



Climate Policy Update

October 3, 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

Vance and Walz agree: Domestic manufacturing is climate policy *(EnergyWire)*

At the vice presidential debate, both candidates called for lowering carbon emissions by boosting U.S. energy production, though their views on climate change differed. Republican Sen. JD Vance cast doubt on climate science and advocated reshoring manufacturing, while Democratic Gov. Tim Walz emphasized how the 2022 Inflation Reduction Act (IRA) has already accelerated American manufacturing through clean energy jobs.

5 takeaways from Climate Week *(ClimateWire)*

Last week's Climate Week in New York saw little progress, with few solutions discussed to counter a potential Trump presidency's impact on climate efforts. Carbon markets and the risks of rising sea levels were key topics, while women leaders launched a new climate initiative. The overall message was clear: global action is too slow, and more investment in clean energy and climate finance is urgently needed.

Energy wonks, rejoice! Harris campaigns on permitting reform *(ClimateWire)*

Kamala Harris is focusing on permitting reform as a key issue in her presidential campaign, advocating for faster approvals to accelerate renewable energy, housing and manufacturing

projects. This shift contrasts with her earlier climate policies as she now emphasizes cutting red tape to boost the U.S. economy and compete globally.

Permitting talks create tension between Democrats, greens *(E&E News)*

A tense Capitol Hill meeting saw Sen. Martin Heinrich defend compromise permitting legislation to speed energy projects, despite concerns from environmental advocates about fossil fuel provisions. Heinrich stressed the need for quicker action to reduce emissions, while environmental groups remain cautious but less opposed than before. Tensions are expected to rise after the election as the debate continues.

Permitting, IRA a focus in Energy and Commerce race *(E&E News)*

Reps. Bob Latta and Brett Guthrie are vying for the top Republican spot on the House Energy and Commerce Committee in the next Congress. Both support an “all of the above” energy approach and advocate for permitting reforms to expedite project approvals, while also considering the repeal of certain clean energy tax credits under the IRA.

Louisiana ‘summit’ to feature ex-Trump officials, energy leaders *(E&E News)*

Senator Bill Cassidy is hosting the Louisiana Energy Security Summit on October 16 in Baton Rouge, featuring former Trump officials and key energy industry leaders to discuss the GOP’s energy strategy for the elections. Notable participants include Mark Menezes and Neil Chatterjee, who will focus on reducing permitting barriers and addressing global trade issues. The event will also cover challenges in the offshore wind sector and accountability in trade.

Treasury aims to publish final clean hydrogen rules by year end *(PoliticoPro)*

The Treasury Department plans to finalize clean hydrogen production rules and other clean energy provisions by year’s end, amid concerns about potential changes if Trump returns to office. Treasury is balancing emission standards with industry flexibility, particularly regarding hydrogen tax credits and tech-neutral incentives.

DOE delivers high-stakes grid study as election pressure rises *(EnergyWire)*

The Department of Energy (DOE) has released a National Transmission Planning Study to expand the U.S. high-voltage power grid, aiming to support renewable energy and achieve the 2035 climate goals. The study outlines plans for new long-distance power lines to transport clean energy across states, reduce electricity costs and bolster grid resilience against extreme weather. However, political uncertainty and challenges in building new

infrastructure mean that even if approved, many of these projects could take decades to complete.

Biden energy official on CCS, natural gas and faster permitting *(EnergyWire)*

DOE's Brad Crabtree acknowledged the U.S. has advanced in carbon capture, but challenges like permitting and community benefits remain. DOE continues to focus on large-scale carbon capture for natural gas facilities in key industries like power generation and hydrogen. Crabtree called for more industry commitments and improved monitoring to meet climate goals.

DOE unveils \$1.3B funding plan to boost carbon capture *(EnergyWire)*

The DOE plans to allocate up to \$1.3 billion to support carbon capture projects, focusing on industrial and electricity plants. This includes \$750 million for demonstration projects at coal-fired and industrial facilities, with integration into CO2 transport and storage infrastructure. The funding, part of the bipartisan infrastructure law, aims to scale carbon capture technologies, crucial for decarbonizing sectors like steel and cement, aligning with President Biden's goal of a carbon-free economy by 2050.

Nuclear power's AI renaissance *(Axios)*

The U.S. nuclear energy sector may be entering a revitalization phase, driven by rising energy demands from data centers and significant investments. The DOE is providing a \$1.5 billion loan to restart the Holtec Palisades plant in Michigan, while Microsoft plans to revive the Three Mile Island reactor in Pennsylvania by 2028. Despite past challenges, increased federal support and bipartisan interest could signal a more hopeful future for nuclear energy in the U.S.

Clean energy transition requires natural gas — report *(EnergyWire)*

A report from the Information Technology and Innovation Foundation asserts that natural gas is crucial for backup power during the transition to renewable energy, as relying only on wind and solar can lead to grid instability. It highlights natural gas's quick availability and existing infrastructure while acknowledging the need for improved battery storage and the integration of other energy sources.

State and Local

California Assembly approves Newsom's oil proposal *(PoliticoPro)*

The California Assembly approved Gov. Newsom's proposal to prevent gas price spikes by requiring oil refiners to store more fuel. Despite opposition from two Democrats and the oil industry, the bill aims to stabilize fuel supplies during California's transition to renewable energy. The Senate will vote on the proposal on October 11.

California governor vetoes bill to require gas stove warning labels *(Washington Post)*

California Gov. Newsom vetoed a bill that would have required warning labels on gas stoves, marking a setback for advocates concerned about health risks like childhood asthma. While supporters argued the labels were necessary for consumer awareness, Newsom cited concerns over the bill's rigidity and potential for outdated information. This decision hampers efforts to promote a shift toward all-electric appliances to reduce indoor air pollution and greenhouse gas emissions.

Corporate emissions reporting will see slight delay under new law *(PoliticoPro)*

Gov. Newsom signed SB 219, giving regulators an extra six months to finalize rules for California's climate disclosure law, SB 253, which requires large corporations to disclose their greenhouse gas emissions starting in 2026. While the California Air Resources Board (CARB) must complete rulemaking by July 2025, the disclosure laws face ongoing legal challenges from business groups.

Federal judge pauses railroad lawsuit challenging California emissions rules *(PoliticoPro)*

A federal judge paused a lawsuit challenging California's emissions rule that aim to phase out diesel locomotives, pending a decision by the Environmental Protection Agency (EPA). The decision puts pressure on the EPA to approve or reject California's rule, which, if approved, could lead to significant emissions reductions from the rail industry by 2047.

DOE finalizes loan guarantee to reopen Michigan nuclear plant *(EnergyWire)*

The Biden administration is set to finalize a \$1.52 billion loan guarantee to revive Michigan's Palisades nuclear plant, aiming to boost carbon-free electricity supply amid rising demand. This initiative follows the plant's 2020 closure and aligns with President Biden's climate goals from the IRA. Holtec, which acquired Palisades in 2022, plans to restart operations by late 2025, pending approval from the Nuclear Regulatory Commission.

International

Biden administration sets preliminary penalties against Southeast Asia solar imports

(PoliticoPro)

The Commerce Department issued a preliminary decision siding with U.S. solar manufacturers who allege that solar panel imports from four Southeast Asian countries are circumventing U.S. trade laws. While the U.S. solar manufacturers welcomed the decision, some solar developers expressed concern that higher tariffs could raise costs and create market volatility.

China clean energy sector eyes \$100B in overseas spending *(ClimateWire)*

Chinese clean energy companies are investing around \$100 billion abroad due to fierce domestic competition and trade tensions with the U.S. and Europe, according to a Climate Energy Finance report. These investments mark China's shift from importing to exporting clean technology. While many projects are underway, economic pressures could limit some of the planned investments.

India, US likely to sign pact on critical minerals, sources say *(Reuters)*

India and the U.S. are poised to sign an agreement this week on cooperation in critical minerals during Trade Minister Piyush Goyal's visit to Washington. The pact aims to strengthen supply chains and foster collaboration between Indian and American businesses, despite previous diplomatic challenges. This follows recent discussions between Indian Prime Minister Narendra Modi and President Biden and comes as India seeks a separate tariff-free trade deal with the U.S. for critical minerals.

Germany risks missing target to aid poorer countries on climate *(ClimateWire)*

Germany's funding for international green projects fell to €5.7 billion (\$6.4 billion) in 2023, down from €6.4 billion in 2022, which may hinder commitments from wealthy nations to support climate initiatives in developing countries. This decline stems from a 12% budget cut in the development ministry amid fiscal austerity, raising concerns about Germany's ability to meet its climate finance goals ahead of the 29th Conference of the Parties (COP29) climate summit.

Fossil fuel transition lacks incentives, key climate official says *(Axios)*

Colombia's Minister of Environment and Sustainable Development, Susana Muhamad, highlights the critical need for financial support to aid countries transitioning from fossil fuels as she prepares to chair the 16th COP of the Convention on Biological Diversity. Muhamad

seeks to advocate for a new financial pact to provide affordable capital, emphasizing that without it, countries like Colombia will struggle to reduce fossil fuel dependence.

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

“We’ve taken the most ambitious climate actions in history. We’ve moved to rejoin the Paris Agreement on day one. And today, my country is finally on track to cut emissions in half by 2030, on track to honor my pledge to quadruple climate financing to developing nations with \$11 billion thus far this year.”

- President Joe Biden in his final speech as president before the U.N. General Assembly ([White House Briefing Room](#) – September 24, 2024)

Congressional Hearings (September 30 – October 4, 2024)

Senate

No relevant hearings.

House of Representatives

No relevant hearings.

Federal Agency Climate News

Department of Treasury

[U.S. Department of the Treasury Announces More Than \\$2 Billion in Upfront Savings for Consumers on Electric and Plug-In Hybrid Vehicle Sales Under Biden-Harris Administration’s Inflation Reduction Act](#) (October 1)

[Remarks by Aviva Aron-Dine, Performing the Duties of Assistant Secretary for Tax Policy, on Phase Four of Implementation of the Inflation Reduction Act’s Clean Energy Provisions](#) (October 1)

Department of Energy

[National Transmission Planning Study](#) (October 3)

[Biden-Harris Administration Invests \\$1.5 Billion to Bolster the Nation’s Electricity Grid and Deliver Affordable Electricity to Meet New Demands](#) (October 3)

[United States and Brazil Expand Clean Energy Cooperation](#) (October 2)

[Biden-Harris Administration Bringing Back Clean Nuclear Energy, Creating](#)

Clean Energy Union Jobs Across the Midwest (September 30)

Funding and Comment Opportunities

Fiscal Year 2024 Solar Energy Supply Chain Incubator

Department of Energy

Close Date: October 7, 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

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

U.S.-Danish Floating Offshore Wind Energy Mooring and Anchoring Research and Development

Department of Energy

Close Date: January 14, 2025

Oceans of Opportunity: U.S. Wave Energy Open Water Testing

Department of Energy

Close Date: January 30, 2025

Energy Storage Pilot Demonstrations

Department of Energy

Close Date: February 13, 2025

Notice of Intent to Issue Notice of Funding Opportunity: Regional Direct Air Capture Hubs – Recurring Program

Department of Energy

Close Date: To be announced

D.C. Climate Events

Accelerating U.S. Nuclear Leadership
Center for Strategics & International Studies

Tuesday, October 1, 11:00 AM ET

Road to Baku: How COP29 will Shape Climate Finance, Renewables, & the Path to 1.5°C

New America

Wednesday, October 2, 10:30 AM ET

The AI Revolution Underway in the Utility Space

United State Energy Association

Wednesday, October 2, 11:00 AM ET

Trade and Tradeoffs: Are U.S. Trade and Climate Policies at Odds?

Center for Strategics & International Studies

Thursday, October 3, 10:00 AM ET

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

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