

Climate Policy Update

October 17, 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

- [Summary of Historic Clean Hydrogen Funding Opportunity](#) (*Speaking Sustainability*)
The Department of Energy (DOE) is now accepting Concept Papers for its H2Hubs Program through November 7, 2022. The H2Hubs will “focus on the production, processing, delivery, storage, and end use of clean hydrogen.”
- [The Surprising New Climate Agency](#) (*E&E News*)
With the enactment of the Inflation Reduction Act, the Internal Revenue Service (IRS) is responsible for delivering approximately \$270 billion in “tax incentives for electric vehicles, energy-efficient buildings, solar power, and other ‘clean’ energy technologies.” However, as the IRS seeks to “staff up as it implements the new law [...] Republicans are already campaigning against an emboldened IRS, and they’ve pledged that slashing its funding will be a top priority if they take control on Capitol Hill next year.”
- [Biden-Harris Administration Announces New Steps for Drought Mitigation Funding From Inflation Reduction Act](#) (*Department of the Interior*)
With funding from the Inflation Reduction Act, the Biden-Harris administration created the Lower Colorado River Basin System Conservation and Efficiency Program to “increase water conservation, improve water efficiency, and prevent the system’s reservoirs from failing to critically low elevations that would threaten water deliveries and power production.” The Department of the Interior (DOI) is expected to invest “at least \$500 million” in the Upper Colorado River Basin as well.
- [\\$28 Billion in New Clean Energy Manufacturing Investments Announced Since Inflation Reduction Act Passed](#) (*Forbes*)
An estimated \$28 billion in manufacturing investments have been announced since the Inflation Reduction Act became law—primarily in “the electric vehicle, battery, and solar manufacturing sectors.” Moreover, Energy Innovation projects that

the law will “increase GDP nearly 1 percent in 2030,” and the Blue Green Alliance forecasts that the measure “could add 9 million jobs in the next ten years.”

- **Demand for ESG Investments Outstrips Supply, PwC Finds** (*Financial Times*)
A PwC study found that “nearly nine in ten institutional investors believe that asset managers should be more proactive in developing new ESG products.” However, the report notes that “fewer than half of asset managers (45 percent) were planning to launch new ESG funds.”
- **DOE Seeks Input on \$1B Program to Tackle Energy Gaps in Rural and Remote Communities** (*Politico*)
The Department of Energy (DOE) requested comments on the new Energy Improvements in Rural or Remote Areas program. Included in the Bipartisan Infrastructure Law, the program “aims to bring communities into the clean energy transition by making investments in reliable energy infrastructure.”
- **U.S. Secretary of the Interior: Satellites Will Help Us Fight Climate Change** (*Scientific American*)
DOI’s U.S. Geological Survey (USGS) assumed operations over the Landsat 9, a satellite to help “monitor Earth’s land, water, and other natural resources.” The satellite seeks to “support environmental sustainability and climate resiliency through high-resolution satellite imaging.”
- **The CFTC Should Raise Standards and Mitigate Fraud in the Carbon Offsets Market** (*Center for American Progress*)
A Center for American Progress report argued that carbon offsets provide “no guarantee that they actually work.” As such, the report calls on the Commodity Futures Trading Commission (CFTC) to regulate the carbon offsets market. Notably, the CFTC “convened a roundtable of market participants and experts to discuss the market and the CFTC’s potential role in it and it has also issued a request for information about how it may engage in new rulemaking, guidance, or other actions.”
- **Half of Voters Say Climate Change Is Important in Midterms, Poll Finds** (*Washington Post*)
A *Washington Post*-ABC News poll reported that “roughly half of registered voters say climate change is either ‘very important’ or ‘one of the most important issues’ in their vote for Congress.” More specifically, approximately 79 percent of Democrats noted that climate change is “at least very important in their vote” whereas about 46 percent of independents and 27 percent of Republicans reported similar priorities.
- **Honeywell Announces New Ethanol-to-Jet Fuel Technology** (*Reuters*)
Honeywell announced its lower-carbon aviation fuel produce from ethanol in an effort to reduce emissions associated with the airline industry. Honeywell noted that, “depending on the type of ethanol feedstock used [...] its technology can cut greenhouse gas emissions by 80 percent on a total lifecycle basis compared with petroleum-based jet fuel.”
- **White House is Pushing Ahead Research to Cool Earth by Reflect Back Sunlight** (*CNBC*)
The White House is overseeing a five-year research plan to “assess climate interventions, including spraying aerosols into the stratosphere to reflect sunlight back into space.” While there is concern that such a technique may be harmful, “scientists

and climate leaders who are concerned that humanity will overshoot its emissions targets say research is important to figure out how to best balance these risks against a possibly catastrophic rise in the Earth's temperature."

Local

- [Pennsylvania Moves Natural Gas Well Emissions Rule Forward, Seeks to Beat Federal Deadline](#) (*State Impact Pennsylvania*)
Pennsylvania's Environmental Quality Board approved a rule "on emissions of volatile organic compounds at shallower, conventional well sites." The rule meets federal standards and, if the rule is not finalized by December 16, "Pennsylvania faces around \$500 million in highway funding sanctions in the next year."
- [Sides Debate Truck Proposal](#) (*LA Business Journal*)
In reaction to California Air Resources Board's (CARB) Advanced Clean Fleet resolution and Advanced Clean Trucks regulation, members of the transportation industry have "expressed concern that the proposals are too much, too fast, and would cause chaos for California trucking companies." More specifically, increased costs and a lack of infrastructure have caused worry among the industry. CARB may alter its proposals after its October 27 public hearing ahead of final reviews in early 2023.
- [A Pivot on Desalination Plants: California Approves Project in Orange County](#) (*Cal Matters*)
The California Coastal Commission approved a \$140 million desalination plant in Dana Point. The project "indicates that state regulators see a place for new seawater desalination plants in California to bolster water supplies."
- [California's Opening Bid Won't Solve the Colorado River Crisis Alone](#) (*Politico*)
In a letter addressed to federal officials, California offered to "voluntarily reduce its consumption of Colorado River Water by 400,000 acre feet per year between 2023 and 2026." While the offer is insufficient in solving "the looming water and power crisis in the West [...] it might be enough to kickstart negotiations among the states on a deal that could."

International

- [Young Women Push for Greater Representation in the Climate Debate](#) (*Financial Times*)
The She Changes Climate initiative circulated a letter addressed to the Egyptian president "calling for a 50-50 split of men and women in the COP27 leadership team." 500 global leaders have signed onto the letter in support of the "UNFCCC to have a man and women as co-president of every climate summit."
- [6 Key Tasks at COP27](#) (*World Resources Institute*)
COP27 will center discussions around creating a financing mechanism to address loss and damage related to climate change, scaling up climate adaptation efforts for vulnerable communities, bolstering national emissions-reduction targets, assuring adequate climate financing, advancing Global Stocktake to meet the Paris Agreement's goals, and enacting pledges made at COP26.

- **[G7 Finance Leaders Pledge to Intensify Climate Efforts Despite War Challenges](#)** *(Reuters)*
 Ahead of COP27, G7 finance leaders “pledged to increase emissions reduction efforts and climate support for developing countries despite energy cost and security challenges prompted by Russia’s war in Ukraine.”
- **[Pakistan May Seek Several Billion Dollars in Projects at COP-27](#)** *(The News)*
 In light of its floods, Pakistan “is exploring options for seeking several billion dollars in projects on account of loss and damages in the upcoming COP-27 on climate change.” Pakistan is expected to lobby in coordination with “other climate-affected developing countries for forcing the developed world to compensate those who are experiencing losses on account of climate effects.”
- **[Putin’s War Accelerates the EU’s Fossil Fuel Detox](#)** *(Politico)*
 Upon Russian President Vladimir Putin’s invasion of Ukraine “EU countries rushed to cut their dependence on imports of Russian coal, oil and gas, replacing them with gas from elsewhere and a significant short-term increase in coal-fired electricity.” As such, Putin has accelerated the EU’s Green Deal, “aimed at making the bloc carbon neutral by 2050.”
- **[Major Economies Call for World Bank Climate Overhaul](#)** *(Politico)*
 German Development Minister Svenja Schulze criticized the World Bank’s current model, which she argued is “mainly based on demand from borrowing countries.” The governor of the bank urged for the World Bank “to better address climate change and other global crises.”
- **[Climate Changes Puts Energy Security at Risk](#)** *(World Meteorological Organization)*
 The World Meteorological Organization’s State of Climate Services report outlined that “the supply of electricity from clean energy sources must double within the next eight years to limit global temperature increase. Otherwise, there is a risk that climate change, more extreme weather, and water stress will undermine our energy security and even jeopardize renewable energy supplies.”
- **[India’s Energy Future Is Looking Green, Report Says](#)** *(US News)*
 An Institute for Energy Economics and Financial Analysis projects that India “will reach 405 gigawatts of renewable energy capacity by 2030.” The estimate surpasses the Indian government’s “target of producing 50 percent of its electricity from non-fossil fuel sources by the end of the decade.”
- **[China Won’t Rush Its Clean Energy Transformation, Xi Says](#)** *(Bloomberg)*
 In a speech kicking off the Community Party Congress, Chinese President Xi Jinping underscored that the country will not “stop burning fossil fuels until it’s confident that clean energy can reliably replace them.”

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

“Institutions like the World Bank, as admirable as their founding intentions are, were not set up with the purpose of tackling an existential climate crisis. Today, climate must be at the heart of everything we do [...] The world cannot afford for such institutions to be cautious in how their considerable resources are deployed to tackle the climate crisis.”

-Alok Sharma, President for COP26 reacting to the World Bank’s fossil fuel policy

(Politico – October 15, 2022)

“That it’s voluntary makes it a little bit weaker, even weaker than it might seem when you look at the number [...] It’s simply not the same thing as saying, ‘we’ll take a cut.’”

-Sarah Porter, Director of the Kyle Center for Water Policy discussing California’s voluntary offer to reduce Colorado River water consumption

(Politico – October 11, 2022)

Upcoming Congressional Hearings (October 17-21, 2022)

Senate

House of Representatives

No relevant Senate hearings.

No relevant House hearings.

Federal Agency Climate News

The White House

[A Proclamation on the 50th Anniversary of the Clean Water Act \(October 17\)](#)

U.S. Department of the Interior

[Biden-Harris Administration Announces New Steps for Drought Mitigation Funding from Inflation Reduction Act](#) (October 12)

Environmental Protection Agency (EPA)

[EPA Releases 2021 Data Collected Under Greenhouse Gas Reporting Program](#) (October 17)

[EPA Launches Updates to Environmental Justice Mapping Tool EJScreen](#) (October 11)

U.S. Department of Energy (DOE)

[Biden-Harris Administration Launches \\$1 Billion Bipartisan Infrastructure Law Program to Enhance Energy Systems in Rural and Remote Communities](#) (October 12)

[DOE Launches \\$32 Million Program to Advance Domestic Supply Chain for Critical Minerals](#) (October 12)

Funding Opportunities

Notice of Intent: FY22 Advanced Materials and Manufacturing Technologies

Department of Energy
Close Date: March 10, 2023

[Regional Clean Hydrogen Hubs](#)

Department of Energy
Close Date: November 7, 2022

Notice of Intent: Front-End Engineering Design Studies for Production of Critical Minerals and Materials from Coal-Based Resources

Department of Energy
Close Date: January 31, 2023

Upcoming D.C. Climate Events (Registration)

[Climate Change Negotiations and Health](#)

World Health Organization

Tuesday, October 18, 10:00 AM CST

[Derivatives and Bank Climate Risk Report](#)

Ceres

Friday, November 4, 11:00 AM EST

[Evening with Ceres](#)

Ceres

Monday, October 17, 2022, 6:00 PM EST

[What May the Next Decade of U.S.-Caribbean Energy Cooperation Bring?](#)

The Atlantic Council

Wednesday, October 19, 12:00 PM EST

[Climate Change Loss and Damage](#)

The Environmental and Energy Study Institute

Thursday, October 20, 11:00 AM EST

[COP27: Closing the Climate Adaptation Investment Gap in Small Island States and Coastal Communities](#)

Stimson

Tuesday, October 18, 11:00 AM EST

[NOAA to Issue 2022-2023 U.S. Winter Outlook](#)

National Oceanic and Atmospheric Administration

Thursday, October 20, 11:00 AM EST

[COP27: What's at Stake for Africa?](#)

World Resources Institute

Tuesday, October 18, 3:00 PM EAT

[Race to the Top on Global Green Infrastructure: From BRI to Bluedot and Beyond](#)

The Wilson Center

Wednesday, October, 19, 9:00 AM EST

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

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