

Climate Policy Update

May 16, 2024

Good afternoon!

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

- **[FERC Shakes Up Power Industry with Landmark Grid Rule](#)** *(E&E News)*

On Monday, May 13, the Federal Energy Regulatory Commission (FERC) instructed U.S. electricity grid operators to create new transmission infrastructure that can transport more renewable energy and protect against extreme weather. FERC said that planners and owners of transmission should anticipate changes in electricity production over the next 20 years and consider the long-term benefits of constructing and upgrading power lines.

- **[DOE Unveils Critical Grid Corridors for Biden Climate Goals](#)** *(E&E News)*

On Wednesday, May 8, the Department of Energy declared the first 10 federal corridors for the development of multistate, ultra-high-capacity electric transmission lines. This move supports President Joe Biden's objective to transport more carbon-free energy across the country. The administration is making use of the authority Congress gave it to designate "national interest" corridors to expand the power grid.

- **[FERC Grid Rule Splits Parties, May Doom Permitting Deal](#)** *(E&E News)*

Senate Majority Leader Chuck Schumer all but dismissed the possibility of a bipartisan permitting package this Congress, according to a press call celebrating FERC's landmark transmission rule. Schumer said that compromise legislation to help expand the grid's capacity to carry renewable energy and accelerate project approvals was highly unlikely.

- **[Lawsuits Mount Against Biden Power Plant Rule](#)** *(E&E News)*

Several states have filed legal challenges against the Biden administration's initiative to eliminate carbon pollution from power plants. Ohio, Kansas and Oklahoma Gas & Electric are the latest to file lawsuits that will be consolidated with existing lawsuits filed by 25 Republican-led states, the National Mining Association and the National Rural Electric Cooperative Association in the D.C. Circuit.

- **Biden Ratchets Up Tariffs on Chinese EVs, Solar, Batteries** (*E&E News*)

President Joe Biden announced new tariffs on Tuesday, intended to block China's influence in key American clean energy technologies. This is part of a broader effort to raise tariffs on a range of Chinese-made goods such as crucial minerals, solar items, steel and aluminum.

- **'A Little Bold and Gross': Oil Industry Writes Executive Orders for Trump To Sign** (*PoliticoPro*)

The oil and gas industry, worried that former President Trump is preoccupied with his campaign and other distractions, are preparing ready-to-sign executive orders seeking to overturn President Biden's policies. Suggested actions include reversing President Biden's liquefied natural gas (LNG) pause, reducing drilling costs, and increasing offshore oil leases.

- **Trump Vows 'Day One' Executive Order Targeting Offshore Wind** (*E&E News*)

At campaign rally in Wildwood, NJ, on Saturday, May 11, former President Trump pledged to sign an anti-offshore wind executive order on day one of a potential second term. It is uncertain what the executive order would look like. The Department of the Interior has jurisdiction over the outer continental shelf and is responsible for evaluating and authorizing offshore wind projects. During his first term, approvals were put on hold as officials examined the potential impact on marine species and commercial fishing.

State and Local

- **Newsom Touts Billions in Climate Spending Through California's Cap-and-Trade Program** (*LA Times*)

Governor Gavin Newsom announced on Wednesday that a signature California program that charges polluters for their planet-heating emissions has generated billions of dollars for state initiatives, including various projects such as California's high-speed rail, low-carbon public transit, rebates for purchasing electric vehicles, land conservation and tree-planting, efforts to capture methane emitted by dairy cows and the construction of affordable housing.

- **Calif. Governor's May Budget Revision Would Fund Corporate Climate Laws** (*E&E News*)

California Governor Gavin Newsom has proposed a budget for the year 2024-25 that includes funding for two landmark corporate emissions disclosure laws. The budget aims to close a \$27.6 billion budget deficit and would grant the California Air Resources Board funding to implement S.B. 253 and S.B. 261. In pre-budget briefings, the Governor's administration had committed to funding all chaptered laws, including these two landmark laws.

- **Comitta Introduces Pennsylvania Climate Emissions Reduction Act** (*Pennsylvania Senate Democrats*)

State Senator Carolyn Comitta has recently introduced Senate Bill 1191, known as the Pennsylvania Climate Emissions Reduction (PACER) Program. This program is a crucial aspect of Governor Shapiro's energy plan aimed at lowering emissions, generating employment opportunities in clean energy, and reducing power costs for Pennsylvania residents. PACER seeks to establish a specific price on carbon emissions within Pennsylvania and require significant emitters to contribute their fair share, an alternative to the Regional Greenhouse Gas Initiative (RGGI).

- **Virginia Lawmakers Pass Bipartisan Budget that Leaves Tax Policy Unchanged** (*Virginia Mercury*)

The budget deal, to the satisfaction of Governor Youngkin, excludes the Democratic priority of renewing the state's membership in the RGGI—a multistate compact used for trading carbon emissions credits.

- **Vermont Passes Bill to Charge Fossil Fuel Companies for Damage from Climate Change** (*NBC News*)

Vermont lawmakers passed a bill that holds fossil fuel companies accountable for weather disasters caused by climate change. Vermont's bill, referred to as its Climate Superfund Act, is based on the Environmental Protection Agency's superfund program, which requires companies responsible for environmental contamination to either clean up sites themselves or reimburse the government for any necessary work.

International

- **US, China Reaffirm Climate Ties as New Negotiators Meet** (*PoliticoPro*)

Special Presidential Envoy for Climate John Podesta and his Chinese counterpart Liu Zhenmin met in Washington to discuss efforts to cut methane pollution and promote clean energy. The meeting aimed to build on commitments the two nations made in November 2023. The United States and China pledged to submit their next 10-year plans to fight climate change by the February 2025 deadline and to continue technical and policy dialogue. Despite tense overall relations between the countries, the statement was seen as an important step in maintaining productive climate ties between Washington and Beijing.

- **Australia Backs Gas Beyond 2050 Despite Climate Fears** (*BBC*)

Australia has declared that it intends to increase its extraction and utilization of gas until “2050 and beyond” in spite of worldwide efforts to phase out fossil fuels. The government, led by Prime Minister Anthony Albanese, argues that this step is necessary to secure domestic energy supply while also backing a shift to net zero.

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

Quote of the Week

“Our country is facing an unprecedented surge in demand for affordable electricity while confronting extreme weather threats to the reliability of our grid and trying to stay one step ahead of the massive technological changes we are seeing in our society [...] Our nation needs a new foundation to get badly needed new transmission planned, paid for and built. With this new rule, that starts today.”

– FERC Chairman Willie Phillips (*FERC Press Release - [May 13](#)*)

Congressional Hearings (May 13 - May 17, 2024)

Senate

[Budgeting for the Storm: Climate Change and the Costs to National Security](#)

Senate Budget

Wednesday, May 15, 10:00 AM ET

House of Representatives

[Hearing: 'The Fiscal Year 2025 Environmental Protection Agency Budget'](#)

House Energy and Commerce

Wednesday, May 15, 10:00 AM ET

[Examining the Council on Environmental Quality Fiscal Year 2025 Budget Request and Related Policy Matters](#)

House Committee on Natural Resources

Thursday, May 16, 10:00 AM ET

Federal Agency Climate News

Department of Energy

[Biden-Harris Administration Announces Initial List of High-Priority Areas for Accelerated Transmission Expansion](#) (May 8)

[G7 Energy Ministers Achieve Breakthroughs on Unabated Coal Phaseout, Global Energy Storage, and Phasing Out Harmful Non-CO2 Pollutants](#) (May 9)

White House

[Readout of White House Convening on Advancing a Climate-Ready Workforce](#) (May 9)

[FACT SHEET: President Biden Takes Action to Protect American Workers and Businesses from China's Unfair Trade Practices](#) (May 14)

Federal Energy Regulatory Commission

[FERC Takes on Long-Term Planning with Historic Transmission Rule](#) (May 13)

Funding and Comment Opportunities

[Solar and Wind Interconnection for Future Transmission](#)

Department of Energy

Close Date: June 28, 2024

[Advanced Manufacturing and Recycling Program](#)

Department of Energy

Close Date: June 24, 2024

D.C. Climate Events

The Strategic Value of Modern Grid Technologies

Center for Strategic and International Studies

Monday, May 13, 1:00 PM ET

The Red Zone: Charting Paths to Resilience in the Climate-Conflict Nexus

Center for Strategic and International Studies

Wednesday, May 15, 8:30 AM ET

Understanding the EPA's New Methane Waste Emissions Fee & Advanced Methane Leak Detection Technologies

United States Energy Association

Tuesday, May 14, 2:00 PM ET

Charging Up EV Infrastructure Deployment and Clean Tech Supply Chains

Bipartisan Policy Center

Thursday, May 16, 9:00 AM ET

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

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