatives

[Energy, Climate and Grid Security Markup](#)

House Energy and Commerce Energy Subcommittee

Tuesday, February 28, 10:00 AM EST

2123 Rayburn House Office Building

[Hearing on the Transparency and Production of American Energy Act of 2023 and the Permitting for Mining Needs Act of 2023](#)

House Natural Resources Energy and Mining Resources Subcommittee

Tuesday, February 28, 10:15 AM EST

1324 Longworth House Office Building

[Environmental, Manufacturing and Critical Materials Markup](#)

House Energy and Commerce Environment and Climate Change Subcommittee

Tuesday, February 28, 2:00 PM EST

	<p>2123 Rayburn House Office Building</p> <p>Unlocking Indian Country's Economic Potential</p> <p>House Natural Resources Indigenous Peoples of the United States Subcommittee</p> <p>Wednesday, March 1, 9:00 AM EST</p> <p>1324 Longworth House Office Building</p>
Federal Agency Climate News	
<p>The White House</p> <p>Biden-Harris Administration Announces Actions to Expand Offshore Wind Nationally and Harness More Reliable, Affordable Clean Energy (February 22)</p> <p>Department of Interior</p> <p>Interior Department Proposes First-Ever Offshore Wind Sale in Gulf of Mexico (February 22)</p> <p>Environmental Protection Agency</p> <p>Biden-Harris Administration Announces \$2.4 Billion for Clean Water Infrastructure Upgrades Through the Bipartisan Infrastructure Law (February 24)</p> <p>Biden-Harris Administration Announces \$550 Million to Advance Environmental Justice (February 23)</p>	<p>Department of Energy</p> <p>U.S. Department of Energy Announces \$48 Million to Improve Reliability and Resiliency of America's Power Grid (February 24)</p> <p>Biden-Harris Administration's Inaugural Offshore Wind Shot Summit Demonstrates Momentum Toward U.S. Deployment Goals (February 24)</p> <p>Biden-Harris Administration Announces \$2.5 Billion to Cut Pollution and Deliver Economic Benefits to Communities Across the Nation (February 23)</p> <p>U.S. Department of Energy Announces New Actions to Accelerate U.S. Floating Offshore Wind Deployment (February 22)</p>
Funding Opportunities	
<p>Hydrogen Fuel Shot</p> <p>Department of Energy</p> <p>Close Date: April 28, 2023</p> <p>Key Deployment Challenges for Offshore, Land-Based and Distributed Wind</p> <p>Department of Energy</p> <p>Close Date: March 10, 2023</p> <p>Enhanced Geothermal Systems Pilot Program</p> <p>Department of Energy</p>	<p>Energy Efficiency and Conservation Block Grant Program</p> <p>Department of Energy</p> <p>Close Date: July 31, 2023</p> <p>Long-Duration Energy Storage Demonstrations</p> <p>Department of Energy</p> <p>Close Date: March 3, 2023</p> <p>Resilient and Efficient Codes Implementation</p> <p>Department of Energy</p>

<p>Close Date: June 16, 2023</p> <p>Carbon Capture Large-Scale Pilots</p> <p>Department of Energy</p> <p>Close Date: June 21, 2023</p> <p>Environmental Justice Collaborative Problem-Solving Cooperative Agreement Program</p> <p>Environmental Protection Agency</p> <p>Close Date: April 10, 2023</p> <p>Environmental Justice Thriving Communities Grantmaking Program</p> <p>Environmental Protection Agency</p> <p>Close Date: May 31, 2023</p>	<p>Close Date: March 27, 2023</p> <p>Carbon Capture Demonstration Projects Program</p> <p>Department of Energy</p> <p>Close Date: May 23, 2023</p> <p>Environmental Justice Government-to-Government Program</p> <p>Environmental Protection Agency</p> <p>Close Date: April 10, 2023</p>
<h2>Comment Opportunities</h2>	
<p>Environment and Climate Justice Program</p> <p>Environmental Protection Agency</p> <p>Close Date: March 17, 2023</p>	<p>Grants to Facilitate the Siting of Interstate Electricity Transmission Lines</p> <p>Department of Energy</p> <p>Close Date: February 28, 2023</p>
<h2>Upcoming Events</h2>	
<p>Reimagining American Clean Energy Association</p> <p>The Aspen Institute</p> <p>Monday, February 27, 8:00 AM EST</p> <p>Climate-Proofing the Caribbean</p> <p>The Atlantic Council</p> <p>Monday, February 27, 1:00 PM EST</p> <p>Views from Capitol Hill</p> <p>The Center for Climate and Energy Solutions</p> <p>Tuesday, February 28, 9:30 AM EST</p>	<p>American Public Power Association Rally</p> <p>American Public Power Association</p> <p>Monday, February 27 – Wednesday, March 1</p> <p>National Tribal Energy</p> <p>The United State Energy Association</p> <p>Monday, February 27, 3:00 PM EST</p> <p>Barriers to At-Scale Clean Energy Investment</p> <p>Energy Futures Initiative</p> <p>Tuesday, February 28, 9:30 AM EST</p>

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