

BRIEF ON CLIMATE AND SUSTAINABILITY August 28, 2020

DEVELOPMENTS IN CONGRESS

- Senate Democrats Release Climate Change Action Plans. The Senate Democrats' Special Committee on the Climate Crisis recently released their report, led by Senator Brian Schatz (D-HI), on the case for climate action. The report urges creation of at least 10 million new jobs by transitioning to a clean energy economy. Senate Dems also recommend increasing federal spending on climate action to at least 2% of the annual GDP with a goal of reaching net-zero emissions no later than 2050. The report includes a call for at least 40% of benefits generated from more spending on climate action to go toward disadvantaged communities impacted by climate change as well as greater transparency and reform of campaign finance and lobbying laws to limit influence of fossil fuel companies.
- 87 Lawmakers Ask EPA to Reverse Course on Methane Regulations. The EPA earlier this month finalized two different rules that rescind methane standards; something the agency's own analysis finds will increase methane emissions through the end of the decade by 400,000 tons and 450,000 tons, respectively. A coalition of 87 House lawmakers is asking the EPA to withdraw those rules.
 - "Methane is one of the most potent greenhouse gases driving climate change 84 times more powerful than carbon dioxide in the first two decades after its release," the members wrote in the letter, which was signed by 85 Democrats and two Republicans.

TRUMP ADMINISTRATION ACTIONS

- Environmental Coalitions Sue Alaska over Drilling Plan. Two separate coalitions of environmental groups sued the Trump administration over its plans to expand drilling in the National Petroleum Reserve-Alaska.
 - On Tuesday, Earthjustice announced a <u>lawsuit</u> representing the National Audubon Society, Center for Biological Diversity, Friends of the Earth, and Stand. Earth and arguing that the plan fails to comply with the agency's obligations under the National Environmental Policy
 - The second <u>lawsuit</u> was filed by Trustees for Alaska, on behalf of the Northern Alaska Environmental Center, Alaska Wilderness League, Conservation Lands Foundation, Defenders of Wildlife, Sierra Club and The Wilderness Society.
 - Interior spokesman Conner Swanson defended the department's actions as "lawful and based on the best available science," adding that "responsible exploration and development of the NPR-A is vital to our nation's energy independence and economic security."



- Trump's Arctic Drilling Plan Challenged over Polar Bears. Environmentalists and Alaska natives are challenging the Trump administration's decision to sell drilling rights in the Arctic National Wildlife Refuge, arguing the government gave short shrift to the impact on polar bears and the region's other wildlife.
 - One of the challenges is led by the Gwich'in Steering Committee, an organization representing indigenous people who don't live in the refuge but subsist on the Porcupine Caribou herd that migrates through it.
 - Other challengers include the Natural Resources Defense Council, Center for Biological
 Diversity, Alaska Wilderness League and The Wilderness Society, who argue that the
 Interior Department's Bureau of Land Management violated federal law by glossing over
 the potential negative effects of oil development in the Arctic refuge's 1.56-million-acre
 coastal plain and failing to sufficiently consider alternatives that would minimize the risks.
 They also accuse Interior's Fish and Wildlife Service of violating the Endangered Species
 Act and administrative law by determining the leasing program wouldn't jeopardize polar
 bears or their critical habitat.
- Trump Administration Set to Block Pebble Mine Project. Trump is planning on blocking the controversial gold and copper mining project as early as next week. Environmentalists and conservation groups have warned that the project would threaten world's largest sockeye salmon fishery, and the move to block it comes after President Donald Trump faced pressure to nix it from an array of interests, including GOP mega-donor Andy Sabin, Bass Pro Shops CEO Johnny Morris and the his eldest son, Donald Trump, Jr. However, Pebble Partnership CEO Tom Collier denied that the project was about to be blocked.
- Department of Energy Announces \$33 Million in Funding for Carbon Neutral Hybrid Electric Aviation. The funding is part of the Advanced Research Projects Agency-Energy's (ARPA-E) Aviation-class Synergistically Cooled Electric-motors with iNtegrated Drives (ASCEND) and Range Extenders for Electric Aviation with Low Carbon and High Efficiency (REEACH) programs. ASCEND projects work to develop innovative, lightweight, and ultra-efficient all-electric powertrain with advanced thermal management systems that help enable efficient net-zero carbon emissions for single-aisle passenger commercial aircraft.
- Groups Defend Obama-Era Methane Rule, Invoke High Court Ruling. The Natural Resources Defense Council, Sierra Club, and other groups, joined by California and New Mexico, on Tuesday urged the U.S. District Court for the District of Wyoming to uphold the Bureau of Land Management's regulation on its merits and allow "benefits of reduced waste, increased royalties, and decreased pollution finally to be realized." The groups and states argued that the Justice Department's decision to abandon any legal defense of the 2016 Waste Prevention Rule amounted to a post-hoc litigation position that's impermissible under recent U.S. Supreme Court precedent. The 2016 rule aims to reduce methane pollution resulting from oil and gas operations.
- EPA Loses Bid to Evade Claims in Flint Water Crisis Lawsuit. A federal judge ruled Wednesday that the EPA must defend against allegations that its slow response to the Flint water crisis negligently exposed roughly 100,000 Michiganders to lead-contaminated water. Residents suing over the city's switch to untreated Flint River water in 2014 alleged enough Environmental Protection Agency wrongdoing to keep their Federal Tort Claims Act suit alive, and the agency didn't demonstrate a legal defense precluding the suit, the U.S. District Court for the Eastern District of Michigan said in denying the EPA's motion to dismiss the case.



• Green Hydrogen Market to Scale by 2040. Green hydrogen costs are expected to decrease 64 percent by 2040, according to new research from Wood Mackenzie, citing a global project pipeline that has grown from 3.5 gigawatts to more than 15 gigawatts over 10 months. "On average, green hydrogen production costs will equal fossil fuel-based hydrogen by 2040," Ben Gallagher, a Wood Mackenzie senior research analyst and report author, said in a statement. "In some countries, such as Germany, that arrives by 2030. Given the scale up we've seen so far, the 2020s is likely to be the decade of hydrogen."

CORPORATE SUSTAINABILITY UPDATES

- Homebuyers Get New Tool to Assess Flood Risk. The home-buying website Realtor.com is creating a "Flood Factor" to help buyers assess whether the home they are looking to buy is at risk of being flooded. The model looks at both the current flood risk and what risk a property faces in the future from four potential events rainfall, storm surge, tidal sources and river overflow, noting that the danger posed can shift with a changing climate. The tool covers areas that are not mapped by FEMA, the official gauge of flood hazards for the National Flood Insurance Program. Homes in a designated flood hazard area require the owner to buy flood insurance.
- Volkswagen CEO Backs Bill Gates's Proposals for Greener Transportation. VW CEO Herbert Diess wrote in a LinkedIn post encouraging Bill Gates to advise governments on how to lower carbon emissions from transportation and renewed his criticism of Germany's slow abandonment of coal power. "You thoroughly understand the CO2 logic of the mobility sector. You know what we have to do and you could and should advise governments how to regulate and what to promote."
- Major U.S. Groups Announce Commitment to Trillion Tree Initiative. Several dozen major U.S. companies, nonprofit groups and local governments announced today a commitment to plant and conserve 855 million trees by 2030, in a step toward fulfilling the global Trillion Tree Initiative that the president backed in January. The pledges, which are anticipated to cover 2.8 million acres with trees, build on the political effort to restore forests as a way to fight climate change and create jobs in rural and low-income areas to help the country recover from recession caused by the Covid-19 pandemic.
 - Among those offering pledges are large corporations, such as Salesforce, Mastercard and ACRE Investment Management, as well as major nonprofits, such as Arbor Day Foundation and the National Forest Foundation, and the city governments of Dallas, Boise and Detroit.

2020 PRESIDENTIAL ELECTION NEWS

- Biden Hits Trump on the Renewable Fuel Standard. Biden waded into an ongoing fight between refiners and farmers on Tuesday, releasing a statement that said President Donald Trump "sold out" farmers to the oil industry by granting small refineries exemptions to ethanol blending requirements in the RFS. Biden added that the 4 billion gallons in waivers the administration has granted over Trump's first three years in office "severely cut ethanol production, costing farmer's income and ethanol plant workers their jobs."
 - "The Renewable Fuel Standard marks our bond with our farmers and our commitment to a thriving rural economy," Biden said in the statement. "Donald Trump doesn't respect that connection, and he's thrown it away to the detriment of generations of producers across the Midwest and around the country — many of whom put their trust in him four years ago."



- Biden Calls Climate Change One of America's Four Major Crises. During his nomination speech at the Democratic National Convention last week, Joe Biden stated that America was facing four major crises:
 - "History has delivered us to one of the most difficult moments America has ever faced. Four historic crises. All at the same time. A perfect storm. The worst pandemic in over 100 years. The worst economic crisis since the Great Depression. The most compelling call for racial justice since the '60s. And the undeniable realities and accelerating threats of climate change."
 - Biden's comments at the Democratic National Convention come after environmental groups complained frequently throughout the primary that climate change was getting short shrift from campaigns. Biden has since made inroads with environmentalists who were calling for a stronger plan from the former vice president throughout the campaign.
- Biden Gets Backing of BlueGreen Alliance. The BlueGreen Alliance, which brings together labor unions and environmental groups, endorsed Joe Biden for president on Wednesday, marking it's first-ever endorsement of a candidate for public office in its 14-year run. BlueGreen Alliance Executive Director Jason Walsh in a <u>statement</u> pointed to Biden's "ambitious and achievable plans" to tackle pressing issues like climate change.
- California's forced blackouts have given President Trump ammo to attack Biden. The blackouts during California's record-setting heatwave have handed President Trump a cudgel to attack the state's aggressive climate change policies as well as tie them to Biden's plans for a massive expansion of renewable energy. Trump has frequently derided green energy as unreliable and dangerous once even falsely suggesting that wind turbines cause cancer as he has pushed to grow coal, oil and natural gas output. Though California officials say the blackouts just over a week ago were mostly due to plant outages, reduced power shipments from other states and weak wind output rather than problems strictly from renewable power, the outages have given Trump a crisis he can blame on the deep-blue state that he has feuded with throughout his first term.
- Trump's Second Term Energy Agenda. The Trump reelection campaign announced the president's second-term agenda Sunday, including commitments to continue Trump's "deregulatory agenda for energy independence," to "continue to lead the world in access to the cleanest drinking water and cleanest air," and to join other countries "to clean up our planet's oceans." The Republican National Committee has said there will be no separate GOP platform at the convention, but instead the party will back the president's "America-first agenda." The Trump campaign said Trump will further illuminate the plans during his convention speech on Thursday.

STATE & LOCAL GOVERNMENT NEWS

• NY State Plastic Bag Ruling Leaves Confusion in Wake. New York state officials are scrambling to figure out whether grocers and retailers can hand out reusable plastic bags, or whether the state law prohibiting single-use plastic bags needs reworking, days after a court's ruling on the issue. All sides claimed victory last week when state Supreme Court Justice Gerald W. Connolly released his decision on a lawsuit alleging regulations made on New York's single-use plastic bag ban were unconstitutional. With no minimum thickness or definition of plastic reusable bags set in law or regulation, New York business owners are left questioning what they can and can't distribute to consumers. Some environmentalists are saying "no plastic" means no plastic. The ruling bans all plastic bags, so only non-plastic reusable bags would still be allowed, said Jennie Romer, legal associate at the Surfrider Foundation's Plastic Pollution Initiative. But Matt Seaholm, VP of government affairs for the Plastics Industry Association, said nearly all reusable bags have some



- sort of plastic in them, such as non-woven polypropylene, polyester, and nylon, leaving business owners in a legal gray area.
- EPA Faces Challenge Over State Veto Power in South Carolina. Environmental groups are suing the EPA in a South Carolina federal court over a rule that circumscribes states' power to veto federal infrastructure projects by hewing to a dissenting U.S. Supreme Court opinion. The South Carolina Coastal Conservation League-led coalition claims the EPA is running afoul of the Clean Water Act by ignoring the seven-justice majority opinion in a decades-old case on the scope of state water quality certifications of federal projects. At issue before the U.S. District Court for the District of South Carolina is the EPA's July 13 rule that reduces the scope of state reviews of pipeline crossings and other infrastructure projects like federal highways and coal terminals. The rule requires states to focus on direct water quality impacts, and not on indirect impacts such as climate change or acid rain caused by air pollution.
- EPA Coastal Restoration Grants to Help Massachusetts and Rhode Island Communities. The EPA announced the awarding of \$1.8 million in new funding to local organizations working for clean water and healthy coastal ecosystems in Southeast New England. The funding is provided by EPA under the 2020 Southeast New England Program (SNEP) Watershed Grants, a collaboration between EPA Region 1 and Restore America's Estuaries. The grant program builds and supports partnerships that tackle the region's most pressing environmental issues, such as nutrient pollution and coastal habitat loss.

INTERNATIONAL NEWS

- Japan Urged to Boost Green Power to Achieve Paris Climate Goals. According to a report by the Asia Investor Group on Climate Change, Japan must significantly change its power mix between now and 2030. The country must lift the proportion of renewable energy in its generation to 50%, and nuclear to 20%, by 2030 to meet Paris Agreement goals of limiting global warming to 1.5 degrees Celsius (2.7 degrees Fahrenheit), the group said in a policy statement released Monday. Japan must also halt the use of coal and gas for power generation between 2035 and 2040, it said. Despite growing international pressure, Japan has yet to kick its reliance on coal, which generated nearly a third of its electricity in the year ended March, 2019. Under its basic energy policy set in 2018, Japan aims to raise its renewable ratio to 22-24% by 2030, and its nuclear ratio to 20-22%.
- World Bank to Approve \$2 Billion in Climate Loans for Bangladesh. Low-lying Bangladesh—home to 160 million people and the world's largest river delta system—is particularly vulnerable to climate change as rainfall patterns are disrupted and sea levels rise. The World Bank is set to approve \$2 billion in loans to fund its ambitious climate adaptation plan, with the first installment coming early next year. The World Bank funds will go toward Delta Plan 2100, which aims to minimize the damage the country's rivers and estuaries can cause during flooding events.
- Virus Era Threatens Europe's Plan to Wage War on Dirty Imports. The Coronavirus pandemic has disrupted European plans for the "carbon border adjustment mechanism," a proposal for a charge on selected products like cement and electricity being drafted by the European Union. Companies in the bloc see the measure to tackle imported carbon emissions as a way of shielding against cheaper, less green rivals. But now there's a growing consensus that it may not even happen. The proposal, which the EU estimates could raise as much as 14 billion euros (\$16.5 billion) a year, keeps the pressure on the U.S., China and Russia to follow in seeking deeper emission cuts. Yet it also could end up fueling conflicts over who has access to which markets, with Russia already warning that the plan could turn into protectionism. Enacting a border levy



- and potentially scaling it up in the future hinges on how key events unfold, particularly the U.S. presidential election in November.
- *U.K. Seeks to Ban Supermarkets Selling Goods from Deforestation.* British supermarkets will be banned from selling beef, soy and other key commodities sourced from illegally deforested land, under new government plans. Large businesses operating in the U.K. will have to show that commodities including soy, cocoa and palm oil, sourced in their supply chains complied with local environmental laws when being produced. Companies that fail to do so will face fines, according to the consultation from the Department for Food and Rural Affairs.

