



## BRIEF ON CLIMATE & SUSTAINABILITY

August 7, 2020

### DEVELOPMENTS IN CONGRESS

- ***House Passes Second Minibus.*** The House passed its second minibuss, H.R. 7617 (116), on Friday that included the Energy-Water title by a 217-197 vote. The six-title spending bill included amendments to prevent the Trump administration from moving forward on Pebble Mine and to bar the government from rejecting grants for using "climate change" or "global warming."
- ***Carbon Capture Legislation.*** Congressional backers of incentives to capture and store carbon dioxide unveiled a bipartisan bill to give projects direct payments from the Treasury Department, essentially a cash advance against future tax credits. The bill from Reps. Jack Bergman (R-Mich.) and Lizzie Fletcher (D-Texas) would give projects quicker access to existing Section 45Q carbon capture tax credits.
  - Backers of carbon capture tout it as an important tool in curbing emissions of carbon dioxide, the most prevalent greenhouse gas and note those projects have been hit hard by economic fall-out from the Covid-19 pandemic.
- ***Manchin Urges Rejection of Pebble Mine Permit.*** Sen. Joe Manchin (D-W.Va.), the ranking member of the Energy and Natural Resources Committee, called on the Trump administration to deny a permit to allow construction of a copper and gold mine in southern Alaska near Bristol Bay, home to a culturally critical and lucrative salmon fishery.
  - "The Final Environmental Impact Statement for the Pebble mine did not come anywhere close to assuring me that this world-class, pristine treasure would be protected for generations to come," Manchin said in a statement Friday. "To jeopardize it would be gravely irresponsible and I cannot support the Pebble mine moving forward."
  - The president's son and Vice President Mike Pence's former chief of staff also tweeted their opposition to the proposed Pebble Mine in Alaska over fears it would endanger the vulnerable Bristol Bay salmon fishery.
- ***Democratic Bill Would Strengthen EPA's Pesticide Protections.*** House and Senate Democrats on Tuesday unveiled legislation that would allow the public to petition the EPA to immediately declare a pesticide as "dangerous" and force the agency to conduct more timely reviews of pesticides.
  - The bill, introduced in the Senate by Sen. Tom Udall (D-N.M.) and in the House by Rep. Joe Neguse (D-Colo.), is meant to address complaints that the agency has failed to aggressively regulate pesticides under Democratic and Republican administrations alike.
  - The outlook for the bill is unclear, given what little time the House and Senate are slated to be in session—less than six weeks total—between now and the November election.
- ***Senate Confirmed Menezes to be Deputy Energy Secretary.*** The Senate on Tuesday easily confirmed Mark Menezes to be deputy Energy secretary, voting 79-16, with just two Republicans — Iowa Sens. Joni Ernst and Chuck Grassley — opposing the selection. They expressed concern Tuesday that the Energy Department was reviewing petitions it had already reviewed.

- "Given the uncertainty with the 'gap year' small refinery waivers, the wasted time and resources to score the waivers again, the lack of transparency in the entire process, and most importantly, the toll this has taken on Iowa's farmers and biofuel producers, we could not in good faith support Mr. Menezes at this time," the pair said in a statement
- ***House Oversight to Hold Hearing on Climate Impacts.*** The House Oversight Committee held a hearing on the potential health and economic impacts of climate change over the next century
  - At the hearing, Drew Shindell, an earth science professor at Duke University said The U.S. would reap more than \$700 billion a year from improved health and labor, "far more than the cost of the energy transition," if global temperature increases stay below the 2 degrees Celsius called for in the Paris Agreement.
  - During the same hearing, Michael Greenstone, an economics professor at the University of Chicago said that "some of the most significant public health gains in human history" could be achieved by cutting greenhouse gas emissions. If those steps aren't taken, however, U.S. deaths from climate change will reach 10 per 100,000—on par with the current death rate from car accidents, Greenstone said.
- ***Senators Warn of Crushing Nord Stream 2 Sanctions.*** Three Republican senators threatened Germany's Mukran Port with "crushing" sanctions if the site doesn't end its involvement with the companies working to complete the Nord Stream 2 gas pipeline. Sens. [Ted Cruz](#) (R-Texas), [Tom Cotton](#) (R-Ark.) and [Ron Johnson](#) (R-Wis.) [wrote to Fährhafen Sassnitz GmbH](#), which operates the port, saying their letter serves "as formal legal notice" that goods, services, support and provisioning provided to the project will expose the company and Mukran Port, as well its board members, corporate officers, shareholders and employees, "to crushing legal and economic sanctions, which our government will be mandated to impose."
- ***Stabenow, Braun Introduce New Bipartisan Bill to Help Family Foresters Develop Climate Solutions, Access Economic Opportunity.*** "Big or small, our forests are an important part of the solution to the climate crisis," said Ranking Member Stabenow. "For too long, environmental market opportunities have been out of reach for many family foresters due to high upfront costs. Our bipartisan bill is a win-win for forest owners and the environment." "As President Trump noted during his State of The Union Address, sustainable forest management represents both a win for conservationists and a great climate solution" said Senator Braun. "The Rural Forests Markets Act is a low overhead climate solution that takes advantage of private investment to notch a win for small family foresters and the environment."
  - The Rural Forest Markets Act provides a federal loan guarantee for projects that help small forest owners address the warming climate and other environmental challenges by adopting sustainable land management practices. Project developers are already using private capital to band together small foresters, provide expertise, and offset the upfront financial costs producers face in participating in these innovative marketplaces.
- ***Democrats Want Fast-Tracked Projects Made Public.*** House and Senate Democrats yesterday demanded a list of infrastructure projects the Trump administration hopes to fast-track under a June executive order, arguing the information should be made public given many of the projects likely require extensive reviews of their environmental impacts.
  - The [letter](#) from the top Democrat on the Senate Environment and Public Works Committee, Sen. Tom Carper (D-Del.) and two House chairmen calls on the White House Council on Environmental Quality to release records on how the administration is implementing the executive order from President Donald Trump.
- ***Harris, Ocasio-Cortez Introduce Bill on Climate Crisis.*** Sen. Kamala Harris (D-Calif.) and Rep. Alexandria Ocasio-Cortez introduced the Climate Equity Act. [The legislation](#) would create a new division within the Congressional Budget Office that would provide a "quantitative and

qualitative" score for legislation assessing its impact on environmental justice communities most affected by climate change.

- ***Thune Unveils Biofuel Bill.*** Sen. John Thune (R-S.D.) introduced the Adopt Green Act, yesterday. The bill would make the Environmental Protection Agency update its greenhouse gas models for ethanol and biodiesel.

### TRUMP ADMINISTRATION ACTIONS

- ***President Trump Signed the Great American Outdoors Act.*** Trump signed the Great American Outdoors Act, H.R. 1957 (116), into law on Tuesday, capping off the bipartisan bill's surprisingly smooth congressional path to enactment amid a national health crisis. Trump originally proposed cutting the LWCF, but later realized that he could combine support for the LWCF with his desire to improve crumbling infrastructure in national parks, Interior Secretary David Bernhardt told reporters before the signing ceremony.
  - The new law provides mandatory \$900 million annually for the Land and Water Conservation Fund, preventing it from being subject to the annual appropriations process. The measure also would create a new \$1.9 billion-per-year National Parks and Public Lands Legacy Restoration Fund to address the National Park Service's deferred maintenance backlog.
- ***FDA Announces Chemical Manufacturers Will Phase Out Certain PFAS Chemicals.*** The Food and Drug Administration announced on Friday that chemicals manufacturers have voluntarily agreed to phase out the use of certain PFAS in fast food wrappers, pizza boxes and other food packaging that contain a building block known as 6:2 fluorotelomer alcohol. The chemical was designed as a replacement for long-chain PFAS substances like PFOA after scientists linked them with health problems. But DuPont in 2013 found that the replacement chemical also accumulates in living creatures, and FDA researchers now suspect it could be linked with developmental and reproductive effects, as well as cancer.
  - Under the new agreement, the phaseout will begin in 2021 and the three companies that manufacture products using the building block will then have three years to end sales of those compounds, which could then stay in the supply chain for as many as 18 months after that, according to FDA.
- ***Interior Floats Definition of Endangered Species 'Habitat.'*** The Trump administration is proposing to define the term "habitat" under the Endangered Species Act for the first time, according to a proposal the U.S. Fish and Wildlife Service announced Friday.
  - But what that definition may eventually be is unclear because the Fish and Wildlife Service is proposing two definitions—a primary proposal and an alternative. The public will have 30 days to comment on both once they are published in the Federal Register, which is expected next week.
  - Endangered species advocacy groups said the proposed definitions fail to account for climate change and could reduce protections for declining plants and animals whose habitat could degrade as the globe warms.
- ***Court Rules DAPL Can Stay Open.*** A federal appeals court ruled Wednesday the Dakota Access Pipeline can keep shipping oil while the court hears arguments over whether the Trump administration failed to conduct a proper environmental review of the project. However, the U.S. Court of Appeals for the D.C. Circuit said it did not think the Army Corps of Engineers made a strong case that the district court had erred in an underlying ruling that it should complete an environmental review of the pipeline's crossing over the Missouri River.

- ***EPA Close to Easing Limits on Methane Leaks from Oil Wells.*** The EPA will soon issue final rules governing the release of methane and ozone-forming volatile organic compounds from oil and gas facilities, Administrator Andrew Wheeler told reporters during a conference call Thursday.
  - “We will be finalizing the Quad-0a shortly,” Wheeler said, using a shorthand reference to regulations governing VOC emissions from new or modified wells
  - EPA last year proposed rescinding explicit emissions limits on methane, a potent greenhouse gas, while retaining limits on VOCs from wells, pumps, compressors and other equipment that act to indirectly curb methane releases
- ***Trump Says He’ll Listen to Both Sides on Mine Site Son Opposed.*** Trump says he’d listen to both sides on the issue of the Pebble Mine project in southwestern Alaska that his son said he opposed. Less than two weeks ago the mine secured a final environmental impact review from the Army Corps of Engineers, boosting the prospects that Vancouver-based Northern Dynasty Minerals could be on track for approval.
- ***Lowered U.S. Duties on Chinese Solar Power Products Upheld.*** The Commerce Department conducted a periodic duty review of U.S. countervailing duties on “crystalline silicon photovoltaic cells, whether or not assembled into modules” from China that entered the U.S. in 2014. It originally calculated subsidy margins and corresponding duty rates of 18.16% for Canadian Solar Inc. and its affiliates; 17.14% for Changzhou Trina Solar Energy Co. and its affiliates; and 17.49% for all other Chinese producers and exporters.
  - The U.S. also maintains countervailing duties on Chinese “crystalline silicon photovoltaic products,” namely modules, laminates, and panels. Commerce undertook a periodic review covering imports between June 2014 and December 2016. It originally assigned all Chinese companies a 13.93% margin.
- ***Climate Migration Stalls for Years Without Federal Lead:*** The federal government isn’t set up to help communities move from one place to another in response to climate change threats, the Government Accountability Office said in a report released this week.
  - No federal agency has the authority to take the lead in helping communities with climate migration, so the federal support for those efforts has been provided on an ad hoc basis. The problem is also bound to get worse in coming decades as climate change imposes ever-harsher burdens, meaning “many other communities will need to consider migrating,” the GAO said.

### ENERGY ECONOMY NEWS

- ***OPEC Nations are Ending Some of the Production Cuts from Spring.*** Even though Trump boasted his administration's role in getting Saudi Arabia and Russia to agree to cut output by 9.7 million barrels per day earlier this year, he's so far been mum on the 2 million barrels of those cuts that expired at the beginning of August. A spokesman for the White House's National Security Council said the Trump administration was keeping an eye on the increased oil supply coming out of OPEC. "We call on all parties to support market-based solutions to maintain stability in the global energy market," the NSC spokesman said.
  - "It's not going to be helpful for U.S. producers, no doubt about it," Phil Flynn, oil market analyst with Price Futures Group, said of the OPEC production increase. "They're already struggling to keep the lights on."
- ***BP will slash oil production by 40% and pour billions into green energy.*** BP is planning to slash oil and gas production and pour billions of dollars into clean energy as part of a major strategic overhaul unveiled on Tuesday, alongside a huge second quarter loss and dividend cut.

- The London-based company said that it plans a 10-fold increase in annual low carbon investments to \$5 billion by 2030 as it tries to deliver on its promise of net zero emissions by 2050 and prepares for a world that uses much less oil. BP shares rose as much as 8% in London.

### CORPORATE SUSTAINABILITY UPDATES

- ***Facebook Expanding Renewables Footprint.*** Facebook is buying a huge amount of clean power across the U.S. and Ireland to support its operations. The social-media giant — already one of the world's biggest corporate consumers of renewable energy — signed contracts to buy 806 megawatts of additional solar and wind power, the company said. The contracts support eight projects in Utah, Ohio, Illinois, Tennessee and Ireland, and involve several different developers, including Brookfield Renewable Partners LP, D.E. Shaw Renewable Investments and Apex Clean Energy.

### 2020 PRESIDENTIAL ELECTION NEWS

- ***Keystone XL Union Agreements Put Pressure on Pipeline for Biden.*** TC Energy Corp. has reached agreements with four labor unions to build the controversial Keystone XL oil pipeline -- a move that could amplify political pressure on Joe Biden, who has threatened to rip up permits for the project even as he courts blue-collar workers.
  - The labor agreements being announced Tuesday help pave the way for 2,000 unionized workers to begin building some of the project's 28 planned pump stations in the U.S. this fall -- even while TC Energy continues to seek other permits to begin constructing the pipeline itself -- according to Senior Vice President Richard Prior. TC Energy is already building the Canadian portion of Keystone XL, aiming to start shipping crude in 2023.
  - In May, the Biden campaign released a statement saying the Democratic nominee would rescind Keystone XL's presidential permit "and stop it for good." A campaign spokesman confirmed Biden's position on Tuesday.
- ***Biden Urged to Shun Obama-Era Energy Moderates.*** Climate-change activists are pressuring Joe Biden to distance himself from former Obama administration advisers they view as either too moderate or too cozy with the fossil fuel industry, a sign of disunity on the eve of the Democratic convention.
  - Groups such as Data for Progress and the Revolving Door Project are building a case against some people advising the Democratic presidential nominee, such as former Energy Secretary Ernest Moniz and Obama environment aide Heather Zichal. Both have served on the boards of companies linked to fossil fuels since leaving government. Polls show a lack of enthusiasm for Biden among young voters, something that could be exacerbated by open divisions within the environmental movement. But if climate activists succeed in pulling him to the left it could cost him mainstream support.

### STATE & LOCAL GOVERNMENT NEWS

- ***Exxon Seeking Dismissal of Massachusetts AG's Climate Lawsuit.*** Exxon Mobil Corp. will argue that a consumer and investor fraud lawsuit filed by the Massachusetts attorney general amounts to improper retaliation against the company over its views on climate change.
  - The company will seek to dismiss the suit under the state's so-called anti-Slapp law, which prohibits the use of litigation that has the effect of punishing a defendant for statements

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on matters that are under consideration by a legislative or judicial body, according to a July 30 notice in state court in Boston.

The court won't make details of Exxon's motion public until after Massachusetts Attorney General Maura Healey responds.

