



Climate Policy Update

July 11, 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

House Republicans Advance Cuts to Clean Energy Programs *(E&E News)*

The House Appropriations Committee passed a \$59.2 billion fiscal 2025 bill for the Department of Energy (DOE), Army Corps of Engineers and Bureau of Reclamation along party lines, which featured severe cuts to clean energy programs and partisan riders. Republicans highlighted increases for DOE's nuclear office and a new program for critical minerals, while Democrats opposed the cuts to vital energy and climate programs and pushed back on GOP's policy riders.

House Committee Approves Big Cuts to EPA, Interior *(E&E News)*

The House Appropriations Committee approved a fiscal 2025 spending bill for the Interior Department, the United States Environmental Protection Agency (EPA) and other environmental agencies, leading to a 29-25 vote. The bill includes steep cuts to the agencies and eliminates many of the Biden administration's climate initiatives. Additionally, Republican riders in the bill aim to block various environmental regulations and initiatives, leading to fierce objections from Democrats.

Bipartisan Carbon Bill Unveiled in the House *(E&E Daily)*

A bipartisan group of House members, led by Reps. John Curtis (R-UT) and Scott Peters (D-CA), is introducing the "PROVE IT Act," which calls for a DOE study of the carbon intensity of domestic industrial imports. The study is expected to demonstrate the lower emissions threshold of materials made in the United States compared to those produced by foreign countries.

House Approves Bills Targeting DOE Efficiency Rules *(E&E News)*

The House approved two bills aiming to halt DOE appliance efficiency rules, with the support of some Democrats despite White House opposition. The bills, introduced by Republican representatives, seek to

impose cost-effective and impactful conservation standards for appliances, but are unlikely to be considered by the Democratic-controlled Senate.

White House Opposes House GOP Efficiency Bills but Stops Short of Veto Threat *(PoliticoPro)*

The White House strongly opposes two bills from House Republicans, the Refrigerator Freedom Act and the Stop Unaffordable Dishwasher Standards Act, which seek to restrict the Energy Department's ability to set efficiency standards for home appliances. The bills are seen as undermining the administration's efforts to advance appliance energy efficiency standards but have not received a veto threat should they reach President Joe Biden's desk.

'Climate Smart' Label Spells Trouble for Farm Bill *(E&E News)*

Lawmakers are facing challenges in using the 2024 farm bill to combat climate change due to disagreements over what constitutes "climate smart" agriculture. The conflict has led to potential delays in passing the farm bill, highlighting the complexities of incorporating climate-friendly farming practices into legislative and regulatory frameworks.

Regan to Congress: 'America needs a strong EPA' *(E&E News)*

During a recent congressional hearing, EPA Administrator Michael Regan expressed concerns about potential budget cuts and emphasized the importance of maintaining EPA's funding to address critical environmental issues such as handling contamination and cleaning up toxic waste sites. Regan also defended the EPA's push to electrify the U.S. vehicle fleet through vehicle emissions rules and addressed concerns about the reliability of the electric grid.

Biden Permitting Official to Testify at Senate Hearing *(E&E News)*

The Senate Homeland Security and Governmental Affairs Committee will hold a hearing with Permitting Council Executive Director Eric Beightel to discuss the agency's efforts to streamline environmental reviews for major infrastructure projects, with a focus on renewable energy. Beightel has expressed concern that a second Trump administration would hinder the progress of renewable energy projects, particularly offshore wind.

White House unveils \$1.7B to convert factories for EV production *(EnergyWire)*

The Biden administration has allocated \$1.7 billion to several U.S. auto factories to help them transition to producing electric vehicles (EVs). The funding aims to assist struggling or idling plants as the automotive industry shifts away from fossil fuels. The government hopes to support the transition of existing manufacturing facilities and bring them back online or build them up to support the EV market.

Biden Outlines Regulatory Plans for the Rest of His Term *(GreenWire)*

President Biden has unveiled his administration's spring Unified Agenda, outlining plans for upcoming rules and their potential impact in the event of a second Trump administration. The agenda, described as a "wish list," signals the administration's goals to interest groups and offers insight into potential future regulatory actions.

Republican Challenge to ESG Investing Rule Could Showcase Risk to US Agency Powers *(Reuters)*

The 5th U.S. Circuit Court of Appeals will soon hear arguments in a case challenging a Biden administration rule allowing socially conscious investing by employee retirement plans. This will mark an early test of how courts will analyze federal regulations after the U.S. Supreme Court overturned the *Chevron* Deference.

How Chevron's Fall Could Remake the Energy Sector *(EnergyWire)*

The Supreme Court's recent decision to limit agency deference will make it more challenging for the Biden administration to implement environmental and energy regulations, potentially leading to increased regulatory litigation. The decision could impact a wide range of rulemakings, including those related to power plant emissions, transmission lines and climate-warming pollution from cars and trucks.

Former Trump Official: Chevron Decision Could Spark 'Hurricane' for Offshore Wind *(GreenWire)*

David Bernhardt, former Interior secretary under former President Donald Trump, suggested that recent Supreme Court rulings could lead to new legal challenges against offshore wind projects in federal waters. Bernhardt's remarks highlighted the potential risks the offshore wind industry could face under a conservative Supreme Court and a second Trump term.

State and Local

Green Groups Push Northeast States to Update Regional Carbon Market *(PoliticoPro)*

A coalition of environmental groups is pressuring 10 Eastern states to set new climate goals and complete a long-overdue review of the Regional Greenhouse Gas Initiative (RGGI). The review, which began in February 2021, has faced delays, largely due to uncertainties regarding participation by Pennsylvania and Virginia. The environmental groups are calling for lower emissions caps and mandated spending on pollution alleviation and air quality monitoring in overburdened communities, urging states to take action soon.

California Official Will Testify on Rail Pollution Rules *(E&E News)*

House Republicans have organized multiple hearings to challenge a California rail emissions rule that exceeds federal standards. The rule, currently awaiting EPA approval, would phase out older trains, ban idling for over 30 minutes and require companies to cover emissions costs.

'Nothing Will Be Protected' — How California Environmentalists Killed a Plan to Fast-Track 'Green' Energy *(CalMatters)*

California's Senate Environmental Committee voted to remove provisions from Assembly Bill 3238 aimed at expediting California Environmental Quality Act (CEQA) reviews for electrical grid expansions to prevent potential harm to state-owned parks and wildlife areas. This decision came after concerns were raised about potential negative impacts on the environment, particularly in areas like Anza-Borrego Desert State Park.

Newsom Administration Proposal: Delay Corporate Climate Reporting for Two Years *(PoliticoPro)*

The Newsom administration has proposed a two-year delay in the implementation of two groundbreaking laws that would require large businesses to report their greenhouse gas emissions and climate risk exposure. The

laws, known as CA SB253 (23R) and CA SB261 (23R), were scheduled to be implemented in 2026 but would now be delayed until 2028.

\$10B Climate Bond Clears California Legislature *(PoliticoPro)*

California lawmakers approved a \$10 billion climate bond proposal, which will now likely be included on the November ballot. The bond allocates funding across various categories, including water infrastructure, wildfire and forest resilience, sea-level rise and coastal flooding, biodiversity and nature-based climate programs, port infrastructure, park maintenance, extreme heat programs and climate-friendly farming.

Poll Finds Strong Support for Repealing Washington State Carbon Market *(ClimateWire)*

A recent poll conducted in Washington state revealed that a majority of voters support a ballot measure to repeal the state's carbon cap-and-trade program. The survey found that 45% of registered voters favored ending the carbon market, with concerns about the program's impact on gasoline prices playing a significant role in swaying public opinion.

Calling State's Renewable Goal a 'Moral Imperative,' Environmental Groups Oppose Likely Delay *(PoliticoPro)*

New York's renewable energy target of 70% by 2030 is no longer feasible due to various challenges such as increasing electricity demand and the cancellation of large offshore wind projects. As a result, the state is considering changing the statutory target, which has faced opposition from environmental advocates.

International

Precious Rare Earth Metals Belong to the State, China Declares *(PoliticoPro)*

The Chinese government has implemented new measures to tighten its control over valuable natural resources like rare earth metals. These measures include stating that rare earth metals are the property of the state and implementing a traceability database to manage their extraction, use and export. This has sparked concerns about potential disruptions to technology, automotive and renewable energy supply chains and has led the U.S. and European Union (EU) to seek alternative rare earth suppliers.

New Global Tension: Constraining China vs. Combating Climate Change *(Axios)*

Several of the world's leading economies are eager to accelerate the transition to green energy but are hesitant to bolster China's influence in the process. They are concerned that China's low-cost electric vehicles could undercut their own clean energy industries and hinder their progress on climate change. This has led to increased scrutiny and pushback against imported Chinese electric cars by countries like the U.S., Canada, and Europe.

Can the Labour Party Bring Back Britain's Green Groove? *(New York Times)*

The newly elected Labour Party in Britain has made ambitious promises on climate action, aiming to become a "clean energy superpower." The key focus is to reduce reliance on fossil fuels and transition to zero-carbon electricity by 2030, mainly by increasing wind and solar power capacity. The future of North Sea oil and the

potential polarization of climate action are also significant factors to monitor as the new government takes office.

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

“To address climate change, we must have a global race to the top, so that all nations have more strong incentives to reduce their emissions [...] Our PROVE IT Act will provide the data to show the benefits of America’s high environmental standards while holding nations like China accountable for their emissions-intensive practices. I am excited to be leading this effort with Representative Curtis, which shows that even in an age of increasing partisanship, we can still work together to advance strong and common-sense environmental and energy policies.”

-Rep. Scott Peters (D-CA-50) on the introduction of the PROVE IT Act which he co-sponsored with Rep. John Curtis (R-UT-03) (Office of Rep. Scott Peters – [July 9, 2024](#))

Congressional Hearings (July 8 – July 12, 2024)

Senate

[An oversight hearing to examine the Permitting Council, focusing on improving transparency and coordination.](#)

Homeland Security and Governmental Affairs

Wednesday, July 10, 10:00 AM ET

[Hearings to examine the nomination of Shannon A. Estenoz, of Florida, to be Deputy Secretary of the Interior.](#)

Energy and Natural Resources

Wednesday, July 10, 10:00 AM ET

[Business meeting to markup the “Legislative Branch Appropriations Act, 2025”, the “Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2025”, and the “Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2025”.](#)

Appropriations

Thursday, July 11, 9:30 AM ET

House of Representatives

[Fiscal Year 2025 Commerce, Justice, Science, and Related Agencies, Interior, Environment, and Related Agencies, and Energy and Water Development and Related Agencies Bills](#)

Appropriations

Tuesday, July 9, 9:00 AM ET

[Markup of H.R. 8914 \(Providing for congressional disapproval relating to “Clean Vehicle Credits Under Sections 25E and 30D; Transfer of Credits; Critical Minerals and Battery Components; Foreign Entities of Concern”\) and other bills](#)

Ways and Means

Tuesday, July 9, 10:00 AM ET

[An Examination of the California Air Resources Board’s \(CARB\) In Use Locomotive Regulation Transportation and Infrastructure](#)

Tuesday, July 9, 2:00 PM ET

[Hearing on Endangered Species Act, water bills](#)

Natural Resources

Tuesday, July 9, 2:00 PM ET

[Fiscal Year 2025 Labor, Health and Human Services, Education, and Related Agencies, Transportation, Housing and Urban Development, and Related Agencies, and Agriculture, Rural](#)

Development, and Food and Drug Administration Bills, and Revised Subcommittee Allocations Appropriations

Wednesday, July 10, 9:00 AM ET

“Oversight of the U.S. Environmental Protection Agency”

Oversight and Accountability

Wednesday, July 10, 10:00 AM ET

“Examining the Consequences of EPA’s Actions on American Agriculture”

Agriculture

Wednesday, July 10, 2:00 PM ET

Federal Agency Climate News

Department of Energy

Biden-Harris Administration Announces Nearly \$2 Billion to Support American Auto Workers Convert Facilities for Electric Vehicles (July 11)

Biden-Harris Administration Announces \$14 Million to Increase Domestic Battery Recycling (July 9)

White House

President Biden Announces New Actions to Protect Workers and Communities from Extreme Weather (July 2)

Department of Treasury

Remarks by Secretary of the Treasury Janet L. Yellen on Extreme Heat Financing (June 27)

Department of the Interior

Biden-Harris Administration Approves Ninth Offshore Wind Project (July 2)

Environmental Protection Agency

EPA Releases Updated Climate Indicators Report Showing How Climate Change is Impacting People’s Health and the Environment (July 2)

Funding and Comment Opportunities

Bipartisan Infrastructure Law (BIL) – Joint Office of Energy and Transportation: Communities Taking Charge Accelerator, Fiscal Year 2024
Department of Energy
Close Date: July 16, 2024

Procedures for Quantification, Reporting, and Verification of Greenhouse Gas Emissions Associated with the Production of Domestic Agricultural Commodities Used as Biofuel Feedstocks

Wholesale Electricity Market Studies and Engagements
Department of Energy
Close Date: August 22, 2024

Geothermal Technologies Office Geothermal Resources’ Value in Implementing Decarbonization (GTO GRID)
Department of Energy
Close Date: September 9, 2024

Department of Agriculture

Close Date: July 25, 2024

Concentrating Solar Flux to Heat and Power

Department of Energy

Close Date: August 8, 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

D.C. Climate Events

Virtual Press Briefing: Electron Renaissance: A Rebirth Invention in the Energy Space

United States Energy Association

Wednesday, July 10, 11:00 AM ET

Climate and Trade Summit

Bipartisan Policy Center

Wednesday, July 10, 1:00 PM ET

Bridging Waters: A Model for Enhancing Grid Reliability and River Restoration during the Energy Transition

United States Energy Association

Thursday, July 18, 11:30 AM ET

A Fireside Discussion with U.S. Ambassador to China Nicholas Burns

Center for Strategic & International Studies

Friday, July 19, 9:00 AM ET

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

Kenneth J. Markowitz

Stacey H. Mitchell

Christopher A. Treanor

Emily P. Mallen

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