

Climate Policy Update

November 21, 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

- **Proposed Climate Rule Presents Substantial Compliance Burdens on Federal Contractors** (*JD Supra*)
The Federal Acquisition Regulatory Council (FAR Council) proposed a rule “that will have a sweeping impact on nearly all federal contractors.” Specifically, the proposed rule will establish annual reporting requirements for greenhouse gas emissions and the “level of required reporting will be determined by a contractor’s revenue from federal contracts.” Major and significant contractors will be compelled to report Scope 1 and 2 emissions. Major contractors, however, will be required to report Scope 3 emissions, as well.
- **Driving the Clean Energy Transition: A Progress Report on Implementing U.S. Efforts to Advance Clean Energy** (*State Department*)
The State Department launched various climate-focused initiatives, including the Clean Energy Demand Initiative, the Net Zero World Initiative; the Zero Emissions Vehicle in Emerging Markets Initiative, the Just Energy Workforce Transition, and the Global Memorandum of Understanding on Medium and Heavy Duty Vehicles. Moreover, the Department indicated that the U.S. would expand the U.S.-ASEAN Climate Solutions Hub, support advanced nuclear zero emissions solutions for Ukraine and the EU, provide regulatory and grid support to India, empower the youth as clean energy leaders, scale up the global climate action platform, and bolster the collective 2030 zero emissions vehicle goal.
- **U.S. Aims for Zero-Emission Heavy-Duty Vehicles by 2040** (*Reuters*)
US Energy Secretary Jennifer Granholm signed on to a non-binding memorandum of understanding outlining that the US will only sell and produce zero-emissions medium- and heavy-duty vehicles by 2040. Ahead of COP 27, “a group of 16 lawmakers led by Senator Martin Heinrich (D-NM) [...] urged President Biden to sign the agreement, noting that medium and heavy trucks represent 10 percent of vehicles but account for 28 percent of total on-road greenhouse gas emissions.”

- [EPA Floats Sharply Increased Social Cost of Carbon](#) (*E&E News*)

The Environmental Protection Agency (EPA) proposed “a new estimate for the social cost of carbon emissions, nearly quadrupling an interim figure that has already drawn legal challenges from a host of Republic-led states.” EPA has proposed increasing the interim value of \$51 per metric ton of CO₂ to \$190 per metric ton. The agency is requesting public comments on the estimate and the released document “estimates the social cost of carbon as \$120, \$190 or \$340 per metric ton of CO₂, using discount rates of 2.5 percent, 2.0 percent, and 1.5 percent, respectively.”

State and Local

- [Governor Hochul Announces Approval of Major Offshore Wind Transmission Line](#) (*Governor Kathy Hochul*)

The New York State Public Service Commission “approved a transmission line that will deliver electricity from the Sunrise Wind Farm, a proposed wind farm off the coast of Long Island, to the existing electrical grid in New York State.” The proposed wind farm is slated to produce 924 megawatts of energy, potentially making it the “largest offshore wind farm yet that would be connected to New York’s electric grid.”

- [California Releases Final Proposal for World-Leading Climate Action Plan that Drastically Reduces Fossil Fuel Dependence, Slashes Pollution](#) (*CARB*)

The California Air Resources Board (CARB) released its latest iteration of the 2022 Scoping Plan. The proposal includes the following goals to be met by 2045: cut greenhouse gas emissions by 85 percent below 1990 levels; 71 percent reduction in smog-forming air pollution; reduce fossil fuel consumption by less than one-tenth of what California presently uses; create 4 million new jobs; save \$200 billion in health costs due to pollution.

- [California Greenlights 2nd Desalination Plant in a Month](#) (*E&E News*)

The California Coastal Commission approved “a permit for the California American Water Co. to draw water from the coast of Marina, California to supply a private plant in Monterey County.” It is expected that the plant will “produce 4.8 million gallons of potable water daily, or nearly 5,400 acre-feet each year.”

International

- [Carbon Markets at COP 27: What’s Holding Up Negotiations on Article 6?](#) (*Energy Monitor*)

To view COP 27 Coverage, visit [*Speaking Sustainability*](#).

Rules overseeing carbon markets were agreed on at COP 26, and this year’s negotiations sought to address the “mechanisms to implement those rules.” However, countries’ requests for “a non-standardized reporting mechanism for emissions trading” and ambiguous definitions of carbon removal challenged the Article 6 discussions.

- [COP 27: Nations Launch Alliance for Countries Committed to Develop Engineered Removal Projects](#) (*Carbon Pulse*)

An alliance of countries announced the Carbon Dioxide Removal (CDR) Launchpad with a commitment “to building a 1,000+ ton a year CDR project by 2025 and vowing to collaborate the share the resulting knowledge and data to help scale the

technology.” Canada, the European Commission, Japan, Norway, the United Kingdom, and the US are the founding members of the initiative and the US is slated to invest \$3.5 billion into CDR projects.

- **Foundations Call for Cooperation, Some New Pledges at COP 27** (*The Washington Post*)

Philanthropic foundations, such as the Bill & Melinda Gates Foundation, Bloomberg Philanthropies, and Sequoia Climate Foundation, have committed billions to “support climate adaptation projects.” However, the “amount of charitable funding direct toward climate-related projects remains small.”

- **Women Lead Talks on Tough Climate Change Topic: Reparations** (*PBS*)

As COP 27 continued to center on the extent to which polluting nations should support climate adaptation projects in vulnerable countries, international negotiations will determine whether loss and damage payment pledges come to fruition. In such climate reparations discussions, “nearly all of the key players are women and they and others say better gender representation could yield better results.”

- **Climate Change: 8 Billion Reasons to Worry** (*Politico*)

A United Nations estimate reports that the world’s population has climbed up to 8 billion. Interestingly, “most of that growth is happening in poorer nations that have contributed the least to the climate crisis — and yet are vulnerable to its impacts and lack the resources to adapt to a warming world.” Conversely, wealthy, industrialized countries—often guilty of exacerbating climate change effects—are experiencing either declining or slow-growing populations.

- **‘Indiscriminate Use of Hydrogen’ Could Slow the Energy Transition, Report Says** (*CNBC*)

The International Renewable Energy Agency’s (IRENA) new report emphasized that hydrogen must “play a key role in the energy transition if the world is to meet the 1.5 C target of the Paris Agreement.” Moreover, the report outlined priorities including the decarbonization of hydrogen applications and using hydrogen in the aviation, steel, shipping, and chemical industry.

- **CEQ Launches Global Net-Zero Government Initiative, Announces 18 Countries Joining U.S. to Slash Emissions from Government Operations** (*White House*)

The United States launched the Net-Zero Government Initiative to encourage governments to “achieve net-zero emissions from national government operations by no later than 2050.” Additionally, countries agreeing to join the initiative will develop a roadmap by COP 28 outlining “the pathway for achieving the net-zero commitment with interim targets.”

- **Fashion Brands Grapple with Greenwashing: ‘It’s Not a Human Right to Say Something is Sustainable’** (*The Guardian*)

The Sustainable Apparel Coalition convened its annual meeting, which largely centered on the topic of greenwashing. The coalition had previously developed a tool “to measure the industry’s environmental impacts,” but the tool was paused “after the Norwegian Consumer Authority issued a warning that it could not be used to support sustainability claims.” Additionally, a Stand.earth report revealed that “despite pledging to reduce emissions, the fashion industry’s carbon footprint has increased and continued to grow.”

- [The Newest Fronts in Climate-Change-Related Legal Battles](#) (Reuters)

The London School of Economics reported that “climate change-related litigation has more than doubled in the past seven years globally.” Targets of recent climate litigation include the plastics and food industries, as well as banks and investment firms.

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

“I think what we need at this crucial time is empathy...We need to think about our world in the sense of taking care of our world.”

-Chilean Environment Minister Maisa Rojas *discussing climate reparations*

([PBS](#)— November 17, 2022)

“Sending U.S. taxpayer dollars to a U.N. sponsored green slush fund is completely misguided.”

-Sen. John Barroso (R-WY)

([Politico](#)—November 20, 2022)

Upcoming Congressional Hearings (November 21 – 25, 2022)

Senate

House of Representatives

No relevant Senate hearings.

No relevant House hearings.

Federal Agency Climate News

The White House

[Vice President Harris Announces New U.S. Support for Clean Energy in the Mekong Region](#) (November 19)

[The Biden-Harris Administration Advances Transmission Buildout to Deliver Affordable, Clean Electricity](#) (November 18)

[Indonesia and International Partners Secure Groundbreaking Climate Targets and Associated Financing](#) (November 15)

Environmental Protection Agency (EPA)

[Biden-Harris Administration Announces Availability of \\$100 Million in Grants to Support Recycling Infrastructure and Education and Outreach](#)
(November 17)

U.S. Department of Energy (DOE)

[Biden-Harris Administration Announces Major Investment to Preserve America's Clean Nuclear Energy Infrastructure](#) (November 21)

[Biden-Harris Administration Announces \\$13 Billion To Modernize And Expand America's Power Grid](#) (November 18)

[U.S. Secretary of Energy Advances America's Commitment to Reaching Net Zero Global Emissions and Combatting Climate Change at COP27](#) (November 17)

[Biden-Harris Administration Announces Nearly \\$74 Million To Advance Domestic Battery Recycling And Reuse, Strengthen Nation's Battery Supply Chain](#) (November 16)

[Biden-Harris Administration Announces Nearly \\$350 Million For Long-Duration Energy Storage Demonstration Projects](#) (November 14)

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 23, 2023

Comment Opportunities

[Nationwide Recommendations for Impact Pile Driving Sound Exposure Modeling and Sound Field Measurement for Offshore Wind Construction and Operations Plans](#)
Department of the Interior
Close Date: December 12, 2022

[Greenhouse Gas Reduction Fund](#)
Environmental Protection Agency
Close Date: December 5, 2022

[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

[Section 45W Credit for Qualified Commercial Clean Vehicles and Section](#)

[30C Alternative Fuel Vehicle Refueling Property Credit](#)

Internal Revenue Service

Close Date: December 3, 2022

[Credit for Carbon Oxide Sequestration](#)

Internal Revenue Service

Close Date: December 3, 2022

[Credits for Clean Hydrogen and Clean Fuel Production](#)

Internal Revenue Service

Close Date: December 3, 2022

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

[Kenneth J. Markowitz](#)

[Stacey H. Mitchell](#)

[Dario J. Frommer](#)

[Christopher A. Treanor](#)