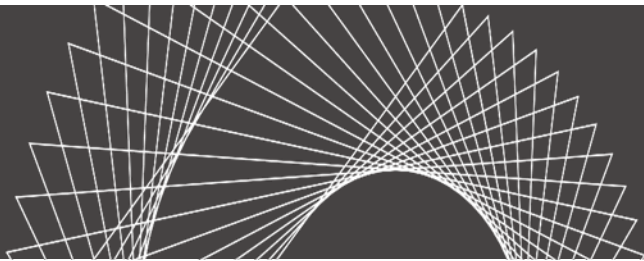


The New US Congress: Policy and Regulatory Impacts for the Energy Sector



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Overview

- Introductions
- 118th Congress Composition
- Inflation Reduction Act Implementation
- Congressional Oversight
- GOP Energy Package
- FERC Priorities
- Questions

Today's Speakers



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118th Congress Composition

- House of Representatives Results
 - 435 total races
 - 222 Republicans and 213 Democrats
 - Republicans picked up 19 seats and Democrats picked up 6

House Composition



- Senate Results
 - 35 total races
 - 51 Democrats and 49 Republicans
 - Democrats picked up 1 seat

Senate Composition



Inflation Reduction Act Implementation

- The Biden Administration will be focused on IRA and IIJA implementation in 2023
- Recently released IRA guidance:
 - Prevailing Wage & Apprenticeship Requirements (November 2022)
 - Clean vehicle requirements (December 2022 / January 2023)
 - Low-income community ITC and PTC adders (February 2023)
 - 48C Advanced Energy Project Tax Credit (February 2023)
- Forthcoming IRA guidance:
 - Electric vehicle battery component and critical mineral requirements (30D)
 - Energy community ITC and PTC adders (45/45Y/48/48E)
 - Domestic content ITC and PTC adders and direct-pay requirements (45/45Y/48/48E)
 - Tax credit transferability (6418)
 - Tax credit refundability (a/k/a “direct-pay”) (6417)
 - Carbon capture and sequestration tax credit updates (45Q)
 - Clean hydrogen production tax credit (45V)
 - Clean fuel production tax credit (45Z)
 - Advanced manufacturing production tax credit (45X)



Congressional Oversight

- Newly empowered House Republicans will pursue aggressive oversight...
 - CRA to disapprove EPA’s WOTUS rule
 - CRA to disapprove DOL’s rule: “Prudent and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights”
 - CRA to disapprove Commerce’s rule: “Procedures Covering Suspension of Liquidation, Duties, and Estimate Duties in Accord with Presidential Proclamation 10414” (Solar panels)
- ...Particularly as the Biden administration pursues its whole-of-government energy agenda
 - SEC is slated to issue its final climate-risk disclosure rulemaking in the spring
 - CFTC released a request for information regarding climate-related financial risk
 - EPA previously updated its methane rule to strengthen oil and gas industry regulations
 - DOT expects to finalize its proposed rule regarding the reporting of GHG emissions related to the transportation industry



GOP Energy Package

- The House Energy and Commerce Committee is considering various energy bills that may serve as a preview of the GOP's energy package:
 - H.R. 1068, Securing America's Critical Minerals Supply Act
 - H.R. 1121, Protecting American Energy Production Act
 - H.R. 1085, Researching Efficient Federal Improvements for Necessary Energy Refining (REFINER) Act
 - H.R. 1058, Promoting Cross-border Energy Infrastructure Act
 - H. Con. Res. 14, a resolution expressing disapproval of the revocation by President Biden of the Presidential permit for the Keystone XL pipeline.
 - H. Con. Res. 17, a resolution expressing the sense of Congress that the Federal Government should not impose any restrictions on the export of crude oil or other petroleum products.
 - H.R. 1130, Unlocking Our Domestic LNG Potential Act
 - H.R. 1115, Promoting Interagency Coordination for Review of Natural Gas Pipelines Act
 - H.R. 1160, Critical Electric Infrastructure Cybersecurity Incident Reporting Act
 - H.R. 1070, a bill to amend the Solid Waste Disposal Act (SWDA) to treat the owner or operator of a critical energy resource facility as having been issued an interim permit for the treatment, storage, and disposal, of hazardous waste, and for other purposes
 - H.R. 1131, a bill to require the Administrator of the Environmental Protection Agency to authorize the use of flexible air permitting with respect to certain critical energy resource facilities, and for other purposes
 - H.R. 1140, a bill to authorize the Administrator of the Environmental Protection Agency to waive application of certain requirements with respect to processing and refining of a critical energy resource at a critical energy resource facility, and for other purposes
 - H.R. 1158, the Elimination of Future Technology Delays Act
 - H.R. 1141, Natural Gas Tax Repeal Act
 - H.R. 1023, a bill to repeal section 134 of the Clean Air Act, relating to the greenhouse gas reduction fund
 - H.R. 1155, Keeping America's Refineries Act

Permitting Reform

- The House of Representatives will begin developing the Congressional approach to permitting reform
- House Natural Resources markups will be the starting point with three existing legislative proposals
 - Chair Bruce Westerman's (D-AR) Transparency and Production of American Energy Act of 2023
 - Rep. Pete Stauber's (R-MI) Permitting for Mining Needs Act of 2023
 - Rep. Garret Graves's (R-LA) Building United States Infrastructure Through Limited Delays and Efficient Reviews Act of 2023
- The House is hoping to bring the package to the floor by the end of March
- The Senate plans to wait and react to the House's proposal
- Timing for meaningful negotiations between the House and Senate is most likely this summer
- Sens. Joe Manchin (D-WV) and Shelley Moore Capito (R-WV) introduced competing permitting reform bills last Congress
 - Streamlining and expediting permitting
 - Clean Water Act amendments
 - Mountain Valley Pipeline

FERC 101

All Commissioners are appointed by the President with the advice and consent of the Senate



James Danly (R)
Term expires 6/30/23
Former Chairman
11/5/20 – 1/21/21



Mark Christie (R)
Term expires 6/30/25



Willie Phillips (D)
Term expires 6/30/26
Acting Chairman



Allison Clements (D)
Term expires 6/30/24



Unknown Democrat
Term would expire 6/30/27

*Senator Joe Manchin: “Willie Phillips is a supremely qualified and **reasonable** person and he understands the need to balance affordability and reliability...As implementation of the Bipartisan Infrastructure Law and the Inflation Reduction Act continues, I look forward to working with Acting Chairman Phillips in his new position as we pursue an **all-of-the-above** energy policy that will enhance our national and economic security.” January 3, 2023*

Key Outstanding FERC Priorities

- Natural gas pipeline certification and LNG terminal authorization reform
 - Notice of Inquiry remains outstanding in Docket Nos. PL18-1 and PL21-3
 - Consideration of GHG emissions still a “generic rulemaking” and interplay with environmental justice
- Backstop authority for transmission siting
 - Rulemaking to implement amendments to FPA section 216 in Docket No. RM22-7-000
- Regional transmission planning and cost allocation
 - Reforms to *pro forma* OATT and LGIA in Docket No. RM21-17
- Generator interconnection reform
 - Reforms to *pro forma* LGIP & *pro forma* SGIA in Docket No. RM22-14
- Grid reliability and Weatherization
 - Planning for extreme weather, Docket No. RM22-10



Questions?

