



BRIEF ON CLIMATE & SUSTAINABILITY

November 6, 2020

DEVELOPMENTS IN CONGRESS

- ***Democrats Lose Leverage on Stimulus.*** Congressional Democrats face a loss of leverage in negotiations over a new U.S. stimulus package after a disappointing showing on Election Day that left Senate Majority Leader Mitch McConnell (R-Ky.) potentially with a renewed mandate.
 - The results so far, with Democrats losing seats in the House and facing long odds for taking the Senate, point to a smaller coronavirus relief bill than the roughly \$2 trillion that had been discussed by the Trump administration and Democratic leaders before the Nov. 3 election.
- ***Post-Election Landscape.*** Democrats are expected to retain control of the House, and Chairman Frank Pallone Jr. (D-N.J.) plans to formally introduce climate legislation that aims to achieve a 100% clean economy by 2050, which some progressives say isn't far-reaching enough.
 - Pallone has worked over the last year to refine the CLEAN Future Act with Energy Subcommittee Chairman Bobby Rush (D-Ill.) and Environment and Climate Change Subcommittee Chairman Paul Tonko (D-N.Y.), both of whom expect to retain their leadership positions in the next Congress.
 - Democrats and Republicans also will seek to improve energy access, affordability, and reliability—critical issues to the country's recovery from the Covid-19 pandemic, and to parts of the U.S. that continue to suffer severe natural disasters.
 - The ranking member slot on the Environment and Climate Change Subcommittee will be open after the planned retirement of Rep. John Shimkus (R-Ill.) at the end of the 116th Congress. The next most-senior Republicans on the panel are McMorris Rodgers and Rep. David McKinley (W.Va.).
- ***Reps. Scott & Costa Vy for Ag Leadership.*** Reps. David Scott (D-Ga.) and Jim Costa (D-Calif.) are both vying to take control of the House Agriculture Committee after current head Collin Peterson lost his reelection bid this week. Both lawmakers called for combating climate change in their pitches. Peterson, one of the most conservative Democrats in Congress, had resisted a push from progressives to advance a national strategy on climate change.
- ***Feinstein Calls on Administration to Explain Reports of Climate Science Suppression at NOAA.*** Senator Dianne Feinstein (D-Calif.) sent a letter to Acting Administrator Dr. Neil Jacobs of NOAA expressing concern over reporting that NOAA is sidelining career scientists in an attempt to downplay the threat of climate change and to undermine NOAA's scientific publications regarding climate change.
 - "Climate change is an existential threat, as evidenced by the historic fires raging across California and the Western United States. As such, I find it deeply troubling that those serving in key posts at your agency have questioned the basic tenets of climate change. I am particularly concerned that political influence could undermine the National Climate

Assessment, the authoritative federal report on climate change that is produced and vetted by 13 federal agencies,” wrote Feinstein.

TRUMP ADMINISTRATION ACTIONS

- ***Trump Makes It Official: U.S. Will Withdraw from the Paris Climate Accord.*** The Trump administration notified the international community Monday that it plans to officially withdraw from the Paris climate accord next fall, a move that will leave the world’s second-largest emitter of greenhouse gases as the only nation to abandon the global effort to combat climate change. President Trump has long criticized the 2015 accord and insisted that the United States would exit it as soon as possible.
 - As recently as last month, Trump called the agreement “a total disaster” and argued that the Obama administration’s pledges to cut carbon emissions under the deal would have “hurt the competitiveness” of the United States. In a statement Monday afternoon, Secretary of State Mike Pompeo said the administration had sent official notification of its plans to the United Nations.
 - “In international climate discussions, we will continue to offer a realistic and pragmatic model — backed by a record of real world results — showing innovation and open markets lead to greater prosperity, fewer emissions, and more secure sources of energy,” Pompeo said. “We will continue to work with our global partners to enhance resilience to the impacts of climate change and prepare for and respond to natural disasters.”
 - “Abandoning the Paris agreement is cruel to future generations, leaving the world less safe and productive,” Andrew Steer, president of the World Resources Institute, said in a statement. “It also fails people in the United States, who will lose out on clean energy jobs, as other nations grab the competitive and technological advantages that the low-carbon future offers.”
- ***Trump Names New Chairman at FERC.*** As the presidential race tightens, FERC announced last night that President Donald Trump replaced Neil Chatterjee as head of the regulatory agency — a surprise reshuffling in what could be the waning weeks of the Trump administration.
 - Chatterjee, who is a former staffer for Senate Majority Leader Mitch McConnell, said he will serve out the remainder of his term as a commissioner, and touted achievements during his tenure, including changes to the Public Utilities Regulatory Policy Act, approving LNG terminals and “unleashing the power of new technologies like storage and distributed energy resources.”
- ***Fed Chair Offers Strongest Climate Risk Warning.*** The central bank has a responsibility to protect the financial system from climate change risk, Chair Jerome Powell said Thursday — his boldest signal yet that the Fed sees the issue as a long-term threat to the economy.
 - “The public will expect and has every right to expect that in our oversight of the financial system we will account for all material risks and try to protect the economy and the public from those risks,” Powell said at a press conference after the Fed’s monetary policy meeting. “Climate change is one of those risks.”
- ***Trump Administration Taps Mainstream Climate Scientist to Run Key Climate Review.*** The next National Climate Assessment, the federal government’s most definitive and comprehensive report on climate change and its consequences for the United States, will be directed by atmospheric scientist Betsy Weatherhead, currently a senior scientist at Jupiter Intelligence, a company that helps businesses and governments prepare for the impacts of climate change.

- Weatherhead, who has decades of experience as a climate scientist in the academic and private sectors, accepts human-induced climate change is happening and is a serious physical, ecological and economic threat.
- Her appointment stands in sharp contrast to two recent high-level political hires at the National Oceanic and Atmospheric Administration (NOAA), David Legates and Ryan Maue, who are on the record challenging the seriousness of climate change.
- ***LWCF List Deadline Missed.*** Advocates say the Trump administration missed a Nov. 2 deadline to supply Congress with a list of projects that should receive funding through the Land and Water Conservation Fund as directed by the Great American Outdoors Act, which the president and Senate Republicans alike have touted as an example of their conservation credentials in the lead-up to Election Day.
 - Under the law, the administration was required to send lawmakers both the LWCF list and a list of deferred parks maintenance projects for fiscal 2021.
- ***Trump Signs Conservation Bill.*** Trump signed into law Friday a conservation bill that includes investments in Chesapeake Bay and wetland programs.
 - The America's Conservation Enhancement Act, S. 3051 (116), marks another boost for conservation efforts — a rare source of bipartisan cooperation this Congress. The bill reauthorizes the Chesapeake Bay restoration program, the North American Wetlands Conservation Act and National Fish and Wildlife Foundation Act until 2025.
 - However, Trump pointed to one line in the bill that would require a task force on animal disease to collaborate with other governments "to share research, coordinate efforts, and discuss best management practices to reduce, minimize, prevent, or eliminate chronic wasting disease in the United States" and said it interfered with Trump's authority to conduct the nation's foreign affairs. "Accordingly, my Administration will treat it as advisory and non-binding," he said in a statement.

ENERGY ECONOMY NEWS

- ***EU Mobilizes Private Investors for Green Hydrogen Market Drive.*** Investors backed by the European Union launched a program that will harness private investment including from Bill Gates's Breakthrough Energy Ventures fund to jump-start the region's green hydrogen industry.
 - EIT InnoEnergy SE unveiled on Wednesday the European Green Hydrogen Acceleration Center to boost development of an "economy" for the clean fuel that it said could be worth 100 billion euros (\$116 billion) a year by 2025 and create 500,000 jobs.
- ***Investors Sour on Green Wave as Democrats' Hope for Senate Fades.*** Wall Street's confidence that the U.S. election would spark a clean-energy revolution dimmed after Republicans appeared set to retain control of the Senate, casting doubts over whether Joe Biden could pursue his climate agenda even if he wins the White House.
 - As a picture slowly emerged Wednesday of Democrats positioned to potentially take the White House but not Congress, renewables stocks including JinkoSolar Holding Co. and First Solar Inc. slumped. Oil and gas companies rallied, led by Concho Resources Inc. and ConocoPhillips.
 - Biden, who led President Donald Trump in electoral votes Wednesday afternoon, has proposed sweeping plans to move away from fossil fuels, promote electric vehicles and eliminate greenhouse gases from the electricity grid by 2035. But with Republicans poised to hold onto their slim majority in the Senate, those ambitions may run aground amid gridlock.

CORPORATE SUSTAINABILITY UPDATES

- ***VW's Diesel Settlement Is Changing City Bus Fleets.*** In the wake of Volkswagen's multibillion-dollar settlement for equipping about 590,000 diesel vehicles with "defeat devices" to cheat on federal emissions tests, cities such as Boston are looking to replace their bus fleets with electric ones.
 - The city wants to convert all 27 of its full-size school buses to electric. That would have been a financial stretch, since electric school buses can cost three times as much as a diesel version. But what is making it possible is a major, if not well known, part of Volkswagen's diesel settlement.
 - As part of it, VW had to offer up \$2.9 billion for a mitigation trust fund that would compensate states for excess nitrogen oxide pollution as well as another \$2 billion in charging infrastructure for electric vehicles.

2020 ELECTION NEWS

- ***Biden's Paris Path.*** Former Vice President Biden announced this week, on the same day the United States officially left the Paris Climate Accord, that he would rejoin the Accord on his first day in office.
 - Rejoining the accord might be more complicated than signing a document. In particular, the U.S. would need to submit a plan for cutting emissions, and the rules are unclear as to whether the U.S. must do that as a condition of joining or if it must tender a more ambitious plan for 2030, rather than the original 2025 date to which President Barack Obama tied his goals.
- ***Biden's Climate Plans Could Be Thwarted in Senate.*** From Politico's Kelsey Tamborrino: Though the presidential race is not yet called, Biden is closing in on 270 electoral votes after securing wins in Wisconsin and Michigan on Wednesday. But the Senate appears almost-certain to remain in Republican hands — and that's a problem for Biden's climate ambitions. The former vice president ran hard on addressing climate change — calling it one of the four crises facing the country — but Senate Republicans have so far resisted even modest efforts to tackle the problem.
 - House Democrats, meanwhile, suffered a string of unexpected losses that will narrow their majority going into the 117th Congress. An early possible area for collaboration could be some sort of stimulus package, complete with green technology incentives and other climate-friendly provisions.
 - However, astute ME readers may remember that Republicans held up an initial coronavirus package in late March and GOP lawmakers decried a series of green measures in the House's version of infrastructure legislation, H.R. 2 (116).
 - Senate Majority Leader Mitch McConnell is notorious for refusing to move legislation that is not supported by at least half of his Republican conference. It's unclear what a package containing climate change provisions would need to look like to garner that level of GOP buy-in.

NEW CLIMATE CHANGE STUDIES

- ***Chamber of Commerce Fracking Report.*** The U.S. Chamber of Commerce's Global Energy Institute recently released a report as part of their 2020 Energy Accountability Series highlighting the real-world consequences of what would happen if hydraulic fracturing, commonly known as fracking, was banned in the United States.

- The report states that a ban would have catastrophic consequences for the American economy, with tax revenue at all levels declining by \$1.9 trillion and cost the economy 19 million jobs by 2025.
- Natural gas prices would leap by 324 percent, and emissions would increase as natural gas has helped reduce carbon dioxide emissions by more than 2.8 billion metric tons since 2005. Read the full report [here](#).
- ***World Cannot Meet Toughest Climate Targets Without Eating Less Meat, Study Says.*** A new study warns that the world cannot meet its most ambitious climate targets without reducing its reliance on meat, the Independent reports.
 - The findings show that, even if fossil fuel emissions were immediately halted, some degree of dietary change will be necessary to keep global warming to below 1.5C above pre-industrial levels, the paper explains.
 - The study's lead author tells the Independent that "without changing food systems, we'll likely miss the 1.5C target in 30 to 45 years and the 2C target within 100, even if we immediately stop all other sources of emissions". He adds: "No single change is adequate. If we are serious about meeting the 1.5C target, we're at the point that we need to do everything possible."

STATE & LOCAL GOVERNMENT NEWS

- ***N.J. Bag Ban 'Model for Other States,' Former EPA Official Says.*** New Jersey's paper and plastic bag ban is one of the strictest in the country and could be a template law for other states to follow, environmental groups say.
 - The law, which Gov. Phil Murphy (D) signed Wednesday, aims to keep plastics pollution out of landfills, rivers, streams, and ocean waters. But it could face litigation from industry groups and others, as happened in the case of New York's similar ban.
 - "I think this is a sweeping law that is a model for other states," said Judith Enck, a former EPA regional administrator who is now president of Beyond Plastics.
 - The state is banning single-use plastic and paper bags, and disposable foam food containers and cups, starting in May 2022. Maine, Vermont, Maryland, and New York have all begun to ban plastic foam containers, but New Jersey's law is the strictest, according to U.S. PIRG, a public interest advocacy group.

INTERNATIONAL NEWS

- ***China's Solar Industry Eyes Biden Win and Fixes to Supply Chain.*** As markets assess the increasing likelihood of a Joe Biden presidency hemmed in by a Republican Senate, one industry that would benefit from the Democrat taking the White House has some kinks to iron out in its supply chain.
 - China's solar manufacturers have asked the government to eliminate capacity restrictions on photovoltaic glass because of a shortage that could risk President Xi's ambitious clean energy goals.
 - Top glass-maker Xinyi Solar fell on news of the appeal, before rebounding after expressing confidence it will be able to "defend its market share with faster capacity expansion than others," according to Citigroup. Chinese solar stocks more broadly are putting in a strong showing. Investors seem to be coming to terms with the idea that, in the fight against climate change, a messy Biden win that can't deliver on all his promises is better than no win at all.

- ***Putin Orders Russian Government to Try to Meet Paris Climate Goals.*** Russian president Vladimir Putin has signed a decree ordering the country's government to try to meet the 2015 Paris Agreement to fight climate change, reports Reuters, but "stressed that any action must be balanced with the need to ensure strong economic development."
 - The newswire continues: "Russia, the world's fourth largest emitter of greenhouse gases, has previously signaled its acceptance of the accord even as environmentalists have criticized Moscow for shunning compulsory emissions targets for companies backed with fines.
 - In a decree published on Wednesday, a public holiday in Russia, Putin formally ordered the government to work towards a cut in greenhouse gas emissions of up to 70% against 1990 levels by 2030."

