

Climate Policy Update

June 28, 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

Supreme Court may overturn major environmental precedent this week *(GreenWire)*

The Supreme Court is nearing a decision on the 40-year-old *Chevron* doctrine, which allows judges to defer to federal agencies' interpretations of their powers when Congress is ambiguous. Overturning *Chevron* could have widespread implications beyond environmental regulations. Despite initial conservative support for the *Chevron* doctrine, recent shifts in views and the doctrine's waning favor with the Supreme Court suggest potential changes in the dynamics of federal regulations and judicial review.

GOP memo outlines post-Chevron agenda *(PoliticoPro)*

Republican lawmakers are preparing for a potential Supreme Court ruling that could overturn or scale back the *Chevron* doctrine, a 40-year-old legal principle that allows federal agencies to defend their rules against lawsuits. If *Chevron* is overturned, it could lead to Congress reclaiming its authority. House Republicans are considering legislative actions to streamline regulations, increase accountability in the regulatory process and scrutinize Biden-era regulatory actions post-*Chevron*.

4 takeaways from hearing with DOE deputy David Turk *(E&E News)*

During the House Science, Space and Technology Committee hearing, Deputy Secretary David Turk discussed the Department of Energy's budget, funding distribution and nuclear energy. Lawmakers expressed concerns about the slow distribution of clean energy funding from recent legislation and questioned the Department's ability to supply domestic uranium for next-generation reactors. Additionally, there were inquiries about the pause on new liquefied natural gas (LNG) export terminal approvals, and Turk confirmed that a study on LNG export climate and price issues was ongoing.

Biden admin to probe biofuels' climate benefits *(GreenWire)*

The Biden administration has requested farm and biofuel groups to provide information on how certain crops and growing practices can reduce emissions linked to climate change. This request for information aims to

gather evidence that conservation practices can make biofuels a climate-friendly alternative to petroleum. The collected data will help shape a clean fuels tax credit scheduled to take effect in 2025 and will provide guidance to the Department of the Treasury on how the tax credit should be applied to agriculture.

Biden admin unveils \$1.8B for transportation projects *(ClimateWire)*

The U.S. Department of Transportation announced \$1.8 billion in funding from the bipartisan infrastructure law to improve roads, public transit and ports across all 50 states. The projects, totaling 148, aim to fund community-oriented initiatives with a focus on multiple modes of transport. The funding also reflects the administration's priorities on climate and energy, including projects addressing permafrost damage, rising ocean levels and promoting zero-emission vehicles.

House to release major energy, environment spending bills *(E&E News)*

House Republican appropriators are planning to release fiscal 2025 bills to assert their conservative negotiating position and slash environmental spending while targeting President Joe Biden's agenda. The White House has threatened to veto the bills due to their climate provisions, and the upcoming bills are expected to include riders targeting Environmental Protection Agency (EPA) programs and rulemakings.

EPA to unveil climate grant recipients next month *(E&E News)*

The EPA plans to announce recipients of \$4.6 billion in climate pollution reduction grants next month. To date funding requests for the program have totaled \$30 billion, far exceeding expectations. Jennifer Macedonia, the Office of Air and Radiation's deputy assistant administrator, expressed the need for more funds to support decarbonization efforts across the country.

Supreme Court to consider narrower scope for environmental reviews *(PoliticoPro)*

The Supreme Court has decided to hear a case that challenges the extent of analysis required under the National Environmental Policy Act (NEPA), potentially restricting the environmental review scope for a proposed oil rail line in Utah, and future infrastructure projects. Environmental organizations express disappointment with the decision, citing concerns about the detrimental climate and environmental impacts of the project. The case has sparked discussions about the necessity to clarify and strengthen the NEPA process, and there are anticipations that the recent environmental rulings of the Court might lead to a narrowing of considerations under NEPA.

DOE must better assess manufacturing rules, GAO says *(EnergyWire)*

The Government Accountability Office (GAO) found that the Department of Energy (DOE) has not evaluated whether its domestic manufacturing rules effectively keep agency-funded technologies in the United States despite collecting data on applicant interest and the technology transfer process. The report comes as the DOE disburses billions of dollars to fund projects aimed at decarbonizing the U.S. economy.

Report documents growing local pushback on renewables *(EnergyWire)*

A recent report from Columbia University revealed a substantial increase in local opposition to solar and wind projects across the United States. The study documented 378 renewable energy projects facing significant opposition, with 395 local restrictions aimed at blocking or delaying renewables. The research also highlighted the emergence of false claims and state-level efforts to counter local opposition to renewable energy projects.

Green sand threatens Biden's offshore wind ambition *(EnergyWire)*

The emergence of glauconite, a green mineral found on the Atlantic Ocean's seafloor, is creating obstacles for offshore wind initiatives, which is affecting the Biden administration's target to generate 10 million homes' worth of offshore wind power by the end of the decade. The developers and government agencies are actively engaged in studying and addressing the implications of glauconite on offshore wind projects.

Supreme Court Rio Grande ruling could ripple through other water cases *(GreenWire)*

The Supreme Court ruled 5-4 in favor of the Biden administration to reject a settlement between Texas, New Mexico and Colorado over water use in the Rio Grande River Basin. The decision upheld the federal government's unique interests in the Rio Grande Compact and could impact negotiations over other western waterways. The ruling sends the case back for further negotiations, with Texas, New Mexico and Colorado potentially needing to reopen talks with the Justice Department and state water districts.

Companies ink largest-ever US community solar deal *(EnergyWire)*

An Arlington, Virginia-based company, Summit Ridge Energy, has signed the largest-ever U.S. community solar deal with Qcells, a South Korea-based solar panel maker. They plan to purchase 800 more megawatts of solar power capacity, expanding a partnership that will power about 200,000 homes and businesses. This expansion aims to deploy 450 new community energy projects across the country, supporting domestic manufacturing and job creation while bringing low-cost clean energy to communities.

What would Trump 2.0 mean for coal? *(EnergyWire)*

Former President Donald Trump's focus on the coal industry has diminished in his second run for the White House, with coal taking a backseat to rhetoric on electric vehicles (EVs) and wind power. However, much of the coal industry still supports Trump, believing that he can revive the struggling industry. The next president has the potential to influence the future of coal in the U.S., impacting areas such as energy policies, mine cleanups and support for former coal miners transitioning to clean energy jobs.

State and Local

California finalizes plan to develop offshore wind *(EnergyWire)*

The California Energy Commission has released a strategic plan to achieve 25 gigawatts of floating offshore wind power by 2045. This plan involves upgrading ports, building transmission infrastructure, and addressing environmental impacts. The development of floating offshore wind aims to support California's goal of carbon neutrality and will require coordination with various stakeholders, including tribal governments, fishermen and environmentalists.

California Senate casts doubt on climate bond deal by June deadline *(PoliticoPro)*

California lawmakers are likely to miss the original deadline to pass climate and school funding measures, as they have until July 3 to place bonds on the November ballot. Negotiations are ongoing for some \$20 billion in climate and education funding, with significant details still being worked out, including sections related to water, wildfire, agriculture and energy infrastructure funding. Lawmakers would need to introduce new climate and school bond language by June 28 to hold a vote on July 3 in order to meet the deadline.

California plans first-of-its-kind financial penalty on aviation fuel *(ClimateWire)*

California regulators are weighing a groundbreaking proposal to penalize the use of traditional jet fuel by compelling suppliers to invest in cleaner alternatives. The plan would necessitate jet fuel suppliers to financially

offset their greenhouse gas emissions by funding emissions-reducing projects. However, the proposal is encountering resistance from the airline industry, potential legal hurdles and challenges related to producing sustainable aviation fuel.

Geothermal deal boosts California clean energy goals *(ClimateWire)*

Fervo Energy, a developer of enhanced geothermal technology, has inked a significant agreement with Southern California Edison, marking progress towards the state's goal of achieving 90% carbon-free power by 2035. Under this deal, the developer will supply 320 megawatts of geothermal power to Southern California Edison from a new plant being developed in Utah, aiming to provide clean and dependable electricity to approximately 350,000 households. This innovation in geothermal technology seeks to support renewable energy sources and ensure a reliable power supply as California moves away from fossil fuels.

EPA probe of Texas oil wells could stymie carbon capture industry *(EnergyWire)*

The EPA is conducting a review of Texas' oversight of wells for injecting gases and chemicals underground, following a petition from two nonprofit organizations. The petition alleges that the state's oversight led to pollution, seismic activity, and other environmental problems linked to Class II injection wells. If the EPA finds that the state violated federal law, it could potentially revoke Texas regulators' authority over carbon dioxide and wastewater injections, which could impact the carbon capture industry and oil and gas production in the state.

International

Canada targets 'unfair' Chinese overcapacity with tariff threat *(Politico Pro)*

Canada is planning to impose tariffs on Chinese EV imports and change the eligibility rules for federal EV rebates due to concerns about unfair trade practices by China. This move follows similar actions by the U.S. and European Union (EU), which have raised tariffs on Chinese imports, including EVs and batteries.

EU approves \$3.2 bln in German hydrogen pipeline support *(Reuters)*

The European Commission has approved €3 billion (\$3.2 billion) for Germany to build a hydrogen pipeline network, in a move to facilitate the use of green hydrogen as an energy source for heavy industries. Germany's goal is to construct over 9,700 kilometers of hydrogen pipelines, 60% of which will rely on existing natural gas transmission.

Press readout on the Fifth EU-China High Level Environment and Climate Dialogue *(Office of the Directorate-General for Climate Action)*

The Fifth EU-China High Level Environment and Climate Dialogue took place in Brussels, Belgium, where representatives from both parties discussed their respective national policies and bilateral cooperation on climate and environmental issues. The dialogue emphasized the importance of international collaboration to address challenges such as climate change, pollution, biodiversity loss and desertification. Both sides also reaffirmed their commitment to working together on climate action, conservation efforts and the implementation of circular economy initiatives.

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

“As I stand here today, we’re just 26 years away from when we need to achieve net zero, in our economy and around the world. And frankly, we’re just not where we need to be at the pace we need to be on. I had a chance to work at the International Energy Agency before taking this job as the Deputy Secretary of the U.S. Department of Energy. One of my favorite pieces of analysis was to look at 50 different sectors and technologies—across transportation, across electricity, across industry, across buildings—and undertake an analysis of which ones of those sectors, which ones of those technology areas, was on track for the kind of progress we need to be [to] achieve net zero in 26 years. The short answer is: only three of those 50 technology areas were on track at the pace, at the scale, at the cost reduction to activate the deployment that we need them to be on.”

-Remarks delivered by Deputy Secretary David Turk at SelectUSA Summit ([June 24, 2024](#))

Congressional Hearings (June 24 – June 28, 2024)

Senate

No relevant hearings.

House of Representatives

[Overview of the Budget Proposal for the Department of Energy for Fiscal Year 2025 Science, Space, and Technology](#)
Wednesday, June 26, 10:00 AM ET

[Subcommittee Markup of FY25 Interior, Environment, and Related Agencies Act Appropriations](#)
Friday, June 28, 8:00 AM ET

[Subcommittee Markup of FY25 Energy and Water Development and Related Agencies Act Appropriations](#)
Friday, June 28, 8:30 AM ET

Federal Agency Climate News

Department of Energy

[U.S. Department of Energy Announces \\$14.2 Million for Enhanced Geothermal Systems Pilot Projects in Eastern United States](#) (June 25)

[U.S. Department of Energy Announces Over \\$63 Million to Support Commercialization of Transformative Energy Technologies](#) (June 25)

[DOE and EPA Announce \\$850 Million to Reduce Methane Pollution from the Oil and Gas Sector](#) (June 21)

Department of Transportation

[INVESTING IN AMERICA: Biden-Harris Administration Announces \\$1.8 Billion in Infrastructure Grants Across the Country, Putting More Projects into the Pipeline as Part of Our Infrastructure Decade](#) (June 26)

Department of Agriculture

[USDA Publishes Request for Information on the Production of Biofuel Feedstocks Using Climate-Smart Practices](#) (June 26)

Biden-Harris Administration Partners with Rural Americans to Develop Clean Energy to Lower Energy Costs and Create Jobs as Part of Investing in America Agenda (June 26)

Funding and Comment Opportunities

Solar and Wind Interconnection for Future Transmission

Department of Energy
Close Date: June 28, 2024

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

Department of Agriculture
Close Date: July 25, 2024

Concentrating Solar Flux to Heat and Power

Department of Energy
Close Date: August 8, 2024

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

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

AI in the Field of Economic Development
Center for Strategic & International Studies

Tuesday, June 25, 9:30 AM ET

Statistical Review of World Energy 2024
Center for Strategic & International Studies

Friday, June 28, 11:00 AM ET

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

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

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