



## BRIEF ON CLIMATE & SUSTAINABILITY

January 29, 2021

### BIDEN EXECUTIVE ORDERS

- ***Biden Orders Agencies to Buy Clean Vehicles, Renewable Power.*** The Biden administration is directing federal agencies to buy electric and other zero-emission vehicles and renewable power as part of a broad federal order on climate change signed by the president on Wednesday.
  - Additionally, the order directs federal agencies to eliminate fossil fuel subsidies. In place of subsidies, the order directs the government to “identify new opportunities to spur innovation, commercialization, and deployment of clean energy technologies and infrastructure.”
  - The order also directs the Interior Department to pause entering into new oil and natural gas leases on public lands or offshore waters “to the extent possible.”
- ***Biden Bolsters DOJ Focus on Environmental Justice, Climate.*** The Justice Department will establish a climate justice office under a sweeping executive order President Joe Biden issued Wednesday. The Environmental Protection Agency and the Department of Health and Human Services will also get new or strengthened offices to focus on environmental justice monitoring and enforcement.
  - The order aims to carry out Biden’s pledge to take a “whole of government” approach to addressing climate change and the disparate effects of pollution on disadvantaged communities—calling on agencies across the executive branch to devote resources to the cause.
  - Biden’s order also calls on the DOJ office to explore options for updating former President Bill Clinton’s 1994 executive order on environmental justice, which is still in effect. It would work on that issue alongside a new White House interagency council, an advisory council, and offices within the EPA and the HHS.
- ***Environment Justice Scorecard Gives Biden Equity Pledge Teeth.*** Biden’s executive order on climate change includes a big win for environmental justice advocates: a new scorecard to hold all agencies accountable in pushing more equitable treatment of people of color and polluted communities.
  - The Environmental Justice Scorecard, outlined in this week’s order, would be part of a governmentwide effort dubbed Justice40 to ensure they’re meeting his pledge to direct at least 40% of clean energy and other infrastructure investments to vulnerable communities.
  - The scorecard puts teeth in what groups such as WE ACT for Environmental Justice say is the first significant step by the new president to make good on his vow to put more resources in poorer communities that too often bear the brunt of pollution.

- ***Clean Air Issues Take a Top Spot in Biden's Agency Priorities.*** President Biden teed up a slew of clean air and carbon issues as top environmental priorities for his administration in an executive order signed on January 21, directing agencies to examine dozens of Trump-era rules, including carbon emissions, clean air rollbacks, and Clean Air Act rules on science and costs.
  - Any bold standards Biden has in mind to stem emissions from industry through the Clean Air Act will almost certainly get challenged in court.
  - Biden is expected to tackle power plant carbon rules, reexamine the Clean Air Act and methane emission standards, and strengthen tailpipe greenhouse gas emission standards.
- ***Biden Tightens the Buy American Program:*** Biden signed an executive order on Monday tightening the rules of the Buy American program by instructing the federal government to spend more of its procurement budget on U.S.-made products. During remarks on the order, Biden said his administration would make "historic" investments in research and development to give the U.S. an edge in markets where global leadership is "up for grabs," including in clean energy and battery technology.
  - "The federal government also owns an enormous fleet of vehicles, which we're going to replace with clean, electric vehicles made right here in America, by American workers, creating millions of jobs," he said.
  - However, the executive order signed Monday does not include language directing the purchase of electric vehicles.

#### **BIDEN ADMINISTRATION ACTIONS AND NEWS**

- ***Biden Pick for Energy Chief Vows to Create Jobs in Clean Energy.*** President Joe Biden's nominee for Energy Secretary, Jennifer Granholm, told a Senate committee Wednesday she would prioritize creating jobs while deploying new energy technologies if confirmed. The former governor of Michigan also said she would seek to deploy clean energy technologies being developed by the Energy Department and its 17 national laboratories.
  - Granholm, in her testimony before the Senate Energy and Natural Resources Committee, focused on her role helping Michigan recover from the 2008 recession, recalling how she helped auto-dependent Detroit recover by diversifying to clean energy, a feat she said could be repeated across the nation. "This is a sector that every state can benefit from: The products that reduce carbon emissions will create a 23 trillion-dollar global market by 2030," Granholm said. "That's a massive opportunity."
  - Under the Biden administration, the Department of Energy is expected to have a major role fulfilling the president's campaign promise to decarbonize the electric grid by 2035 and achieve carbon neutrality by 2050. The Biden administration is expected to restart the department's energy efficiency standards shop, which ground to a halt under Trump, as well as reinvigorate the agency's loan programs which holds billions of dollars in loan authority for clean energy projects.
- ***Fossil Fuels Necessary in Clean Energy Transition, Granholm Says.*** Traditional fossil fuels like oil, gas, and coal still have a role to play in the transition to a clean energy economy, President Joe Biden's choice for Secretary of Energy told senators. "If we are going to get to net carbon zero emissions by 2050, we cannot do it without coal, oil, gas being part of the mix," Jennifer Granholm said in response to Sen. Steve Daines (R-Mont.) at Wednesday's Senate Energy and Natural Resources Committee hearing on her nomination.

- She said she did not believe the fossil fuels should be completely taken out of the country's energy portfolio yet added that the Energy Department needs to continue investing in carbon capture, utilization, and storage research and development to ultimately reach that 2050 goal.
- At the hearing, there was bipartisan concern over potential job losses in energy-producing states. Granholm committed to Martin Heinrich (D-NM) that if confirmed as energy secretary, she would ensure there were "place-based" strategies that help states maximize their unique attributes to help workers transition and stay in their communities.
- Granholm is likely to win backing by the committee when it meets to advance her nomination.
- ***U.S. to Announce 'Aggressive' Carbon-Cutting Pledge by April 22.*** The Biden administration will announce its new international carbon-cutting commitment prior to an Earth Day climate summit on April 22, White House climate adviser Gina McCarthy said.
  - The target, known as a nationally determined commitment or NDC, will build on the Obama administration's 2015 pledge as part of the Paris climate agreement and be "the most aggressive NDC that we can," McCarthy told reporters at the White House. Under former President Barack Obama, the U.S. pledged to cut its carbon dioxide emissions by 26% to 28% from 2005 levels by 2025.
  - The U.S. is also working to develop a new climate finance plan.
- ***Biden Says Climate Policies Will Add U.S. Jobs, Improve Health.*** President Joe Biden depicted his climate policies as an employment plan for the U.S., arguing that fighting warming global temperatures and carbon pollution by improving infrastructure and transportation technology will add millions of jobs.
  - Biden will establish a climate-focused civilian conservation corps along the lines of the program created by President Franklin Delano Roosevelt during the Great Depression and is committing to conserve 30% of U.S. lands and waters by 2030.
  - In the short-term, however, the president took a series of actions regarded as adversarial by the fossil fuels industry, among them halting the issuance of new oil and natural gas drilling leases on federal lands.
  - Environmental groups applauded the moves, saying they would restore forests and wetlands while reducing carbon output. But critics, including energy companies and lawmakers from Western states that could be impacted by the leasing freeze, warned the actions would result in job losses.
- ***Biden Vows 'Ambitious' Fuel-Economy and Auto Emissions Standards.*** President Biden vowed to impose tough new standards governing fuel economy and tailpipe greenhouse emissions. "The previous administration reversed the Obama-Biden vehicle standard and picked big oil companies over American workers," Biden said at White House event. "The Biden-Harris administration will not only bring those standards back, but will set new, ambitious ones that our workers are ready to meet."
  - Biden has already ordered the Transportation Department and the EPA to review Trump administration rules that eased standards, setting in motion an expected rewrite of the regulations.
- ***Biden Brings Back Obama Lawyer to EPA.*** The Biden administration is bringing back Avi Garbow to serve as senior counselor to the agency administrator.

- Garbow served as EPA general counsel from 2013 to 2017, playing a key role in the crafting of virtually every major regulation of that era, from the Clean Power Plan and the Waters of the U.S. rule to rules governing coal ash and air pollutants.
- He has most recently worked as "environmental advocate" for the outdoor retailer Patagonia.
- **Yellen Offers to Weigh Financial Risk of Climate Change Response.** Treasury Secretary Janet Yellen said she'll try to "better understand" the financial risks of taking steps to combat climate change, while expressing support for President Joe Biden's decision to cancel the Keystone XL Pipeline. Yellen, as part of written responses to questions from senators, stopped short of saying that the government's move to halt the oil project rendered it a stranded asset that could pose financial stability risks.
  - "The pipeline's significance for energy security and economy is limited," Yellen said in her response to follow-up questions from Senator Chuck Grassley that were posted on the Senate Finance Committee website. "The revocation for the permit for the Keystone XL Pipeline may negatively impact some investors in the project, however, the continued development of the pipeline would have created environmental risks."
  - Biden canceled TC Energy Corp.'s permit for the cross-border project within hours of taking office on Jan. 20. TC Energy has said that Biden's decision would lead to the loss of thousands of jobs.
- **Leasing Ban Challenged in Court.** The moratorium of oil and gas leasing faced an immediate legal attack from Western Energy Alliance, which says it represents 200 oil and natural gas companies. The industry group said the administration's suspension of leases is "unsupported and unnecessary," and an overreach by the U.S. Bureau of Land Management, according to a petition filed in Wyoming federal court.
  - "Presidents don't have authority to ban leasing on public lands," Western Energy Alliance President Kathleen Sgamma said in a statement. "Drying up new leasing puts future development as well as existing projects at risk," she said, adding that the move will cost tens of thousands and perhaps millions of jobs.
- **Oil Drilling Permits Issued.** The Biden administration has issued at least 31 new drilling permits authorizing operations on federal land and coastal waters, despite the order putting political appointees in charge of the decisions. The move signals those drilling authorizations are continuing to flow, despite Biden's plan to pause oil and gas leasing.
- **Pentagon Announces It Will Prioritize Climate Change.** The Pentagon announced it will now prioritize climate change in its planning and strategies, striking a different tone than the department under the Trump administration, which kept mostly silent on the topic.
  - "We know first-hand the risk that climate change poses to national security," Defense Secretary Lloyd Austin said in a statement. "It affects the work we do every day."
  - Climate change will be incorporated into the administration's National Defense Strategy, a document that lays the foundation for national defense, Austin said.
- **Biden's EPA Nominee Set for February 3 Confirmation Hearing.** The Senate Committee on Environment and Public Works is set to hold a confirmation hearing on President Biden's nomination of Michael Regan to be EPA administrator at 2 p.m. on February 3.
- **Biden Holds Key to Dakota Access Pipeline's Fate After Ruling.** Biden could move quickly against Energy Transfer LP's Dakota Access pipeline in the wake of a new court decision affirming the need for more review.
  - The U.S. Court of Appeals for the District of Columbia Circuit refused to revive a key pipeline easement, which a lower court tossed last year due to inadequate

environmental analysis. The D.C. Circuit didn't order Dakota Access to shut down, but its ruling provides fresh legal cover for Biden to step in and halt operations—if he chooses to.

- Other legal observers say Biden might opt to stand down to save political capital, especially because Dakota Access opponents could instead secure a shutdown order in separate, ongoing proceedings in federal district court.
- ***Biden EPA Seeks Suspension of Lawsuits Targeting Trump-Era Rules.*** The Biden administration is taking its first step toward pausing legal proceedings involving a slew of Trump-era environmental rules. The EPA asked the Justice Department for stays of proceedings in pending litigation involving any regulation promulgated by the agency under Trump's watch.
  - The move would “provide an opportunity for new agency leadership to review the underlying rule or matter,” EPA Acting General Counsel Melissa Hoffer wrote in a letter dated Thursday.
  - Ongoing litigation against a former administration's rules creates opportunities for a new administration to redo the policies, sometimes by agreeing to rewrites as part of settling the cases.
- ***Biden to Convene World Leaders to Talk Climate on Earth Day.*** The Biden administration is planning to host world leaders in a climate summit on Earth Day, a sign of the new president's commitment to not just rejoin the Paris carbon-cutting accord but also strengthen it.
- ***Kerry Swipes at China's Climate Plan, Pledges More U.S. Ambition.*** U.S. climate envoy John Kerry said China's net-zero goal needs fleshing out, as he urged countries to be bolder in their efforts to reduce emissions. Speaking at the World Economic Forum, Kerry promised the U.S. would present ambitious plans and help make a key climate summit in Glasgow, Scotland this year a success. He called for “scrutiny and measurement” of pledges to make sure they're robust enough.
  - “China has said they're going to do something by 2060 but we don't have a clue really yet how they're going to get there,” he said, pointing to the country's continued support of coal-fired plants.
  - He added that he hopes the U.S. can “work with China.” Climate remains one of the few issues on which the U.S. and China could potentially cooperate, with relations at an all-time low amid fights over human rights, trade and the handling of the coronavirus.
- ***Ocean Conservation Order Roils Fishing Industry.*** Biden's climate order takes a step toward ocean conservation that's drawing pushback from the fishing industry.
  - The executive order includes an initiative, commonly referred to as the “30-by-30” goal, which aims to conserve at least 30% of the nation's lands and oceans by 2030. The nation's fishers have long protested that idea.
  - Saving Seafood, a non-profit corporation funded by the industry, warned to “beware” of the 30-by-30 initiative, as it “would ban all commercial fishing” in those protected areas, the group said in a statement.

### DEVELOPMENTS IN CONGRESS

- ***Schumer Urges Biden to Consider National Emergency on Climate.*** Senate Majority Leader Chuck Schumer says that President Biden should consider a national emergency on climate change.
  - Declaring a national emergency would be a “giant step in the right direction” and make more resources available, Schumer said in floor remarks.

- Schumer also said that Biden’s executive actions on climate change are a “very strong opening push.”
- Experts say Biden could invoke the 1976 National Emergencies Act to give himself the power to employ the Defense Production Act to manufacture clean energy technology, move DoD funds to deploy renewables on military bases, block exports of crude oil or even suspend offshore drilling. Doing so, however, would trigger a political firestorm and would rely on novel interpretations of the statutes around national emergencies.
- ***Dems Unveil Environmental Justice Measure.*** Sens. Ed Markey (D-Mass) and Tammy Duckworth (D-Ill.) introduced an environmental justice mapping and data bill to identify communities overburdened by pollution and facing cumulative health impacts, Dean Scott reports.
  - Supporters say the Environmental Justice Mapping and Data Collection Act, introduced in the House by Rep. Cori Bush (D-Mo.), would provide the data to help ensure Biden makes good on his pledge to direct at least 40% of climate and clean energy investment to marginalized communities.
- ***Four Texas Democrats Challenge Drilling Order.*** Texas Democratic Representatives Vicente Gonzalez, Henry Cuellar, Lizzie Fletcher and Marc Veasey urged Biden to rescind the order limiting the approvals of new oil and gas drilling permits for federal land and water to high-level staff, suggesting Republicans may not be the only obstacles to Biden's sweeping climate change agenda.
  - In their letter to Biden, the four lawmakers write: "A federal ban for any period of time will certainly imperil hundreds of thousands of jobs, entire communities, and billions of dollars in royalty revenues to the Federal Treasury and eliminate funding for important conservation programs such as the Land and Water Conservation Fund."
- ***Markey Readies Climate Legislation for U.S. Telecom Networks.*** Sen. Ed Markey (D-Mass.) is readying legislation aimed at toughening U.S. telecom networks to deal with climate change's intense weather and rising water levels, he revealed Tuesday.
  - "We're going to need programs" to help boost such efforts, he said during Commerce Secretary nominee Gina Raimondo's hearing, and Raimondo said she'd be honored to help usher through such programs.
  - Markey spokesperson Giselle Barry declined to give a timeline for introduction but shared one motivating detail: "Scientists have projected that sea-level rise will submerge more than 4,000 miles of fiber optic cables within the next 15 years."
- ***Pushback on Reversing BLM Move.*** A group of House Republicans wrote Biden on Tuesday asking him not to reverse Trump's relocation of the Bureau of Land Management's headquarters to Grand Junction, Colorado.
  - "Any effort to move the Bureau back to D.C. would have significant costs and could negatively impact employees, many of whom recently uprooted their lives and excitedly moved West," the letter, signed by three Colorado Republicans among others, reads.
  - The state's two Democratic senators — Michael Bennet and John Hickenlooper — made a similar request in a letter last Friday.
- ***Cheney Introduces Bills to Halt Biden Oil, Gas Orders.*** Republican Rep. Liz Cheney is introducing new legislation aimed at blocking President Biden’s executive order to ban oil and gas leasing on federal lands and a potential coal moratorium. The bills would block Biden’s moratoriums unless Congress enacts a joint resolution of approval.
  - “The legislation I am introducing today would safeguard against these damaging orders, and prevent the job loss, higher energy costs, and loss of revenue that promises to come with them,” Cheney said in statement.



- ***Additional Republicans Push Against Biden Leasing Pause.*** Sen. Cynthia Lummis (R-Wyo.) and Rep. Yvette Herrell (R-N.M.) led Republicans in introducing the Protecting our Wealth of Energy Resources Act of 2021. The measure has 25 Senate Republicans on board, while the House companion includes co-sponsors Minority Leader Kevin McCarthy (R-Calif.), Minority Whip Steve Scalise (R-La.), and Natural Resources ranking member Bruce Westerman (R-Ark.).
  - The legislation seeks to block Biden’s executive order placing a moratorium on new onshore and offshore oil and gas leases, which doesn’t affect existing leases or energy production on federal lands and waters. The POWER Act would prohibit the president from issuing moratoria on new oil, gas, coal, hard rock, and critical mineral leasing and permitting activities.
- ***Feinstein Bill Would Ban Offshore Drilling Off West Coast.*** Senator Dianne Feinstein (D-Calif.) introduced legislation that would permanently ban oil and gas drilling in the federal waters off California, Oregon and Washington.
  - The measure would add to Biden’s executive order that will impose a temporary moratorium on new drilling leases on federal lands that includes the area, Feinstein said in a statement.
  - Rep. Jared Huffman (D-Calif.) will introduce companion legislation in the House, Feinstein said.
- ***New Republican Bills Oppose White House Climate Moves.*** GOP lawmakers already have started filing bills to counteract the Biden administration’s early moves on energy and climate change.
  - Rep. Anthony Gonzalez (R-Ohio) along with eight other Republicans introduced legislation (H.R. 466) that would prohibit federal funds from being used to provide for the U.S. to rejoin the Paris Climate Agreement.
  - Another bill (H.R. 488) from Rep. Pete Stauber (R-Minn.) would ban a moratorium on mineral development on Bureau of Land Management and Forest Service lands.
- ***Lawmakers Write Biden on ‘Secret Science’ Rule.*** House Democrats are calling on Biden to prioritize the rollback of a Trump-era EPA rule that put limits on the kinds of science that could be used to support agency rulemakings. The rule, which took effect on Jan. 6, restricts the EPA’s ability to use scientific studies that include patients’ private medical data when issuing regulations. According to the lawmakers, the rule “seeks to dismiss the value of science at the EPA” and makes it harder for the agency to protect the environment.
  - Environmentalists and state and local governments have already taken the EPA to court over the final rule in two separate lawsuits, broadly on procedural grounds.
  - Biden is set to issue a memo mandating evidence-based decision-making in federal agencies, but because the Trump policy shift came out as a final rule, the Biden administration would have to undertake another rulemaking to strike it from the books.
  - The letter was led by Rep. Suzanne Bonamici (D-Ore.), and includes Reps. Paul Tonko (D-N.Y.), Don Beyer (D-Va.), and Diana DeGette (D-Colo.).
- ***Democrats Ask GAO for Federal Building Efficiency Probe.*** House Energy and Commerce Committee Democrats asked the Government Accountability Office to investigate whether federal buildings are complying with energy efficiency mandates. Only 21% of federal buildings are completing comprehensive energy and water evaluations, the lawmakers said in a statement.
  - “As the largest building manager in the country, the federal government should provide leadership by increasing energy efficiency and reducing associated emissions from the federal building stock, and Congress has acknowledged this role in statute,” the lawmakers wrote in a letter to GAO Comptroller General Gene Dodaro.

- ***Pelosi Announces New Committee Appointments.*** Speaker Nancy Pelosi (D-Calif.) announced a number of new committee appointments, including these members for the Select Committee on the Climate Crisis:
  - Chair Kathy Castor (Fla.), Rep. Suzanne Bonamici (Ore.), Rep. Julia Brownley (Calif.), Rep. Jared Huffman (Calif.), Rep. Donald McEachin (Va.), Rep. Mike Levin (Calif.), Rep. Sean Casten (Ill.), Rep. Joe Neguse (Colo.), and Rep. Veronica Escobar (Texas).
- ***DeFazio Unveils House Democrats' Transportation Roster.*** Rep. Peter DeFazio (D-Ore.), chair of the House Transportation and Infrastructure Committee, announced the list of Democrats approved to subcommittee chair seats.
  - The Subcommittee on Railroads, Pipelines, and Hazardous Materials will be headed by Rep. Donald M. Payne, Jr. (D-N.J.) and the Subcommittee on Water Resources and Environment will be led by Rep. Grace F. Napolitano (D-Calif.).
- ***Kaptur to Lead Energy-Water Panel, Pingree Tops Interior-Environment.*** Rep. Marcy Kaptur (D-Ohio) will return this Congress as chairwoman of the House Appropriations Energy-Water Subcommittee and Rep. Chellie Pingree (D-Maine) will lead the Interior-Environment panel.
  - The picks still have to be approved by the Democratic Caucus.
  - Read the full roster here.
- ***House Republicans Unveil Transportation Roster.*** House Transportation and Infrastructure Committee Republicans announced ten new members to the panel roster:
  - Reps. Tim Burchett (Tenn.), Michael Guest (Miss.), Rep. Dusty Johnson (S.D.), Jeff Van Drew (N.J.), Carlos Gimenez (Fla.), Nancy Mace (S.C.), Nicole Malliotakis (N.Y.), Troy Nehls (Texas), Beth Van Duyne (Texas) and Michelle Steel (Calif.).
- ***House Republicans Announce Natural Resources Roster.*** House Natural Resources ranking member Bruce Westerman (R-Ark.) announced the Republican Steering Committee had recommended the following new members to the committee:
  - Rep. Cliff Bentz (R-Ore.), Rep. Lauren Boebert (R-Colo.), Rep. Jerry Carl (R-Ala.), Rep. Yvette Herrell (R-N.M.), Rep. Blake Moore (R-Utah), Rep. Jay Obernolte (R-Calif.), Rep. Matt Rosendale (R-Mont.), Rep. Tom Tiffany (R-Wis.).
  - The members are subject to approval by the full Republican Conference.
  - Read the full roster here.
- ***Democrats Press Companies on Plastic Use.*** Sens. Dick Durbin (D-Ill.), Jeff Merkley (D-Ore.), Richard Blumenthal (D-Conn.), Cory Booker (D-N.J.), Patrick Leahy (D-Vt.), and Ron Wyden (D-Ore.) sent a letter to Amazon, Walmart, Apple, Home Depot, Target, Wayfair, Best Buy, and Costco urging them to reduce the amount of plastic used in their packaging, the lawmakers said in a statement.
  - “We are concerned that the plastic packaging that your company is producing will contribute to the world’s growing plastic pollution problem,” they wrote.
- ***Democrats Re-Offer Microgrid Bill.*** Reps. Nanette Diaz Barragán (D-Calif.) and Yvette Clarke (D-N.Y.) reintroduced legislation that would create a program to authorize \$50 million in annual grants for technical assistance and \$1.5 billion in annual grants to build clean energy microgrids to power infrastructure for communities hit by an extreme weather event or power shut-off.
- ***Green Infrastructure Push.*** Green infrastructure and technology are some of the most fertile areas for bipartisan action on tackling climate change, lawmakers from both parties said during an online summit last week hosted by the Atlantic Council Global Energy Forum.
  - An “aggressive and bold” green infrastructure plan that includes upgrading buildings, roads, and bridges, and increases the use of electric vehicles is “going to create jobs” said



Rep. Don McEachin (D-Va.), a member of the House Energy and Commerce and Natural Resources committees, as well as the Select Committee on the Climate Crisis.

- McEachin also said that government needs to create the environment for innovation through continued investment in research and development.
- Rep. Darin LaHood (R-Ill.) said that investing in electrical vehicles and modernizing the electrical grid represented real opportunities for both parties to come together on climate policy. “I think it was a deficiency of the Trump administration that we never passed an infrastructure bill,” said LaHood, whose district includes a Rivian manufacturing plant. Rivian makes electric sport utility vehicles and trucks.
- Green technology in particular should be an “entry point” for Republicans on climate issues, said Rep. John Curtis (R-Utah). “If you can’t get excited about U.S. technology leading around the world with clean, green technology, if nothing else, just rely on good capitalism, right?”
- Sen. Chris Coons (D-Del.), chairman of the Senate Bipartisan Climate Solutions Caucus, said green investment, job creation, and infrastructure resiliency policies must include and prioritize underserved communities that have “borne the brunt of pollution for generations.”
- ***Pallone Pushes for Climate Action.*** The Democratic-controlled Congress intends to include major climate change provisions as part of an infrastructure package in the coming months, E&C Chair Frank Pallone said Monday.
  - "Our committee and myself are really accelerating our efforts to address climate change," Rep. Pallone (D-N.J.) said during a virtual roundtable in New Jersey.
  - Pallone said his committee's sweeping climate change legislative framework from the last Congress would serve as the "blueprint" for additional action this year, though he cautioned the scope of any legislation could be more limited if Democrats decide to advance their priorities through budget reconciliation. He also doubted a clean energy standard that mandates the share of energy that is derived from different sources could be structured in a way to be included in legislation considered under reconciliation.
- ***Climate, Food Security, Justice Top Agenda for Senate Farm Panel.*** Combating climate change and fixing Covid-driven food supply disruptions will top the Senate Agriculture, Nutrition, and Forestry Committee’s agenda, mirroring the new Biden administration’s priorities.
  - “From the ongoing pandemic to the devastating climate crisis – our farmers, families, and rural communities need help,” incoming Chairwoman Debbie Stabenow (D-Mich.) said in a statement Thursday. “My vision for the Committee revitalizes our food and farm economy to grow new opportunities in American agriculture and provide access to healthy food for American families.”

### ENERGY ECONOMY NEWS

- ***Biden Attack on Climate Change Gives Surprise Reprieve to Coal.*** President Joe Biden enlisted the entire U.S. government in the fight against climate change on Wednesday, even telling the CIA to consider global warming a national security threat. Yet he left out coal -- the fossil fuel most widely blamed for global warming -- when he froze the sale of leases to extract oil and gas from federal land. It was a conspicuous omission for a president who has vowed to make the electric grid carbon-free by 2035 and who has said the world’s “future rests in renewable energy.”

- “This order should have included all fossil fuel extraction on public lands,” said Mitch Jones, policy director at the environmental group Food and Water Watch, who called the decision to leave out coal both “a disappointment” and “scientifically unsound.”
- White House national climate adviser Gina McCarthy said coal leasing will still get a review as part of a broad analysis of fossil-fuel leasing. But unlike oil and gas development on federal land, which Biden promised to target when running for president, a pause on selling coal rights “was not part of the commitments on the campaign.”
- Administration officials had planned to include coal in the order but the decision was made to leave it off the list by Monday afternoon.
- ***Oil-Leasing Review May Alter Royalty Rates.*** Biden’s leasing moratorium could have a profound impact on an industry that employs hundreds of thousands of Americans by determining what access it will have on a 10th of the nation’s land and almost all of its coastal waters. Under the order, regulators are being asked to conduct a “rigorous review of all existing leasing and permitting practices related to fossil fuel development on public lands and waters.”
  - Companies must pay the federal government a royalty for the oil and gas they extract from federal lands and waters -- but the rates, at 12.5% for onshore tracts, have been frozen since the 1920s. Offshore, the rates have ranged recently from 12.5% to 18.75%.
  - Beyond financial changes, the review will help dictate what areas might be up for grabs.
- ***Biden Drilling Ban Leaves Majority of U.S. Production Untouched.*** Biden’s temporary halt to drilling on federal lands leaves the vast majority of U.S. crude production untouched, though it may be the death knell for the Gulf of Mexico’s already dwindling output.
  - Should the halt announced become permanent, the U.S. would stand to lose as much as 200,000 barrels a day of output by the end of this decade, according to Artem Abramov, head of shale research for Rystad Energy. It’s a small fraction of America’s roughly 11 million barrels a day of production.
- ***Gas Pipeline Companies Pledge to Plug Leaks.*** Major natural gas pipeline operators are committing to pare their carbon footprint and make their operations emissions-free by 2050, a pledge that could help ward off political attacks. The promise from the Interstate Natural Gas Association of America and its member companies -- which operate some 200,000 of the 300,000 miles of transmission pipes crisscrossing the U.S. -- is the latest industry pivot as Democrats aim to phase out fossil fuels.
  - It is the deepest climate commitment yet by the group, building on a 2018 pledge to keep a better lid on methane, the primary ingredient of natural gas.
  - INGAA companies embracing the 2050 goal include Kinder Morgan, Williams Cos. and Enbridge.
  - The voluntary commitment applies to direct greenhouse gas emissions from natural gas transmission and storage facilities -- such as leaks from pipelines, tanks and compressor stations -- known as Scope 1 emissions. It also applies to so-called Scope 2 emissions, those generated from the energy INGAA companies consume as part of their transmission and storage operations.
- ***NextEra, FirstGroup to Electrify School Buses, a Biden Priority.*** Clean-energy giant NextEra Energy Inc. announced a plan to electrify thousands of school buses, capitalizing on President Joe Biden’s goal of accelerating the green transition.
  - NextEra Energy Resources, a subsidiary of the company, has agreed to work toward a joint venture with international bus and rail company FirstGroup to transition tens of

thousands of public transit vehicles in the U.S. and Canada to electric, the companies said Tuesday. The plan would first electrify the 43,000 buses operated by FirstGroup unit First Student.

- Biden's clean energy and infrastructure plan calls for converting all U.S. school buses to zero emissions. NextEra, the world's leading clean-energy giant, is uniquely poised to gain from Biden's agenda.
- ***Conservation Group Wants Ban on New Offshore Drilling.*** Oceana is urging Biden to end all new leasing for offshore oil and gas production and direct the Bureau of Ocean Energy Management to nix upcoming scheduled lease sales. "President Biden has an incredible opportunity to act on climate change and protect our coasts once and for all by closing the chapter on future offshore oil leasing," said Oceana Campaign Director Diane Hoskins.
  - Oceana also wants Congress to pass a permanent ban on all new leasing on offshore drilling. The group rolled out an analysis that estimated canceling new drilling in federal waters would prevent more than \$720 billion in damages to the people, the environment, and property.
- ***VW asks Supreme Court to Block 'Staggering Liability.'*** Volkswagen asked the Supreme Court to save it from what a lower court called "staggering liability" related to its diesel emissions cheating scandal.
  - The U.S. Court of Appeals for the 9th Circuit last year ruled that Volkswagen could, in fact, face penalties under state and local laws for tampering with vehicles' pollution control systems, despite having settled federal civil and criminal cases with EPA for north of \$20 billion.
  - This is a big case for Volkswagen, which due to steep state anti-tampering penalties could have to pay tens of billions of dollars just in the two Florida and Utah counties directly involved in this case.

#### CORPORATE SUSTAINABILITY UPDATES

- ***BlackRock Demands Net-Zero Disclosure.*** BlackRock CEO Larry Fink escalated his call for corporate leaders to focus on the environment in the wake of the Covid-19 crisis and pledged new measures to address climate change. Companies should disclose plans for how their business models will be compatible with a net-zero economy by 2050, Fink said in his annual letter to CEOs.
  - Environmental advocates stressed that BlackRock must follow its messaging up with action, because disclosure alone won't be enough to combat global warming.
  - "It's not enough for BlackRock to just ask companies for a plan," said Ben Cushing, a senior campaign representative for the Sierra Club's Financial Advocacy campaign. "BlackRock should be actually holding companies accountable to reducing their climate impact and their emissions."
- ***Mission Possible Partnership Brings Together Companies for Decarbonization.*** More than 400 companies are being brought together under the Mission Possible Partnership to accelerate the decarbonization of heavy industry and transport.
  - The coalition, announced at the Davos Agenda, is planning to showcase net-zero agreement "breakthroughs" later this year across the shipping, aviation, trucking, chemical, steel, aluminum and cement sectors, which account for 30 percent of global emissions.

- The coalition has received initial funding from the Bezos Earth Fund and Bill Gates' Breakthrough Energy, and is being run by the Energy Transitions Commission, Rocky Mountain Institute, the We Mean Business coalition and the World Economic Forum.
- **Big Companies Want Greener Power Markets.** Walmart, Johnson & Johnson, Amazon and dozens of other large corporations on Monday asked the Biden administration to expand organized wholesale energy markets to speed delivery of clean and renewable energy and lower the cost of electricity to large buyers.
  - The policy statement, developed by the Renewable Energy Buyers Alliance, is the first of its kind from the membership association.

### STATE AND LOCAL GOVERNMENT NEWS

- **Walmart, Apple Would Report Emissions Under California Bill.** A group of California lawmakers want companies like Amazon.com Inc., Apple Inc., and Walmart Inc. to report their emissions all the way down to the supply chain level in an effort to increase transparency about climate pollution.
  - The Climate Corporation Accountability Act would affect an estimated 5,200 public and private companies that do business in the state and have annual revenues of more than \$1 billion.
  - It's the first attempt in the nation to require broad reporting and emissions reductions, said Sen. Scott Wiener (D), who authored the bill, adding that it's a long overdue step for the state. "We're in a race against the clock when it comes to climate change," Wiener said during a video news conference Wednesday. "This is not a problem that we can take our time and do little step by little step."
- **Biden Oil Halt Called 'Crushing Blow' to Western U.S. States.** Western state officials say President Joe Biden's executive order halting new leases for oil and gas leasing on federal lands will slash investment, cut jobs, drop wages, and pummel tax revenues throughout the region.
  - State officials cited dramatic figures about the economic impact of a leasing halt from a University of Wyoming study in December conducted for the Wyoming Energy Authority.
  - The calculations show that in the president's first term alone, gross domestic product across eight oil and gas producing states—Alaska, California, Colorado, Montana, New Mexico, North Dakota, New Mexico, and Utah—will decline by \$33.5 billion, slashing 58,786 jobs, \$15 billion in wages, and \$8.3 billion in state tax revenues. Wyoming and New Mexico would be the hardest-hit states, according to the University of Wyoming report.
  - Western officials said the suspension of oil and gas leasing is illegal, and particularly ill-timed with the Covid-19 pandemic. "The president's decision to halt federal leasing on oil and gas under the guise of a 'pause' is beyond misguided," Wyoming Gov. Mark Gordon (R) said Wednesday. "It is disingenuous, disheartening, and a crushing blow to the economies of many Western states, particularly Wyoming. No matter how it is framed, this action is still a ban on leasing."

