

Climate Policy Update

August 14, 2024

Good morning!

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

[Why Kamala Harris has an energy permitting predicament](#) *(ClimateWire)*

The Energy Permitting Reform Act of 2024, which was recently reported favorably out of committee by a bipartisan vote of 15-4 in late-July, could significantly advance clean energy projects from the Inflation Reduction Act (IRA) while also benefits fossil fuel industries, creating tension with environmental activists. The bills momentum puts Vice President Kamala Harris in a difficult position as it conflicts with her environmental justice priorities, which are central to her campaign.

[Podesta says permitting deal could happen this year](#) *(GreenWire)*

White House climate adviser John Podesta indicated that permitting legislation might progress after the November elections, with potential negotiations during the lame-duck session. While he acknowledged both positive and problematic aspects of the Manchin-Barrasso bill, Podesta refrained from speculating on whether President Biden would sign it.

[Tim Walz treads lightly on mining in resource-rich Minnesota](#) *(GreenWire)*

Minnesota Governor Tim Walz, considered a climate champion, has faced criticism for not halting mining development near protected watersheds. While he supports clean energy mandates and electric vehicles, Walz has stayed out of major sulfide mining fights, disappointing some environmental advocates by defending permits for the proposed NorthMet mine under his administration.

[Legal fight over FERC grid rule lands in 4th Circuit](#) *(EnergyWire)*

11 lawsuits challenging Federal Energy Regulatory Commission (FERC) Order 1920, which aims to improve long-term grid planning and access to renewable energy, have been consolidated in the 4th

Circuit U.S. Court of Appeals in Richmond. The legal battle represents a significant test of the Supreme Court's recent decision to overturn the *Chevron* doctrine. Opponents argue that the rule undermines states' authority and harms ratepayers, while supporters, including FERC Chair Willie Phillips, assert the plan is crucial for ensuring affordable electricity access for Americans.

DOE charts path to boost hydropower *(EnergyWire)*

The Department of Energy's (DOE) recent report highlights the importance of strengthening the U.S. hydropower supply chain to support the nation's goal of achieving a 100% carbon-free grid by 2035. The report identifies key gaps in the domestic supply chain, such as the shortage of skilled industry workers and limited domestic facilities for producing hydropower components. To address these challenges, the report recommends measures such as setting an example with the federal hydro fleet, developing domestic supply chain datasets and leveraging incentives like the IRA to stimulate demand for hydropower components.

DOE offers 'groundbreaking support' to improve direct air capture *(ClimateWire)*

A \$52.5 million grant competition announced by the DOE aims to fund technology that can efficiently capture carbon dioxide from the atmosphere. The competition seeks to develop commercially promising direct air capture (DAC) technologies with the goal of industry deployment. This initiative is part of a larger \$100 million DOE program to commercialize carbon removal technologies and implement a \$3.5 billion DAC hub program to aid the development of projects capable of removing significant amounts of CO2 from the air annually.

Biden hikes exemptions for solar cell imports *(PoliticoPro)*

President Biden issued a proclamation more than doubling the import quota for tariff-free solar cells to 12.5 gigawatts (GW), aiming to provide relief to U.S. solar panel manufacturers dependent on foreign components. This move aligns with the U.S. effort to boost domestic solar manufacturing through incentives in the IRA. The decision was praised by industry leaders as a crucial step toward stabilizing and expanding U.S. solar module production.

US utilities poised to ride data center demand wave in second half *(Reuters)*

U.S. electric utilities are optimistic about growth in data center demand driven by the artificial intelligence (AI) boom, as major firms like American Electric Power and NextEra Energy have secured significant supply deals in the second quarter. Utilities have raised their 2030 electricity demand forecasts for data centers by about 50%, with data centers expected to represent 25% of the economic development pipeline through 2028.

State and Local

Illinois court strikes blow against Grain Belt Express power line *(EnergyWire)*

An Illinois appellate court recently overturned the state's approval of the \$7 billion Grain Belt Express high-voltage power line project. The court's ruling was based on the developer's failure to prove its capability of financing the project, causing uncertainty about the future of the transmission line. The

decision has raised concerns about the challenges in getting transmission projects approved and the implications for the development of clean energy infrastructure.

Gov. Hochul Ponders a Relaxation of Goals Under New York's Landmark Climate Law (*Inside Climate News*)

New York State faces potential delays in meeting its Climate Leadership and Community Protection Act (CLCPA) targets, with state officials admitting the 70% renewable energy goal by 2030 will likely be missed. Business groups and some lawmakers are lobbying Governor Kathy Hochul to relax the law's mandates due to rising costs and implementation challenges. Critics argue the law's ambitious goals are leading to economic and operational difficulties, while environmental advocates stress the importance of sticking to the targets despite the setbacks.

Dockworkers raise prospect of strike at major ports (*Politico Weekly New York & New Jersey Energy*)

Con Edison is seeking \$66 million from New York regulators to expand the Brooklyn substation for offshore wind connections, warning that delays could increase costs and push the project to 2032. The New York Power Authority received a \$30 million federal grant for the Clean Path project to transport upstate renewable energy to New York City, though it faces permitting issues. Governor Hochul will host a summit in September to explore advanced clean energy technologies and a potential "New Nuclear Master Plan" to help meet the state's renewable energy goals.

California Public Utilities Commission Decision Establishing Target Energization Time Periods and Procedure for Customers to Report Energization Delays (*California Public Utilities Commission*)

The California Public Utilities Commission proposed new deadlines for utilities to connect electric vehicle (EV) chargers and apartment buildings to the grid, aiming to address long delays criticized by developers. The proposal sets targets for interconnections to be completed within six months to a year, with extended timelines for large-scale projects requiring additional grid upgrades.

Proposed Low Carbon Fuel Standard Amendments (*California Air Resources Board*)

The California Air Resources Board proposed stricter changes to its low-carbon fuel standard, lowering emissions thresholds and causing credit prices to spike. The amendments received mixed reactions, with environmentalists saying they fall short and biofuels companies expressing support for the stricter carbon limits. Comments are due on August 27, 2024.

Letter from California Lawmakers Opposing Governor Newsom's Proposed Delay of Climate Disclosure Rules (*California Legislature*)

Lawmakers and advocacy groups are urging Gov. Gavin Newsom to reject a proposal to delay California's climate disclosure laws, which require large companies to report their emissions and climate-related risks starting in 2026. They argue that without federal standards, California must lead the way to ensure the U.S. remains competitive in global climate reporting.

Western energy market governance enhancements approved *(California Independent System Operator Newsroom)*

The California ISO Board and Western Energy Markets (WEM) Governing Body approved a new governance plan to improve electricity reliability and reduce costs across the West. This plan gives the WEM Governing Body more decision-making power over key electricity markets, while California's Board keeps oversight.

Could Musk save California's waiver from Trump? *(Politico California Climate)*

Elon Musk's past support for California's climate policies, including its waiver for stricter tailpipe emissions rules, is uncertain as his business focus shifts and political differences with the state deepen. While Musk has economic incentives to support the waiver, his evolving interests and Tesla's changing market position may reduce his commitment. Analysts predict Trump's softened stance on EVs is unlikely to translate into real policy support for the industry.

Largest US direct air capture plant opens in Oklahoma *(PoliticoPro)*

Heimdal is launching the largest U.S. DAC facility in Oklahoma, aiming to remove 5,000 metric tons of CO₂ from the atmosphere annually at a cost below \$200 per ton. The project, named Bantam, uses a unique sorbent material and will initially store the captured CO₂ through enhanced oil recovery (EOR) while seeking permits for long-term geological storage. Heimdal's technology and approach are seen as significant advancements in the DAC industry, positioning the company as a key player in carbon removal efforts.

International

Mexico's hope of solar deal with US faces uncertain fate *(PoliticoPro)*

Mexico's efforts to secure a tariff exemption for \$400 million worth of solar panel exports to the U.S. are stalled, risking job losses at Maxeon, the country's largest solar panel producer. The delay could potentially derail its plans to build a facility in the U.S. and lead Mexico to retaliate against \$1 billion in U.S. exports

US, China to hold fifth round of talks under financial working group *(PoliticoPro)*

Senior U.S. Treasury officials will travel to Shanghai this week for a meeting with their Chinese counterparts as part of the U.S.-China Financial Working Group, aiming to maintain cooperation amid ongoing trade tensions. The discussions will focus on macroeconomic and financial stability, International Monetary Fund governance, capital markets and combating fentanyl flow into the U.S. This visit is part of the Biden administration's broader effort to sustain economic ties with China while safeguarding U.S. national security interests.

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

“But the bottom line is this: Two years in, the largest climate investment in history is working. So, understandably, people are asking if that investment can really stick regardless of who is in power here in Washington. My answer to the question of whether the Inflation Reduction Act has staying power is yes. No Republicans voted for the IRA—but they know their constituents are receiving the benefits. According to Climate Power, 58 percent of the new clean energy jobs created since the IRA passed are located in Congressional districts represented by Republicans. Those jobs come from over 300 new clean energy projects totaling \$282 billion in investment. Some Republicans—especially governors—know that all this activity is a good thing.”

-Senior Advisor to the President for International Climate Policy John Podesta during a briefing celebrating the two year anniversary of the Inflation Reduction Act (IRA) ([White House Briefing Room](#) – August 13)

Congressional Hearings (August 12 - 16, 2024)

Senate

No relevant hearings.

House of Representatives

No relevant hearings.

Federal Agency Climate News

White House

[Remarks as Prepared for John Podesta IRA Two-Year Anniversary Speech](#) (August 13)

[Readout of the White House Faith Leaders Convening on Climate, Clean Energy, and Environmental Justice](#) (August 13)

[A Proclamation To Further Facilitate Positive Adjustment to Competition From Imports of Certain Crystalline Silicon Photovoltaic Cells \(Whether or Not Partially or Fully Assembled Into Other Products\)](#) (August 12)

Funding and Comment Opportunities

[Wholesale Electricity Market Studies and Engagements](#)

Department of Energy

Close Date: August 22, 2024

[Connected Communities 2.0: Innovations to Manage Growing Transportation, Building, and Industrial Loads to the Grid](#)

Department of Energy

Close Date: October 10, 2024

Geothermal Technologies Office Geothermal Resources' Value in Implementing Decarbonization (GTO GRID)

Department of Energy

Close Date: September 9, 2024

Bipartisan Infrastructure Law Enhanced Geothermal Systems (EGS) Pilot Demonstrations

Department of Energy

Close Date: September 25, 2024

Fiscal Year 2024 Solar Energy Supply Chain Incubator

Department of Energy

Close Date: October 7, 2024

Offshore Wind National and Regional Research and Development

Department of Energy

Close Date: November 7, 2024

Smart Manufacturing Technologies for Material and Process Innovation

Department of Energy

Close Date: November 18, 2024

D.C. Climate Events

Bringing Climate and Health Together in Japanese and American Cities

The Wilson Center

Friday, August 16, 10:00 AM ET

Bolstering Data Center Growth, Resilience, and Security

Center for Strategic and International Studies

September 4, 10:00 AM ET

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

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