



BRIEF ON CLIMATE & SUSTAINABILITY

October 30, 2020

DEVELOPMENTS IN CONGRESS

- ***Energy & Commerce Committee Releases Report Detailing Trump Administration Environmental Rollbacks.*** The House Energy and Commerce Committee today released a [staff report](#) on the Trump Administration’s four-year assault on environmental and public health protections.
 - The report examines some of the Trump Environmental Protection Agency’s (EPA) most egregious and dangerous rollbacks in five key areas – climate change, scientific integrity, environmental justice, clean air and clean water – and highlights the impacts these rollbacks could have on public health. Finally, the report underscores some of the Committee’s efforts to hold the Trump Administration accountable for these actions.
- ***GOP Bill to Reform NEPA.*** Republican Sens. Ted Cruz (Texas), Mike Lee (Utah), and Kevin Cramer (N.D.) are sponsoring a bill to overhaul the National Environmental Policy Act (NEPA). The Undoing NEPA’s Substantial Harm by Advancing Concepts that Kickstart the Liberation of the Economy (UNSHACKLE) Act combines five other related bills that were previously introduced.
 - “Environmental planning is essential to sustainable growth, but unfortunately NEPA has become a weapon used by special interests to make much-needed infrastructure and maintenance projects throughout our country prohibitively expensive. The UNSHACKLE Act will reform the NEPA process so that federal agencies, state, and local governments are better empowered to carry out NEPA’s original process while also making our nation’s infrastructure and maintenance project affordable again,” Lee said in a [statement](#).
- ***DeFazio, Napolitano Challenge EPA on Coal Waste Rollback.*** Rep. Peter DeFazio (D-Ore.), House Transportation and Infrastructure Committee chairman, and Rep. Grace F. Napolitano (D-Calif.) sent a [letter](#) to Wheeler raising concerns with the Trump administration’s decision to roll back limits on discharges of wastewater from coal-fired power plants:
 - “We are deeply concerned that EPA’s 2020 Final Rule will prove ineffective in controlling the outflow of toxic chemicals from coal-fired plants into our local water sources. These plants represent the largest source—30 percent—of industrial toxic pollution discharged into our waters. These discharges include known carcinogens and neurotoxins, which when unregulated can have significant effects on human health, wildlife, and ecosystems. Your proposal once again shows that the Trump administration prioritizes polluters over people, needlessly endangering our water sources and human life.”

TRUMP ADMINISTRATION ACTIONS

- ***Mining, Logging Now Allowed in Tongass, America's Largest Forest.*** Alaska's Tongass National Forest—America's largest—is no longer protected under the 2001 Roadless Rule, and its remote islands and old-growth trees are now open to new logging and mining, according to a record of decision to be published Thursday in the Federal Register. In its final decision to exempt the Tongass from roadless area protections, the U.S. Forest Service—part of the U.S. Department of Agriculture—said it's acting against overwhelming public opposition to ending protections and instead heeding the will of Alaska public officials.
 - The decision is expected to be swiftly challenged in court, and no activity is expected prior to the end of President Donald Trump's first term. A new Democratic administration likely would undo the decision, which is subject to the Congressional Review Act.
- ***Interior OKs Expanded Oil Activity in Alaska Petroleum Reserve.*** The Trump administration has finalized its plans to expand drilling in the National Petroleum Reserve in Alaska (NPR-A), upsetting environmentalists by creeping toward protected territory within the reserve.
 - The approval of the Willow Project allows ConocoPhillips to produce up to 590 million total barrels of oil over the next 30 years. Environmentalists say the oil activity will disrupt polar bear and caribou, particularly as oil activity expands next door at the Arctic National Wildlife Refuge (ANWR).
 - On Friday, Interior released a plan that would greenlight seismic testing there as soon as December. The Interior Department opened a formal review of plans to conduct 3-D seismic surveys to search out potential oil reserves in Alaska's Arctic National Wildlife Refuge this winter
- ***Coal Complaints Rule Seen Helping Industry.*** A final rule yesterday from the Interior Department is changing how citizens can report complaints about polluting coal mines, in what critics see as another administration attempt to help the ailing industry. The announcement from the Office of Surface Mining Reclamation and Enforcement comes just a week before the presidential election, in which coal states like Pennsylvania and Ohio are likely to play a key role.
 - The final rule concerning so-called "Ten-Day Notices" sets a new standard that the office said is meant to streamline how citizen complaints are handled. Several coal mining groups and a Wyoming regulator said they back the change, which fits with President Donald Trump's bid to support the coal sector. Under the old rule, any person could notify the Office of Surface Mining about alleged mining violations, and the agency would then have to relay credible allegations to the state regulator.
 - That starts a 10-day clock for the state to either force a miner to fix the problem or show good cause for not forcing action.
- ***Trump Considers Executive Order on Fracking.*** Trump is considering issuing an executive order to require an economic analysis of fracking, according to several people familiar with the matter, as the president seeks to use what he portrays as Biden's mixed messages on energy to woo voters in the swing states of Pennsylvania and Ohio.
 - The order would call for U.S. agencies to analyze the economic impact of fracking, according to the people, who spoke on the condition of anonymity to discuss nonpublic deliberations. The order would also require an evaluation of

how fracking, which is used to coax oil and gas out of underground rock formations, could be expanded.

- ***EPA Rollback of Obama Methane Standard Survives Legal Attack.*** The EPA’s rollback of Obama-era standards for methane emissions from new oil and gas sites will take effect while a federal court decides whether the move was lawful. The U.S. Court of Appeals for the District of Columbia Circuit on Tuesday declined to grant requests from states and environmental groups to scrap the Environmental Protection Agency’s rescission altogether or block it from taking effect while litigation plays out over the next several months.
 - The elimination of curbs on methane emissions from new oil and gas wells and related infrastructure guts a key piece of the Obama administration’s efforts to address climate change. Methane is a potent greenhouse gas.
 - The court’s decision is a victory, for now, for small oil and gas drillers who oppose the Obama-era limits as too costly and waited years as the Trump administration worked to unravel the restrictions in a broader effort to boost American production of fossil fuels. The court will accept briefs from both sides this winter and will likely hear arguments early next year.
- ***Foreign Governments May Fund Environmentalists Wheeler Says.*** EPA Administrator Andrew Wheeler said he is contacting the Justice Department about “heightened concern” that foreign countries—especially China and Russia—may be funding U.S.-based environmental groups to undermine U.S. energy independence.
 - The action on Monday came in response to a [letter](#) from Rep. Lance Gooden (R-Texas), who had on Oct. 8 called on the Environmental Protection Agency to investigate the financial ties between some organizations, such as the Sea Change Foundation. Under the Foreign Agents Registration Act, anyone acting as an agent of a foreign nation when conducting political activities must register with the attorney general.
 - Non-profit groups aren’t prohibited from taking contributions from foreign entities, but foreign influence should not be covert, Wheeler wrote. Gooden had earlier said he has “reason to believe the eco-lobby has spent years channeling money from foreign governments into American elections, skirting laws which require they register as foreign agents in the process.”
- ***Green Groups Set Out on Next Pendley Lawsuit.*** In the first separate lawsuit since a federal judge invalidated three resource management plans in Montana, green groups are asking the U.S. District Court for the District of Colorado to invalidate a 1.7 million-acre resource management plan they say expands fossil fuel development in southwestern Colorado.
 - That plan should be overturned because it was approved during William Perry Pendley’s unlawful tenure as the de facto head of the Bureau of Land Management, they contend. Earlier this month, a judge struck down three land use plans in Montana because they were put in place under Pendley, who he previously ruled had served unlawfully as acting BLM chief for more than 400 days.

ENERGY ECONOMY NEWS

- ***Trump Thwarted in Latest Bid to Kill Solar-Tariff Loophole.*** A U.S. trade court temporarily blocked the Trump administration’s latest bid to end a loophole it had granted on two-sided solar panels.

The order Saturday came weeks after President Donald Trump moved to eliminate a tariff exemption for so-called bifacial, panels.

- Prior to that proclamation, the government tried for more than a year to revoke the exemption, only to get repeatedly thwarted by the trade court.
- Court of International Trade Judge Gary Katzmman issued a temporary restraining order that effectively prevents the tariff exemption from being removed for two weeks, unless the court takes other action during that time.
- **Green Power to Draw \$11 Trillion Investment by 2050, BNEF Says.** Green power is set to draw around \$11 trillion of investment in the coming decades as the cost of renewables plummets and more of the world's energy comes from electricity. That's the latest analysis from BloombergNEF in its annual New Energy Outlook report.
 - It's further evidence of how cheap renewable power sources will continue to push aside fossil fuels in the energy mix. Despite the massive sum, BNEF said the pace of building out new renewables will need to increase further to limit global warming to less than 2 degrees Celsius by the end of the century.
 - The projected increases in renewable energy and battery technology -- wind and solar will grow to 56% of global electricity in 2050 -- are set to cause emissions to peak in 2027 and then fall 0.7% annually until 2050, BNEF said. That would lead to a warming of 3.3 degrees Celsius by 2100, well short of the 6% annual emissions reduction needed to keep warming below 2 degrees and the 10% reduction required to achieve 1.5 degrees of warming.
- **Carbon Removal Industry Could Rival Oil and Gas.** Transitioning away from fossil fuels won't be enough to slow climate change. The world has delayed the task of cutting emissions for so long that we likely will have to also deploy solutions to draw down carbon dioxide from the air.
 - With the right regulations and incentives in place, the carbon removal industry could soon be bringing in as much revenue as today's oil and gas sector, according to a [new study](#). In the near term that means more money going toward natural ways of drawing down carbon, e.g. tree-planting and preservation of areas such as peat bogs and mangrove forests.
 - Eventually we'll see the rise of technologies such as direct air capture or enhanced rock weathering, which aren't yet ready or cheap enough to be deployed at scale. The study, published by Vivid Economics, finds that revenue from negative emissions or carbon offsets could reach \$1.4 trillion annually by 2050, up from about \$300 million today.
 - For comparison, according to consultancy Rystad Energy, the oil and gas industry is projected to bring in \$1.5 trillion this year—about 40% less than it did in 2019.
- **Oil Prices Have Slumped this Week.** The energy markets are certainly not being kind to producers. U.S. WTI crude futures tumbled more than \$2 to \$37.36 a barrel on Wednesday extending the downtrend that's knocked about 10 percent off the price of the U.S. benchmark in the week and a half.
 - That weakness has come even as Hurricane Zeta has forced oil producers to shut in production in the Gulf of Mexico. U.S. refineries are running at less than 75 percent of their capacity as gasoline and diesel demand both fell the past week, according to the latest data from the Energy Information Administration. Meanwhile, the coming lockdowns and curfews in Europe aren't boding well for global energy demand, either. All this does not bode well for the U.S. oil industry.

- **Many of the Biggest Public Companies Support Climate Disclosure.** A task force set up to improve the reporting of financial risks caused by climate change has seen support for its recommendations soar in the past year as demand grew from investors for more information on how a warming planet will affect business. But disclosures by companies on the financial impact remain low, according to a [new report](#) from the Task Force on Climate-related Financial Disclosures.
 - The group has urged businesses to measure and disclose how different climate outcomes might weigh on their performance. TCFD's annual report, published on Thursday, found that over the past year support for its transparency practices jumped by 85.
 - More than 1,500 organizations, with a combined market capitalization of \$12.6 trillion, have embraced TCFD's recommendations. That includes nearly 60% of the world's 100 largest public companies.

2020 ELECTION NEWS

- **Biden's Space Policy: One Giant Leap for Climate Change.** If the Democratic nominee wins the Nov. 3 election, he'll likely maintain the Space Force — along with many of President Donald Trump's other space initiatives, from returning humans to the moon to sending them to Mars to reforming government regulations so space companies can flourish. But he'll also be turning NASA's attention closer to home.
 - Biden's pledge to rededicate the U.S. to combating climate change would mean a greater role for NASA's Earth science research, an area that has been squeezed by Trump, according to space leaders who are advising or supporting Biden's campaign, and outside analysts.
 - The space agency already uses satellites to study and understand the environmental changes that are causing more droughts, rising sea levels, more frequent deadly storms and natural disasters, while figuring out what human actions might reverse or minimize the damage. And those tools could be central to the government-wide effort that Biden has proposed to invest in clean energy and beef up infrastructure to withstand climate change, which he has called an "existential threat."
- **Environmental Advocates Keep Pushing Biden.** Environmental advocates are pushing Biden to keep up his climate change message in the final days before Election Day, saying the \$2 trillion plan to boost clean energy and slash greenhouse gases will help turn out some of the crucial voting blocs that will decide who wins the race. Despite Trump's focus on oil and fracking, environmental advocates argue that taking the offensive on climate action is an electoral winner.
 - "The politics of climate have changed," Lori Lodes, executive director of Climate Power 2020, told POLITICO. "It is now a tier one issue that candidates up and down the ballot must address. It really is this new moment where climate has taken center stage in a very difficult year for it to do so."
 - Climate activists think Trump is ignoring voters' desire to take aggressive action on the problem as communities have faced worsening climate-fueled disasters like massive wildfires in the West, severe storms in the Midwest and a busy hurricane season that's repeatedly pummeled the Gulf Coast.
- **Keystone Faces Biden, Virus Risk.** Barack Obama tried to stop the Keystone XL pipeline. Trump tried to revive it. If Joe Biden is elected, he says he'll block it again—and the pandemic may help him kill the project for good. Biden has pledged to rescind a key permit granted by Trump for the pipeline, a 1,210-mile (1,950-kilometer) project designed to take 830,000 barrels of crude a day from Alberta to Nebraska.

- Keystone XL has been on its death bed before, only to come back. But this time the politics are shifting at a moment when demand for oil is weak and other pipelines are moving toward completion more quickly.
- ***Morning Consult: Republicans Outspend Democrats on Campaign Ads Mentioning Energy, Climate.*** The GOP has demonstrated a willingness to spend more per ad, investing an average of \$177,454 versus the Democrats' \$114,394, per an [analysis](#) of the data provided exclusively to Morning Consult by Advertising Analytics LLC.
 - It spans April 9 — the day after Sen. Bernie Sanders (I-Vt.), Democratic presidential candidate Joe Biden's last major primary rival, dropped out of the presidential race — through Oct. 21, and covers both state and nationwide races. In that period, 768 total advertisements have run that reference energy- or climate-related topics, exactly half of which have come from Democratic operations, 40 percent from Republican and 10 percent from independent companies or organizations.
- ***Democrats Put Space Between Them and Some Environmental Policies.*** Democrats battling it out in some redder areas of the country are running ads this season distancing themselves from ideas popular among the more progressive flank of the caucus, such as banning fracking or the Green New Deal. It's a message that became all the more important for these energy moderates to get out after last week's presidential debate when Biden said he wants to transition the country to renewables from fossil fuels.
 - In New Mexico, Rep. Xochitl Torres Small is running ads featuring her standing at an oil rig, saying she "stood up to members of my own party who want to ban fracking." Rep. Kendra Horn (Okla.) makes a similar push in one of her ads, saying she also "stood up" to oppose a fracking ban.
 - Similar stories have occurred in the Alaska and Kansas Senate races. Of course, that hasn't stopped the attack ads. Outside groups, in particular, have sought to tie many Democratic candidates to figures like Sen. Bernie Sanders and Rep. Alexandria Ocasio-Cortez, who wrote the Green New Deal.
- ***As Election Nears, Trump Makes a Final Push Against Climate Science.*** The Trump administration in the US has recently removed the chief scientist at scientific agency the National Oceanic and Atmospheric Administration (NOAA) and installed new political staff who have questioned climate change and clamped down on the agency's communications, the New York Times [reports](#).
 - The move "threaten to stifle a major source of objective US government information about climate change" and gives an indication of how things will play out if Donald Trump wins the upcoming election, the newspaper states. Separately, the Wall Street Journal [reports](#) that, according to senior officials, Trump is considering issuing an executive order for an economic analysis of fracking in a bid to highlight "his support for the energy industry" in battleground states, such as Pennsylvania.
- ***Ethanol Looks Beyond Election Bluster with Biofuel Reset at Hand.*** Donald Trump and [Joe Biden](#) are scrambling to secure Farm Belt victories with sweeping promises to protect corn-based ethanol's place in the U.S. fuel mix.
 - The industry has reasons to be wary of both presidential candidates. The winner will oversee a "reset" of the congressional mandate to blend biofuels with gasoline. This new phase of the Renewable Fuel Standard, created in 2005 to curb oil consumption and greenhouse gases, could determine ethanol's role alongside oil in a low-carbon energy economy.
 - "The RFS is at a critical point," said Neelesh Nerurkar, a ClearView Energy Partners analyst and former energy adviser to the Obama administration. "Whoever is in power and making the rules two years from now matters a lot."

- Unless lawmakers come up with new policy, the EPA will begin calling the shots on yearly biofuel-gasoline blend quotas in 2023. The law outlines annual targets only through 2022.
- The RFS, which will fall far short of its original goal of requiring 36 billion gallons of biofuels blended with gasoline in 2022, has taken on an almost mythic quality as an economic engine for Iowa and other Midwest states that produce corn, soybeans and the renewable fuels made from them.

NEW CLIMATE CHANGE REPORTS

- ***There's No Climate-Neutral Stimulus, Report Says.*** Months into a pandemic that has caused unprecedented economic destruction and just days away from an election that will have a profound effect on the future of climate policy, the Roosevelt Institute has issued a new set of recommendations outlining how the U.S. federal government would “solve multiple problems with a single investment of time and money.”
 - “The choice facing policymakers is not ‘climate-friendly’ policies or ‘climate-neutral’ policies,” the authors write in their report, titled “[A Green Recovery.](#)” “All stimulus policies have the potential to affect emissions levels, even if they do not directly relate to climate or emissions.”
- ***Morning Consult: Incentivize Renewables or Continue Fossil Fuel Extraction? Slim Majority of Voters Choose the Former.*** Given the options of investing in domestic fossil fuel production to lessen U.S. reliance on other countries or incentivizing renewables development to mitigate climate change, the latter approach holds an edge of 13 points among voters, according to a new Morning Consult/Politico [poll](#).
 - However, when asked more explicitly about the perceived trade-offs between energy independence (via continuing to extract fossil fuels) and combating climate change (via increasing the use of renewables), voters were more split. Exactly half of the respondents in the Oct. 23-25 poll chose the latter option, while 37 percent said the United States “should continue to extract fossil fuels in the U.S. to make our country less dependent on other countries for energy and lower fuel prices.”
 - In addition, 79% of voters, including 89 percent of Democrats and 69 percent of Republicans — either strongly or somewhat support increasing the use of renewables. Just 5 percent of voters said they strongly oppose expanding U.S. renewables, while 7 percent said they would somewhat oppose. Meanwhile, 60 percent of voters said they'd support shrinking the use of fossil fuels like oil.
- ***Black, Hispanic Respondents 'Very Concerned' About Pollution, Poll Says.*** A Morning Consult [poll](#) found that 52% of Black respondents and 50% of Hispanic respondents were highly concerned about climate change in their local community, compared to 38% of White adults surveyed. White respondents also were less likely (33%) to view environmental injustice as a major problem in the country compared to Black (51%) and Hispanic (48%) adults surveyed.
 - Views across race on clean energy jobs were more aligned, according to the poll. Nearly three-quarters of respondents said clean energy jobs would likely help people in their communities, including 81% of Black respondents, 73% of Hispanic adults, and 71% of White respondents. The online poll, conducted in October, included a national sample of 2,200 adults.
- ***UN-Linked Plan Charts US Course to Net-Zero Carbon Emissions by 2050.*** A United Nations-linked initiative is offering what it bills as a possible road map for the U.S. to tackle climate change under a potential new administration. The Zero Carbon Action Plan (ZCAP), crafted by roughly 100

individuals spanning academia and think tanks, would help the U.S. reach the goals of the Paris Climate Accord and hit net-zero carbon emissions by 2050.

- The research found that a transition to almost entirely clean sources of energy would only cost 0.4 percent more of the U.S.'s gross domestic product (GDP) than sticking with fossil fuels, while creating 2.5 million new jobs by midcentury. ZCAP's analysis relies on modeling that attempts to find "technologically and economically sound options [that] fit within the institutional framework of the U.S. federal system." The plan calls for reducing the carbon footprint of the electricity sector by 60 percent by 2030 and ratcheting up from there.
- ***Fisheries Prevent Blue Carbon Sequestration.*** A [new study](#) published in the Science Advances journal states that fisheries have extracted a massive amount of "blue carbon," contributing to additional atmospheric CO2 emissions. Contrary to most terrestrial organisms, which release their carbon into the atmosphere after death, carcasses of large marine fish sink and sequester carbon in the deep ocean. The study used historical catches and fuel consumption to show that ocean fisheries have released a minimum of 0.73 billion metric tons of CO2 (GtCO2) in the atmosphere since 1950.
 - Globally, 43.5% of the blue carbon extracted by fisheries in the high seas comes from areas that would be economically unprofitable without subsidies. The study recommends that limiting blue carbon extraction by fisheries, particularly on unprofitable areas, would reduce CO2 emissions by burning less fuel and reactivating a natural carbon pump through the rebuilding of fish stocks and the increase of carcasses deadfall.
- ***Global Emissions Peaked in 2019 as Pandemic Hastens Energy Transition.*** Depressed in 2020 by the worldwide economic slowdown brought on by the coronavirus pandemic, global carbon dioxide emissions from power, transportation, industry and buildings peaked in 2019 at 31.9 gigatons of CO2 equivalent, according to an Oct. 27 report from BloombergNEF. After dropping 8.6% in 2020, emissions will again tick upward through 2027, but will remain below 2019's level and then decline roughly 0.7% per year through 2050, the clean energy research firm said in its 2020 [New Energy Outlook](#).
 - In the global power sector, the COVID-19 crisis "has brought forward a triple peak" of both coal use and emissions, in 2018, and natural gas in 2019, according to the report. The analysis predicts that global oil demand will peak in 2035.
 - Wind and solar energy, on the other hand, will continue to gather momentum, rising to 56% of global power generation by 2050, up from 9% in 2020, BloombergNEF, or BNEF, added. Over the next 30 years, wind, solar and battery storage together will seize an 80% share of \$15.1 trillion to be invested in power capacity, according to the report, which forecasts an additional \$14 trillion in power grid outlays to 2050.

STATE & LOCAL GOVERNMENT NEWS

- ***New York Wants Banks to Prioritize Climate Change Risks.*** New York's top financial regulator expects banks and other financial firms to include climate change in their operational and risk management plans under new guidance.
 - Banks, mortgage lenders and servicers, cryptocurrency firms, money transmitters, and others regulated by the New York Department of Financial Services should review how climate risks, such as sea-level rise or extreme weather events, could affect their operations and balance sheets, according to the [guidance](#) issued Thursday.

INTERNATIONAL NEWS

- ***China Seeks Big Money's Help Reaching Its Carbon-Neutral Goal.*** China is enlisting financial institutions and international investors to help fund the country's drive toward carbon neutrality. In a set of guiding opinions backed by five government ministries, Beijing said it would encourage private investment and foreign capital to back green bonds and fund climate-friendly projects.
 - The government also said it plans to allow individuals and financial firms to participate at some point in its soon-to-be launched national carbon-trading scheme. The guidelines on climate finance come a month after President Xi Jinping pledged to transform China from the world's biggest polluter to a net zero emitter by 2060.
 - The effort could cost as much as \$15 trillion as the country invests in renewable energy, hydrogen and carbon capture to help wean itself off a deep reliance on coal. The policy demonstrates that consensus is building in the Chinese government around the need to transition to climate-friendly overseas investments, according to Dimitri de Boer, chief China representative of ClientEarth.
- ***South Korea Follows Japan and China in Carbon Neutral Pledge.*** In another significant announcement from a major Asian economy, South Korea's president Moon Jae-in has pledged to reach net-zero emissions by 2050, the Financial Times reports. He has told the country's national assembly the nation will "replace coal power with renewable energy and create a new market, industry and jobs", committing to spending 8tn won (£5bn) on green stimulus following coronavirus, the newspaper states.
- ***Australia Defies International Pressure to Set Net-Zero Targets by 2050.*** Following a string of climate pledges by the nation's top trading partners, Australian prime minister Scott Morrison has stated he will not let other governments' climate goals influence him, the Sydney Morning Herald reports. Morrison said he is not worried about Australian exports, 25% of which are fossil fuels, as four of the country's top trading partners – China, Japan, South Korea and the UK – adopt net-zero targets, the newspaper notes.

