

Climate Policy Update

October 31, 2022

Good evening! This is Akin Gump's <u>weekly policy newsletter</u> 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

- Methane 'Super-Emitters' Mapped by NASA's New Earth Space Mission (NASA)
 - NASA's Earth Surface Mineral Dust Source Investigation (EMIT) seeks to map "the prevalence of key minerals in the planet's dust-producing deserts" to "advance the understanding of airborne dust's effects on the climate." The mission has also proven effective at detecting methane.
- Shift to Clean Energy Grid Presents Challenges for US Official (Bloomberg)

The Department of Energy's (DOE) Grid Deployment Office is working to "funnel billions into transmission lines, distribution grid networks, microgrids, and storage facilities as part of an attempt to spur more clean energy deployment." As such, the office is "weighing public comments due this month on a \$10.5 billion initiative to fund grid resiliency."

- Interior Threatens Colorado River Cuts (E&E News)
 - Officials from the Department of the Interior (DOI) announced that the department is "preparing to take steps to control the flow [of the Colorado River] and keep hydropower dams generating electricity." DOI Secretary Deb Haaland threatened cuts to Colorado River access after the group of seven western states failed to develop a plan on "how to reduce consumption by up to 4 million acre-feet in 2023."
- US Treasury Launches Industry Outreach on Clean Energy Tax Credits (Reuters)

The Treasury Department "launched a series of meetings with clean power groups, utilities, labor unions, and others to develop detailed rules for some \$270 billion in newly enacted incentives to jump-start green energy investments." The department noted that Secretary Janet Yellen convened with 16 industry groups to discuss the guidance that will determine how companies can utilize clean energy tax credits.

• <u>BOEM Seeks Public Comments on Proposed Guidance for Submission of Offshore Wind Project Plans</u> (Bureau of Ocean Energy Management)

The Bureau of Ocean Energy Management (BOEM) opened a 45-day public comment period regarding "impact pile driving sound exposure modeling and sound field measurement for offshore wind construction and operations plans."

State and Local

• 15 State AG Races to Watch on the Environment (E&E News)

Massachusetts, New Jersey, and New York."

30 states and Washington, D.C. are holding attorneys general races in 2022 and the top legal officers are the "chief enforcers of state environmental law" and may "file comments and amicus briefs critiquing federal rules they do not like." Fifteen of the attorneys general races will have consequential impacts on state climate laws, including Arizona, Michigan, Iowa, Georgia, Wisconsin, Minnesota, Washington, D.C., Massachusetts, New Mexico, Colorado, Texas, Maryland, California, New York, and Vermont.

- US Midterm Outcome in Certain States Could Affect Approach to Energy (Reuters)
 - Various climate programs and regulations in states like Oregon, Arizona, and Maryland will hinge on the outcome of the 2022 midterm elections. Oregon's gubernatorial race between Gov. Kate Brown (D-OR) and Christine Drazan (R-OR) will determine the state's cap-and-trade program. The Democratic gubernatorial candidate in Maryland, Wes Moore (D-MD) has pledged to "fast-track a state plan to generate 100 percent clean energy by a decade to a 2035 deadline." Two seats of the presently Republican-controlled Arizona Corporation Commission are open—should the commission flip, "it could increase renewable energy power generation."
- New England States Poised to Capitalize on New Federal Climate Law Incentives (Energy News Network)
 New England states have previously enacted their own climate plans, leaving them in a "prime position to take advantage of renewable energy incentives in the historic climate bill enacted by Congress over the summer." Each New England State, with the exception of New Hampshire, has "adopted a climate law obligating them to greenhouse gas emissions reductions."
 The Inflation Reduction Act will allow New England to "enhance some of the state-level programs already in place."
- States Are Vying for Money to Start 'Hydrogen Hubs.' What Are They? (Nebraska Examiner)
 With the roll-out of the H2Hubs program, "states are inking agreements with neighbors or striking out on their own to pursue billions in federal funding." For example, the proposed Western Interstate Hydrogen Hub is comprised of higher education institutions and national labs from Colorado, New Mexico, Utah and Wyoming. Additional agreements have been made "between Louisiana, Oklahoma, and Arkansas; Minnesota, Montana, North Dakota, and Wisconsin; and Connecticut,

 Mayor Adams Announces \$4 Billion Plan to Make New Schools All-Electric, Electrifying 100 Existing Schools (Mayor Eric Adams)

New York Mayor Eric Adams (D-NY) announced the Leading the Charge plan, which provides \$4 billion to "combat climate change, create healthier learning environments, improve air quality in communities disproportionately burdened by climate change and environmental injustice, and help develop the next generation's green workforce."

International

• EU Strikes Deal to Ban the Sale of New Diesel and Gasoline Cars from 2035 (CNBC)

Late last week, the European Parliament announced that negotiators reached a consensus on the European Commission's (EU) "zero-emission road mobility by 2035" plan. The deal "seeks to slash CO2 emissions from new vans and passenger cars by 100 percent from 2021 levels and would constitute an effective ban on new diesel and gasoline vehicles of these types."

• Climate Change: UN Warns Key Warming Threshold Slipping From Sight (BBC)

The United Nation's (UN) emissions gap study underscored that there is "'no credible pathway' to keep the rise in global temperatures below the key threshold of 1.5C." Additionally, the report argued that governments' emissions reductions following COP26 have been "'woefully inadequate.'"

• UK Says New Prime Minster Rishi Sunak Won't Go to US Climate Change Conference (PBS)

The U.K. government announced that its new Prime Minster, Rishi Sunak, will not attend COP27. Sunak's office explained that the Prime Minister is unable to attend because of "pressing domestic commitments" and does not imply disinterest in the government's "commitment to combating climate change."

• South Africa, Indonesia Get \$1 Billion to Close Coal Plants (Bloomberg)

The Climate Investment Funds are providing South Africa and Indonesia a cumulative \$1 billion "to replace some of their coal-fired power plants with renewable energy facilities." South Africa is expected to use the funding to replace coal plants with "renewable energy plants and battery storage systems." Indonesia will work with "state power provider PT Perusahaan Listrik Negara and private companies to accelerate the closure of 2,000 megawatts of coal-fired generation in five to 10 years and explore how that capacity can be replaced."

• <u>UAE Minister of Climate Change and Environment Mariam Al Mheiri: Middle East at the Heart of New Climate Reality</u> (Atlantic Council)

The Atlantic Council held a two-day conference outlining the "climate change challenges in the [Middle Eastern/North African] MENA region, examining the drivers behind emerging climate-security risks, including threats to food security, water security, health systems, national security, and resilience to climate-driven migration."

• China is Doubling Down on Coal Despite Its Green Ambitions (Bloomberg)

Despite China's clean energy investments, the country is "building a vast array of new coal-fired power stations [...] even though it knows the plants will probably never be fully used." China has approved new coal permits and work is expected to

begin on new coal plants by 2023. Ultimately, China's "strategy is designed to avoid the pitfalls that have hobbled parts of the US and Europe, which stopped investing in fossil fuel production and infrastructure before renewables were ready to take over."

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

"To realize the promise of this law, we are working in tandem with all of you: utilities, project developers, manufacturers, organized labor, community organizations, and other critical actors who help supply the clean power our economy and planet need."

-Sec. Janet Yellen discussing the Treasury Department's implementation of the Inflation Reduction Act

(<u>E&E News</u> — October 27, 2022)

"We've worked really hard to create fertile ground for this type of thing—in five of the six states, you have climate laws already passed [...]

The states have prepared for this day. And now the Inflation Reduction Act is going to provide them with the reso urces to execute on it."

-Sean Mahoney, Executive Vice President of the Conservation Law Foundation, outlining New England's preparation

for the Inflation Reduction Act

(Energy News Network — October 24, 2022)

Upcoming Congressional Hearings (October 31 – November 4, 2022)

Senate House of Representatives

No relevant Senate hearings.

No relevant House hearings.

Federal Agency Climate News

The White House

Remarks by Vice President Harrison Investments in Clean School Buses (October 26)

US. Department of the Interior

Interior Department Initiates Significant Action to Protect Colorado River System (October 28)

Environmental Protection Agency (EPA)

Biden-Harris Administration Announces Nearly \$1 Billion from EPA's Clean School Bus Program for 389 School Districts (October 26)

EPA Awards More Than \$3 M to Small Businesses for Continued Development of Innovative Environmental Technologies (October 26)

U.S. Department of Energy (DOE)

<u>DOE Announces \$39 Million for Technology to Grow the Domestic Critical Minerals Supply Chain and Strengthen National Security</u>
(October 27)

<u>Biden-Harris Administration Announces \$84.5 Million to Make Clean Energy Improvements and Lower Energy Costs for K-12 Schools</u>
(October 26)

Funding Opportunities

Pumped Storage Hydropower Wind and Solar Integration and System Reliability Initiative

Department of Energy Close Date: December 15, 2022

Regional Clean Hydrogen Hubs Department of Energy Close Date: November 7, 2022

Comment Opportunities

Nationwide Recommendations for Impact Pile Driving Sound Exposure

Modeling and Sound Field Measurement for Offshore Wind Construction

and Operations Plans

Department of the Interior Close Date: December 12, 2022

 $\underline{Request \, for \, Information: Greenhouse \, Gas \, Reduction \, Fund}$

Environmental Protection Agency Close Date: December 15, 2022

Upcoming D.C. Climate Events (Registration)

What Is an Energy Community

Resources for the Future

Tuesday, November 1, 1:00 PM EST

Energy Transition Conference

The American Bar Association

Friday, November 4, 9:00 AM EST

Renewable Energy and Mining in Latin America

The Wilson Center

Thursday, November 3, 11:00 AM EST

The Pentagon, Climate Change, and War

Quincy Institute for Responsible Statecraft

Tuesday, November 1, 12:00 PM EST

<u>COP27 and Beyond: Leveraging U.S.-African Business</u> <u>Partnerships to Accelerate Clean Energy Deployment</u>

The Atlantic Council

Wednesday, November 2, 9:00 AM EST

<u>Power Projection: Accelerating the Electrification of US</u>

Military Ground Vehicles

The Atlantic Council

Thursday, November 3, 3:30 PM EST

The State of Climate Action in 2022

World Resources Institute

Thursday, November 3, 3:00 PM CET

What to Watch for at COP27

Carnegie Endowment for International Peace

Tuesday, November 1, 10:00 AM UTC

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

Kenneth J. Markowitz

Stacey H. Mitchell

<u>Dario J. Frommer</u>

Christopher A. Treanor

akingump.com