

Climate Policy Update

December 19, 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

- **End of the Line for Permitting Bill, but 2023 Fight Looms** (*E&E News*)
Sen. Joe Manchin's (D-WV) permitting reform failed in the Senate last week with a 47-47 vote. In response, Sen. Manchin criticized Senate Republicans for putting their "political agenda above the needs of the American people," referencing increased energy prices and the need for the Mountain Valley pipeline. However, it is expected that permitting reform will remain top-of-mind in the new Congress as Senate Democrats and Republicans have signaled their interest.
- **FTC Seeks Public Comment on Potential Updates to its 'Green Guides' for the Use of Environmental Marketing Claims** (*Federal Trade Commission*)
The Federal Trade Commission (FTC) is seeking public comments on its green guides to "help marketers avoid making environmental marketing claims that are unfair or deceptive under Section 5 of the FTC Act." The notice will be published in mid-January 2023 and public comments will be accepted for 60 days after the fact.
- **Climate Change Driving Warmer, Wetter, Stormier Arctic Condition: NOAA** (*The Hill*)
The National Oceanic and Atmospheric Administration (NOAA) report "determined the past year has been the region's sixth-warmest year on record, and the Greenland ice sheet lost ice for the 25th consecutive year." Further, the report detailed that such climate conditions made the Arctic wetter and stormier in 2022 than in previous years.
- **Biden Wants 'Green' Economy, but Talks Fail to Revive Key Aluminum Plant** (*The Washington Post*)
As discussions to reopen an aluminum plant in Washington—which could have bolstered U.S. supply chains necessary for clean energy technologies—fell through, supporters are questioning why the Biden administration did not intervene. With the support of labor unions and electric vehicle producers, "Blue Wolf Capital and the Bonneville Power Administration have been negotiating all year to revive the plant, which would have become the only aluminum plant west of the Mississippi

River.” In response to the failed negotiations, Blue Wolf Adviser Joshua Gotbaum urged Congress and President Biden to “do what virtually every other nation does—provide affordable electricity with government help.”

State and Local

- **CARB Approves Unprecedented Climate Action Plan to Shift World’s 4th Largest Economy from Fossil Fuels to Clean and Renewable Energy** (*California Air Resources Board*)
The California Air Resources Board (CARB) approved its final 2022 Scoping Plan, which outlines a path to reduce greenhouse gas emissions by 85 percent and achieve carbon neutrality by 2045. Specifically, the plan aims to decrease fossil fuel consumption by 94 percent, reduce air pollution by 71 percent and reduce pollution-related health costs by \$200 billion by 2045.
- **Federal Officials Say Urgent Action Needed to Protect Shrinking Colorado River Reservoirs** (*Los Angeles Times*)
At a conference in Las Vegas, federal officials cautioned Colorado, New Mexico, Utah, Wyoming, Nevada, Arizona and California—all states that rely on the Colorado River reservoirs—that they must “weigh immediate options next year to protect water levels.” Under pressure from the federal government, the seven states have engaged in negotiations over the past six months, but the discussions “have proved difficult, and pledges of voluntary cuts remain far from the federal government’s goal.”
- **Ohio ‘Green’ Natural Gas Bill Motivated by ESG Investing Concerns, Lawmaker Says** (*Ohio Capital Journal*)
Ohio State Senator Mark Romanchuk (R-OH) introduced an amendment seeking to classify natural gas as ‘green energy’ to “help companies meet [environmental, social, and governance (ESG)] investing standards.” In response to the amendment, climate advocates argue that the language “could have wider implications for the way natural gas is marketed and regulated.”

International

- **EU Reaches Deal on Critical Climate Policy After Marathon Talks** (*Politico*)
The European Union (EU) agreed to a major reform of the bloc’s carbon market, as well as the establishment of a fund to support communities vulnerable to climate change. This deal requires that “power generators and heavy polluters covered by the [Emissions Trading System (ETS)] will have to curb their pollutions by 62 percent by the end of the decade.” Moreover, the ETS reform will phase out free CO2 certificates by 2034 and usher in a Carbon Board Adjustment Mechanism—which will tax cement, aluminum, fertilizers, electric energy production, hydrogen, iron and steel—in 2026. Finally, the deal established a Social Climate Fund and provided €86.7 billion from 2026 through 2032 to assist low-income households transition to green transportation and heating sources.

- [EU Fails to Reach Deal to Fight Greenwashing in Bond Market](#) (*Bloomberg*)

Last week, the EU failed to settle on a final agreement regarding greenwashing in debt instruments. In particular, parties engaged in the Green Bond Standard disagreed on “whether transparency requirements should include issuers who do not adopt the green-bond label, and on the degree of flexibility around the use of proceeds.” However, discussions are slated to restart in 2023.

- [Climate Change Will Fuel Humanitarian Crises in 2023 – Study](#) (*Reuters*)

An International Rescue Committee (IRC) report determined that climate change will exacerbate humanitarian crises in 2023. Further, the report noted that “20 countries on its emergency watch list —like Haiti and Afghanistan— contribute just 2% to global CO2 emissions” and called for investment in climate prevention and mitigation.

- [HSBC to Stop Funding New Oil and Gas Fields as Part of Policy Overhaul](#) (*Reuters*)

HSBC is one of the largest banks committed to “not support oil and gas projects that received final approval after the end of 2021.” Additionally, the bank announced it would support energy companies to “overhaul their businesses and drive the development of cleaner energy sources.”

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

“The hotter, drier conditions that we face today are not temporary. Climate change is here today and has made it likely that we will continue to see conditions like this, if not worse, in the future [...] The basin is seeing its worst drought in 1,200 years, and there is no relief in sight. And perhaps this is what it will be in the future.”

-Reclamation Commissioner Camille Calimlim Touton *discussing the Colorado River reservoirs*

([Los Angeles Times](#) — December 17, 2022)

“It can unlock and solve the energy challenges the whole world faces [...] It’s still a ways away but there is an awful lot of work being done and every country sees the value and importance of it. Because the conventional energy sources we have and also the new technologies in development we’re doing, this unlocks it all.”

-Sen. Joe Manchin (D-WV) *reacting to the DOE’s nuclear fusion breakthrough*

([Politico](#) — December 13, 2022)

Upcoming Congressional Hearings (December 19 – 23, 2022)

Senate

No relevant Senate hearings.

House of Representatives

No relevant House hearings.

Federal Agency Climate News

The White House

[Biden-Harris Administration Releases Inflation Reduction Act Guidebook for Clean Energy and Climate Programs](#) (December 15)

[Statement from President Joe Biden on Senator Joe Manchin's Permitting Reform Proposal](#) (December 15)

[U.S.-Africa Partnership in Supporting Conservation, Climate Adaptation and a Just Energy Transition](#) (December 13)

U.S. Department of the Interior

[Deputy Secretary Beaudreau Announces \\$228 Million for Wildfire Mitigation and Resilience from Bipartisan Infrastructure Law](#)
(December 14)

Environmental Protection Agency (EPA)

[EPA Announces FY 2022 Enforcement and Compliance Accomplishments](#) (December 16)

[Biden-Harris Administration Announces \\$14.3 Million in Brownfields Grants from the Bipartisan Infrastructure Law to Train Environmental Workers](#) (December 14)

[EPA Releases Annual Automotive Trends Report](#) (December 12)

U.S. Department of Energy (DOE)

[Biden-Harris Administration Announces \\$750 Million To Accelerate Clean Hydrogen Technologies](#) (December 16)

[Biden-Harris Administration Announces \\$3.7 Billion to Kick-Start America's Carbon Dioxide Removal Industry](#)
(December 13)

[DOE National Laboratory Makes History by Achieving Fusion Ignition \(December 13\)](#)

Funding Opportunities

[Key Deployment Challenges for Offshore, Land-Based, and Distributed](#)

[Wind](#)

Department of Energy

Close Date: March 10, 2023

[Long-Duration Energy Storage Demonstrations](#)

Department of Energy

Close Date: March 3, 2023

Comment Opportunities

[Energy Efficiency and Conservation Block Grant](#)

Department of Energy

Close Date: January 13, 2023

[Transportation Programs](#)

Environmental Protection Agency

Close Date: January 18, 2023

[Climate Pollution Reduction Grants](#)

Environmental Protection Agency

Close Date: January 18, 2023

[Funding to Address Air Pollution](#)

Environmental Protection Agency

Close Date: January 18, 2023

[Methane Emissions Reduction Program](#)

Environmental Protection Agency

Close Date: January 18, 2023

[Industrial Efficiency and Decarbonization](#)

Department of Energy

Close Date: January 4, 2023

[Low Emissions Electricity Program & GHG Corporate Reporting](#)

Environmental Protection Agency

Close Date: January 18, 2023

[Renewable Fuel Standard Program](#)

Environmental Protection Agency

Close Date: February 10, 2023

[Supplemental Methane Rule](#)

Environmental Protection Agency

Close Date: February 13, 2023

Upcoming D.C. Climate Events (Registration)

[Mining in the Future](#)

The Bipartisan Policy Center

Wednesday, December 21, 10:00 AM EST

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

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