

Climate Policy Update

June 12, 2023

Good evening!

This is Akin's newsletter on climate change policy and regulatory developments, providing information on major climate policy headlines from the past week and forthcoming climate-related events and hearings:

National

- **Manchin Details Concerns About Climate Law Implementation** (*E&E News*)
Outlined in written comments, Sen. Joe Manchin (D-WV) criticized the Treasury Department's implementation of the Inflation Reduction Act ([P.L. 117-169](#); IRA) and argued that the Department is "either misreading or purposefully undermining" the law's tax credits for electric vehicles.
- **Bipartisan Bill Would Lay Groundwork for U.S. Carbon Tariffs** (*E&E News*)
A bipartisan group of senators have "signed on to legislation that would calculate the emissions intensity of the industrial materials produced in the United States." This action is likely to move the United States toward a carbon border adjustment mechanism (CBAM) to tariff imports with significant, related carbon emissions.
- **Dems Seize on Wildfires to Pound GOP's Climate Opposition** (*Politico*)
As a Canadian wildfire enveloped the East Coast with smoke, Democrats highlighted Republican opposition to climate rules for power plants and actions to prevent regulations on indoor air pollution. Further, Democrats argued that "those actions fly in the face of a wealth of science, including research backed by the U.S. government, showing that the planet's warming is worsening wildfires and other disasters around the globe."
- **U.S. Solar Power Installations Soar in Q1 on Easing Panel Import Gridlock** (*Reuters*)
A report from Wood Mackenzie and the Solar Energy Industries Association found that "U.S. solar energy installations soared in the first quarter [...] as easing panel supplies alleviated industry gridlock and allowed many stalled big projects to be completed and connected to the grid."

State & Local

- **Virginia Regulators Advance Youngkin Plan to Leave Climate Initiative He Calls Ineffective** (*Associated Press*)
In a 4-3 vote, Virginia's Air Pollution Control Board advanced Gov. Glenn Youngkin's (R-VA) plan to withdraw the Commonwealth's "participation in the Regional Greenhouse Gas Initiative [(RGGI)], which environmental advocates say is a proven tool to help reduce pollution and address climate change."

- **PA Coal Plants Keep Closing. Does the State Need Carbon Trading?** (*E&E News*)
In the wake of coal-fired power plant closures in Pennsylvania, the Kleinman Center for Energy Policy at the University of Pennsylvania produced a report concluding that the Commonwealth join RGGI to “get those revenues instead of these plants continuing to close and communities not getting the support they may require to have this transition.”
- **Tensions, Gas Prices Rise as Washington State Auctions Carbon** (*E&E News*)
While Washington state’s carbon cap-and-trade scheme “is raising hundreds of millions of dollars for climate action,” stakeholders in industries exposed to international trade have expressed concern that the law is “making them pay a surcharge to cover the costs of the climate law.” Moreover, Indigenous leaders were denied a requested exemption for their gas stations as the higher prices “were squeezing tribes with few resources.”
- **Arizona, Low on Water, Weighs Taking It from the Sea in Mexico** (*New York Times*)
Following the announcement that the Phoenix-region does not have enough groundwater to support approved housing projects, Arizona lawmakers are considering building a desalination plant in Mexico to pipe water across the State. While Gov. Katie Hobbs (D-AZ) has not endorsed the project, the Director of the Water Infrastructure Finance Authority of Arizona characterized the endeavor as a “highly likely outcome for Arizona.”

International

- **Britain Puts Coal Plant on Standby as Warm Temperatures Ramp Up Demand** (*Reuters*)
With rising temperatures, Britain’s National Grid called on “Uniper to ready a unit at its Ratcliffe coal-fired power plant in case extra electricity is needed.” This comes despite the country’s goal of closing coal-fired power plants by October 2024 to achieve its 2050 net-zero target.
- **Arctic May Have Summers with No Sea Ice Sooner than Projected, Study Finds** (*Washington Post*)
A recent study determined that “a summer in which the Arctic Oceans features almost entirely open water could be coming sooner than expected and has the possibility to become a regular event within most of our lifetimes.”
- **Forecasters Warn of Unpredictability, Weather ‘Chaos’ as El Niño Develops** (*Washington Post*)
The anticipated El Niño is already “scrambling precipitation patterns and boosting temperatures” and scientists are bracing for the weather phenomenon amid the greatest ocean temperatures in modern history.
- **Rich U.S. Subsidies May Hobble Canada’s Clean-Fuel Efforts** (*Reuters*)
Despite Prime Minister Justin Trudeau’s efforts, Canadian biofuel producers “are threatening to build their next projects in the United States to cash in on rich subsidies for clean fuel and stay competitive.” These projects are anticipated to cost Canada \$7.6 billion in lost investments.

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

“My comment is simple: Follow the law.”

– **Sen. Manchin** on the Treasury Department’s implementation of the IRA (*E&E News* – June 12)

Congressional Hearings (June 12 - June 16, 2023)

Senate

[Hearings to Examine the Impacts of Plastic Production and Disposal on Environmental Justice Communities](#)

Senate Environment and Public Works Subcommittee on Superfund, Waste Management and Regulatory Oversight

Thursday, June 15, 10:00 AM EDT

House of Representatives

[Oversight of FERC: Adhering to a Mission of Affordable and Reliable Energy for America](#)

House Energy and Commerce Subcommittee on Energy, Climate and Grid Security

Tuesday, June 13, 10:00 AM EDT

[From Theory to Reality: The Limitless Potential of Fusion Energy](#)

House Science, Space and Technology Subcommittee on Energy

Tuesday, June 13, 2:00 PM EDT

[Oversight of the NRC: Ensuring Efficient and Predictable Nuclear Safety Regulation for a Prosperous America](#)

House Energy and Commerce Subcommittee on Energy, Climate and Grid Security

Wednesday, June 14, 10:00 AM EDT

Federal Agency Climate News

Department of Energy

[Biden-Harris Administration Announces \\$192 Million to Advance Battery Recycling Technology](#) (June 12)

Department of the Interior

[Biden-Harris Administration Announces \\$64 Million to Address Legacy Pollution on Federal Lands and Waters. Create Good-Paying Jobs Through Investing in America Agenda](#) (June 8)

Funding and Comment Opportunities

[Enhanced Geothermal Systems Pilot Program](#)

Department of Energy

Letters of Intent: March 8, 2023

Close Date: June 16, 2023

[Carbon Capture Large-Scale Pilots](#)

Department of Energy

Concept Papers: April 5, 2023

Close Date: June 21, 2023

[Energy Efficiency and Conservation Block Grant Program](#)

Department of Energy

Pre-Award Information: April 28, 2023

Close Date: July 31, 2023

[Energy Improvements in Rural or Remote Areas](#)

Department of Energy

Concept Papers: April 14, 2023

Close Date: June 28, 2023

[Pollution Prevention Grant: Environmental Justice Through Safer/Sustainable Products](#)

Environmental Protection Agency

Close Date: June 20, 2023

[Powering Affordable Clean Energy](#)

Department of Agriculture

Close Date: September 29, 2023

[Clean Energy Demonstration Program on Current and Former Mine Land](#)

Department of Energy

Concept Paper: May 11, 2023

Close Date: August 31, 2023

[Empowering Rural America](#)

Department of Agriculture

Close Date: August 31, 2023

D.C. Climate Events

[Climate Lobbying Reboot Conference](#)

Citizens' Climate Lobby

Monday, June 12 – Tuesday, June 13

[Oil 2023](#)

International Energy Agency

Tuesday, June 13, 9:30 AM EDT

[Zero Emissions Vehicle Mandates: Research for Effective, Efficient, and Equitable Policy Implementation](#)

Resources for the Future

Tuesday, June 13, 11:00 AM EDT

[NERC Summer Reliability Assessment: Can the Grid Take the Heat?](#)

American Council on Renewable Energy

Tuesday, June 13, 1:00 PM EDT

[What's Next for Energy Innovation](#)

Bipartisan Policy Center

Wednesday, June 14, 4:00 PM EDT

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

[Kenneth J. Markowitz](#)

[Dario J. Frommer](#)

[Stacey H. Mitchell](#)

[Christopher A. Treanor](#)

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