



## BRIEF ON CLIMATE & SUSTAINABILITY

December 18, 2020

### DEVELOPMENTS IN CONGRESS

- ***Climate Crisis Committee to Return Next Congress.*** The House Select Committee on the Climate Crisis will return for the 117<sup>th</sup> Congress with Rep. Kathy Castor of Florida as the reappointed chair, House Speaker Nancy Pelosi announced Monday.
  - In a statement, Castor pointed to the panel's sweeping climate report, unveiled earlier this year, and said members of the committee "will proudly work with Speaker Pelosi and the Biden-Harris Administration to turn these climate solutions and clean energy investments into a reality" in the next Congress.
- ***5 Added to Energy and Commerce.*** The House Democratic Steering and Policy Committee recommended five Democrats be added to the Energy and Commerce Committee in the next Congress: Angie Craig (M.N.), Lizzie Fletcher (Texas), Kathleen Rice (N.Y.), Kim Schrier (Wash.) and Lori Trahan (Mass.).
- ***Democratic Bill Would Create \$60 Billion Outdoor Restoration Fund.*** Sen. Michael Bennet (D-Colo.) has introduced legislation (S. 5015) that aims to restore forest, rangelands, and watersheds by significantly increasing funding for resilience projects across the country.
  - The proposed \$60 billion Outdoor Restoration Fund, which would be housed in the Treasury Department, would make \$40 billion available to federal agencies for conservation and restoration efforts and \$20 billion in grants to state, local and tribal governments as well as nonprofits for such projects.
  - Bennet said the bill, which would create a Restoration Fund Advisory Council, aims to create more jobs, improve outdoor access, upgrade natural infrastructure, and help combat climate change.
- ***Senators from Coal, Auto States Eye Clean Energy Manufacturing Tax Credit Boost.*** Sen. Joe Manchin (D-W.Va.), ranking member of the Energy and Natural Resources Committee, said this week that he and Michigan Democrat Sen. Debbie Stabenow plan to push legislation early in the next Congress that would expand the 48C tax credit to drive greater investment in clean energy manufacturing.
  - The legislation, which has not been introduced yet, would make an \$8 billion investment in the tax credit—initially created through the 2009 Recovery Act—to help manufacturers retool and build new facilities aimed at creating clean energy and energy-efficient products.
  - The proposed \$8 billion new investment would include a \$4 billion carve-out for use in communities with shuttered coal mines or coal power plants. The goal of the forthcoming legislation is to help coal and auto industry workers transition to clean energy jobs, Manchin said during an online discussion with industry, labor, and environmental groups on expanding 48C.

- ***Clean Energy Funding Finds Its Way Into Congressional Spending Bill.*** Advocates of clean energy may get a last-minute present from Congress this year in the form of a bipartisan package of programs to boost funding for renewable energy, energy storage, electric vehicles, carbon capture and other low-carbon and electric technologies.
  - These are some of the programs included in an energy package now being considered for inclusion in the omnibus spending bill. The draft legislative language pulls from several energy bills that lawmakers were unable to pass earlier in 2020.
  - The agreement falls short of the climate and energy provisions many advocates would like to see Congress agree to in order to bolster a more extensive build-out of renewables. Still, it could provide momentum for President-elect Joe Biden's goals for setting the country on a path to decarbonization.
  - Many of the programs in the current agreement are pulled from a 555-page Senate energy bill introduced this spring by Senator Lisa Murkowski (R-Alaska) and Senator Joe Manchin (D-West Virginia), as well as an accompanying energy bill passed by the House this spring. While those bills do not call for mandating reductions of carbon emissions, they do feature hundreds of millions of dollars over the next five years to fund research and development of a broad spectrum of energy technologies.

### **TRUMP ADMINISTRATION ACTIONS**

- ***SEC Approves Extraction Rule.*** The Securities and Exchange Commission voted 3-2 Wednesday to finalize a controversial rule requiring U.S. oil, gas and mining companies to disclose payments to foreign governments.
  - Ten years in the making, it is the third iteration of the rule after the initial version finalized in 2012 was invalidated following a court challenge and a second final rule was overturned by Congress in 2016 using the Congressional Review Act.
- ***DOE Allows All the Shower Heads.*** The Energy Department today published a final rule in the Federal Register that will allow showerhead manufacturers to meet efficiency requirements even if they include multiple shower heads in a single unit.
  - The move was pushed by President Donald Trump, who publicly complained about low-pressure showers.
- ***Narrower Definition of 'Habitat' Expected to See Biden Review:*** Endangered species must at least periodically live in a place for it to be considered their "habitat," according to a final rule scheduled for publication that defines the term for the first time.
  - Legal experts and members of Congress expect the incoming Biden administration to revisit the definition, which is set to take effect on Jan. 15, five days before Biden's inauguration.
  - The Interior Department's definition has wide-ranging implications for the oil and gas industry and other developers because it determines how protections for imperiled species could restrict drilling and new construction in places where the plant or animal may be found.

### **BIDEN TRANSITION AND 2021 OUTLOOK**

- ***Biden Names His Picks for Energy Secretary and Domestic Climate Policy Chief.*** President-elect Biden is signaling how his administration will tackle climate change with a series of high-profile Cabinet and White House appointments. The president-elect will name former two-term

Michigan Gov. Jennifer Granholm to head the Energy Department and former EPA Administrator Gina McCarthy for his domestic climate policy chief.

- Granholm is experienced in dealing with the auto industry, which could give her a big advantage as Biden seeks to speed the rollout of electric vehicles and the network of charging stations needed to power them. Her ardent support of the auto industry may also help Biden's team strengthen its appeal to blue-collar workers and the manufacturing sector as the incoming administration pitches its climate-centric economic transformation.
- McCarthy, who will lead a new White House office of domestic climate policy, served as EPA's air chief in Obama's first term and as EPA administrator in his second. The new position does not need approval from Congress, but if Republicans keep control of the Senate, McCarthy will find a similar dilemma to her years leading EPA, when the Obama administration was forced to rely on executive and agency actions rather than legislation to enact its agenda.
- Ali Zaidi, who is New York Gov. Andrew Cuomo's deputy secretary for energy and environment, is expected to serve as McCarthy's deputy in the new office. He previously worked in climate-focused roles with the Office of Management and Budget and White House Domestic Policy Council during the Obama administration and is also an adjunct professor at Stanford University.
- ***Brenda Mallory Tapped to Head Biden's CEQ.*** President-elect Joe Biden will nominate Brenda Mallory to head the White House Council on Environmental Quality, where she previously served as general counsel during the Obama administration.
  - If confirmed, Mallory, who currently is director of regulatory policy at the Southern Environmental Law Center, would be in charge of an office with sweeping purview over how the federal government assesses environmental effects of policies, permits and infrastructure projects.
  - The pick also fulfills the wishes of environmental activists and lawmakers such as Senate Minority Leader Chuck Schumer to install someone who has a history of working on environmental issues that disparately affect poor communities and communities of color.
- ***Biden Makes Historic Cabinet Pick with Deb Haaland for Interior Secretary.*** President-elect Biden has tapped Democratic Rep. Deb Haaland, a congresswoman from New Mexico, to serve as the first Native American interior secretary in a historic pick for a department that oversees the country's vast natural resources, including tribal lands.
  - A member of Pueblo of Laguna, the 60 year-old Haaland would become the first descendant of the original people to populate North America to run the Interior Department. It marks a turning point for a 171-year-old institution that has often had a fraught relationship with 574 federally recognized tribes.
  - The first-term House member, who hails from a top oil- and gas-producing state, has pledged to transform the department from a champion of fossil fuel development into a promoter of renewable energy and policies to mitigate climate change.
- ***Mayor Pete Tapped as Transportation Secretary.*** Biden also announced Tuesday he will nominate former Democratic presidential candidate Pete Buttigieg to be Transportation secretary.
  - If confirmed, Buttigieg would take responsibility for nearly 55,000 employees, an \$87 billion budget and more than a dozen administrations, overseeing the nation's airspace, highway system, pipeline safety and much more — placing him in a key role in the administration's quest for a clean energy economy and net-zero emissions no later than 2050. Transportation is the largest-emitting sector in the U.S.

- ***Biden Picks Top North Carolina Environmental Official to Run EPA.*** President-elect Joe Biden will choose to nominate Michael S. Regan, who heads the North Carolina Department of Environmental Quality, as the next Environmental Protection Agency administrator, according to two individuals who spoke on the condition of anonymity because it has not yet been formally announced. Regan, 44, would be the first Black man to run the EPA.
  - He would play a central role in realizing Biden's promises to combat climate change, embrace green energy and address environmental racism. As administrator of the EPA, he would be responsible for crafting fuel-efficiency standards for the nation's cars and trucks, overseeing emissions from power plants and oil and gas facilities, and cleaning up the country's most polluted sites.

### ENERGY ECONOMY NEWS

- ***Batteries, by the Numbers.*** Lithium-ion battery pack prices were above \$1,100 per kilowatt-hour in 2010. Now, they've fallen 89 percent in real terms to \$137/kWh in 2020, and by 2023, average prices will be close to \$100/kWh, according to the latest forecast from research company BloombergNEF.
  - That 2023 price point should allow automakers to produce and sell mass market EVs at the same price as comparable internal combustion vehicles in some markets, according to BloombergNEF.
- ***The State of Our Energy Efficiency.*** While some energy efficiency efforts stalled this year during the pandemic, some states continued to prioritize energy efficiency as an important resource, according to this year's scorecard released by American Council for an Energy-Efficient Economy.
  - The report, which looked at policies and programs adopted through July, ranked California as No. 1 in its new scorecard, citing its efforts to decarbonize buildings as "a cornerstone of its pursuit of a 100 percent clean energy future," as well as its vehicle emissions standards and appliance standards.
  - Massachusetts ranked second on this year's scorecard, with Vermont, Rhode Island and New York rounding out the rest of the top 5.

### INTERNATIONAL NEWS

- ***Fed Joins Climate Risk Group.*** The Federal Reserve formally joined the Network for Greening the Financial System, making it the first federal agency to join the international group of central banks and financial regulators developing rules to address climate risks. The move also signals an escalation in the Fed's work to address potential climate risks in the financial system.
- ***What Happened at the Climate Summit?*** More than 70 world leaders took part in Saturday's U.N.-led virtual summit aimed at squeezing countries for bigger climate pledges. During the event, leaders from China to Argentina, Canada, the U.K. and the EU all touted new emissions promises that are meant to speed up the effort to combat climate change on the fifth anniversary of the Paris agreement. Here are some takeaways:
  - Most of the attention was fixed on Chinese leader Xi Jinping, who in September surprised the world with a plan to slash carbon pollution to net zero before 2060. There was hope that he'd flesh out the declaration with more specifics, Kalina writes. In his video message, Xi pledged to cut carbon dioxide emissions per unit of GDP by 65 percent from 2005, boost the share of non-fossil fuels in primary energy use by 25 percent, increase the country's forest stock from 2005 levels, and increase the total capacity of solar and

wind to over 1.2 billion kilowatts. Climate campaigners hoped he'd pledge to peak emissions by 2025 — which he didn't do.

- The United States, which is the world's second-largest polluter, wasn't at the meeting. However, Biden issued a statement that again committed to rejoining the Paris agreement on his first day in office and said his administration would "put the country on a sustainable path to achieve net-zero emissions no later than 2050."
- The European Union, which emits about a tenth of the world's greenhouse gases, showed up with its hard-fought pledge to slash its emissions by 55 percent by 2030.
- The event was also a chance for the U.K. to tout its post-Brexit example of climate leadership by promising to raise the country's 2030 emissions cut to 68 percent and pursue a green industrial strategy that would make the country "the Saudi Arabia of wind," as Prime Minister Boris Johnson said. Campaigners cheered his announcement to end foreign fossil fuel financing.
- Some action also came from the G20 nations. Argentina announced net-zero emission goals by 2050. India touted its renewable achievements without committing to higher emission cuts in the coming years. Canada promised to raise its 2030 emissions target, and on Friday committed to hiking its national carbon tax to C\$170 per metric ton.
- Russia, Brazil, Saudi Arabia and Australia were missing from the event, which was only open to countries making substantial new climate pledges

