

Climate Policy Update

December 12, 2022

Good evening! This is Akin Gump's weekly policy newsletter 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

- **What's Next for Manchin's Permitting Bill** (*E&E News*)
Sen. Joe Manchin (D-WV) released his newest iteration of his permitting reform bill. Despite the update's several concessions to Republicans—such as the exclusion of language that “would have allowed the Federal Energy Regulatory Commission to trump state authority to site electric transmission lines” —GOP senators have doubled down on their opposition to the bill.
- **Republicans Launch Probe of Biden Energy Policies** (*Committee on Oversight and Reform*)
Rep. James Comer (R-KY)—who will assume the House Oversight and Reform chairmanship in the new Congress—launched several investigations of federal agencies' climate policies. Specifically, Rep. Comer sent letters to Energy Secretary Jennifer Granholm regarding the Biden-Harris administration's approach to reducing energy costs and the release of strategic petroleum reserves; State Secretary Antony Blinken regarding a “secret deal to boost oil production” between the United States and Saudi Arabia; Environmental Protection Agency (EPA) Administrator Michael Regan regarding the agency's methane rule; and Securities and Exchange Commission (SEC) Chair Gary Gensler regarding the environmental, social and governance (ESG) rule.
- **Democratic Lawmakers Accuse Big Oil Companies of 'Greenwashing'** (*CNBC*)
Chair of the House Oversight and Reform Committee Rep. Carolyn Maloney (D-NY) and Rep. Ro Khanna (D-CA) issued a letter to the Committee's membership detailing its ongoing investigation into the fossil fuel industry. The letter argued that the “fossil fuel industry ‘greenwashed’ its public image with promises and actions that oil and gas executives knew would not meaningfully reduce emissions, even as the industry moved aggressively to lock in continued fossil fuel production for decades to come.” The letter specifically calls out Exxon, Chevron, Shell and BP's “failure” to invest in clean energy despite approximately \$100 billion in combined profits.

- **[EPA Has a New Climate Fund. Who Should Control the Money?](#)** (*E&E News*)
Funded through the Inflation Reduction Act, the EPA's new Greenhouse Gas Reduction Fund will direct federal funding to nonprofit organizations "who then will dole out the money to local lenders that specialize in green financing and community development lending." The fund's public comment period closed on December 5 and the letters largely argued which organizations should receive the program's general fund. Some comments advocated for a national green bank to oversee funding distribution, while others argued that nonprofit organizations with relationships with credit unions and banks within disadvantaged communities should take the lead.
- **[Fusion Energy Breakthrough by US Scientists Boosts Clean Power Hopes](#)** (*Financial Times*)
The Lawrence Livermore National Laboratory in California recently made a breakthrough by "achieving a net energy gain in a fusion reaction for the first time." While scientists acknowledge that fusion power is not ready to be scaled, the potential of the finding could provide access to clean energy that emits no carbon or radioactive waste.

State and Local

- **[Virginia Begins Official Withdrawal from Regional Carbon Market](#)** (*Virginia Mercury*)
The Virginia Air Pollution Control Board began the Commonwealth's withdrawal from the Regional Greenhouse Gas Initiative (RGGI) with a vote of 4-1 with two abstentions. The board's vote will allow Gov. Glenn Youngkin (R-VA) to initiate his proposed regulatory process for Virginia to leave the cap-and-trade program. However, the legality of the Youngkin administration's regulatory action is in question.
- **[First-Ever California Offshore Wind Auction Surpasses \\$757 Million in Bids](#)** (*CNBC*)
The Biden-Harris administration awarded "more than \$757 million in winning bids for its auction of offshore wind development rights in California." The winning projects—including California North Floating, RWE Offshore Wind Holdings, Central California Offshore Wind and Invenergy California Offshore—will further the Biden-Harris administration's commitment to "deploy 30 gigawatts of offshore wind energy by 2030."
- **[California's Very Good Week for Climate Action](#)** (*Governor Gavin Newsom*)
Gov. Gavin Newsom (D-CA) issued a press release highlighting the state's recent climate actions. The Governor touted the California legislature's special session to hold "Big Oil" accountable, the state's first offshore-wind auction, the state's entrance into the National Building Performance Standards Coalition and a river restoration project in partnership with Oregon and the Yurok and Karuk tribes.
- **[Governor Hochul Announces \\$52 Million in Awards for Regional Clean Energy Hubs to Connect New York Communities with Clean Energy Resources](#)** (*Governor Kathy Hochul*)

Gov. Kathy Hochul (D-NY) announced “\$52 million in awards to establish 12 Regional Clean Energy Hubs” in New York. The New York State Energy Research and Development Authority is partnering with community organizations to ensure “equitable access to the benefits of the state’s clean energy transition.”

International

- **[Britain Approves First New Coal Mine in Decades](#)** (CNBC)
Britain recently approved the Woodhouse Colliery—the “first new deep coal mine in decades to produce the high-polluting fuel for use in steelmaking.” The mine is slated to be developed in northwest England and is expected to create about 500 jobs. However, there are concerns that the project will “hinder the UK’s climate targets,” including its commitment to reduce “all greenhouse gas emissions to net zero by 2050.”
- **[Renewables to Overtake Coal as World’s Top Energy Source by 2025, IEA Says](#)** (The Washington Post)
The International Energy Agency’s (IEA) latest forecasts detail that “renewables are poised to overtake coal as the largest source of electricity generation worldwide by early 2025.” Specifically, global renewable power capacity is predicted to increase by 2,400 gigawatts between 2022 and 2027, and global solar capacity is estimated to triple within the next five years. The report concluded that the invasion of Ukraine served as a “decisive moment” for renewable energy in Europe as companies and governments sought alternatives to Russian gas.
- **[Kerry Expects ‘Very Tricky’ Year for Climate Fundraising](#)** (The Washington Post)
White House Climate Envoy John Kerry explained that the world faces a “very tricky” year in fulfilling one of COP 27’s most significant commitments to establish a “fund to compensate vulnerable countries for harm caused by climate change.” He additionally called for the U.S. to lead in the financing, explaining that there “are not many legislatures in the world that are prepared to put up public money in the sums that we need.”

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

“Failing to pass the bipartisan, comprehensive energy permitting reform that our country desperately needs is not an acceptable option.”

-Sen. Joe Manchin (D-WV) discussing his permitting reform bill

([E&E News](#) — December 8, 2022)

“Renewables were already expanding quickly, but the global energy crisis has kicked them into an extraordinary new phase of even faster growth.”

-IEA Executive Director Faith Birol *regarding the agency’s new report*

(The Washington Post — December 12, 2022)

Upcoming Congressional Hearings (December 12 – 16, 2022)

Senate

House of Representatives

[Hearings to Examine the Impact of Plastic Use and Identifying Solutions for Reducing Plastic Waste](#)

Senate Environment and Public Works

Thursday, December 15, 10:00 AM EST

406 Dirksen Senate Office Building

No relevant House hearings.

[Interior’s Infrastructure Law Implementation](#)

Senate Energy and Natural Resources

Tuesday, December 13, 10:00 AM EST

366 Dirksen Senate Office Building

Federal Agency Climate News

The White House

[Biden-Harris Administration Announces First-Ever Federal Building Performance Standard, Catalyzes American Innovation to Lower Energy Costs, Save Taxpayer Dollars, and Cut Emissions \(December 7\)](#)

U.S. Department of the Interior

[Biden-Harris Administration Announces Winners of California Offshore Wind Energy Auction \(December 7\)](#)

[Secretary Haaland Announces New Steps to Accelerate Solar Energy Development on Public Lands in the West \(December 5\)](#)

Environmental Protection Agency (EPA)

[Registration Open for EPA Virtual Public Hearing on EPA’s Supplemental Proposal to Cut Methane Pollution to Protect Communities, Combat Climate Change, and Bolster American Innovation \(December 6\)](#)

[EPA Announces Leadership and Next Steps for the Greenhouse Gas Reduction Fund \(December 5\)](#)

U.S. Department of Energy (DOE)

[DOE Announces \\$8 Million to Integrate Solar Energy Production with Farming \(December 8\)](#)

[Biden-Harris Administration Announces New Clean Energy Workforce Training Programs to Bolster Domestic Manufacturing and Energy Efficiency in Commercial and Institutional Buildings \(December 6\)](#)

Funding Opportunities

[Pumped Storage Hydropower Wind and Solar Integration and System Reliability Initiative](#)
Department of Energy
Close Date: December 15, 2022

[Long-Duration Energy Storage Demonstrations](#)
Department of Energy
Close Date: March 3, 2023

Comment Opportunities

[Climate Pollution Reduction Grants](#)
Environmental Protection Agency
Close Date: January 18, 2023

[Transportation Programs](#)
Environmental Protection Agency
Close Date: January 18, 2023

[Methane Emissions Reduction Program](#)
Environmental Protection Agency
Close Date: January 18, 2023

[Funding to Address Air Pollution](#)
Environmental Protection Agency
Close Date: January 18, 2023

[Low Emissions Electricity Program & GHG Corporate Reporting](#)
Environmental Protection Agency
Close Date: January 18, 2023

[Industrial Efficiency and Decarbonization](#)
Department of Energy
Close Date: January 4, 2023

Upcoming D.C. Climate Events (Registration)

[Climate Risk Management: Key Lessons from U.S. Utilities](#)
The United States Energy Association
Monday, December 12, 9:00 AM EST

[Risk to Resilience: Cyber and Climate Solutions Bolstering America's Power Grid](#)
The Hill
Tuesday, December 13, 10:30 AM EST

[Innovating Out of the Climate Crisis: Hydrogen](#)

The American Security Project

Tuesday, December 13, 12:30 PM EST

[Can the World Save the World? Global Governance and Climate Change](#)

The Institute for Policy Studies

Wednesday, December 14, 9:00 AM EST

[Fixing the Climate: Strategies for an Uncertain World](#)

The Brookings Institution

Wednesday, December 14, 4:00 PM EST

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

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