



## BRIEF ON CLIMATE & SUSTAINABILITY

January 15, 2021

### DEVELOPMENTS IN CONGRESS

- ***“The Other Influential Joe in Washington.”*** As incoming chair of the Senate Energy Committee, Joe Manchin — an appropriator and the most moderate Democrat in the chamber — will have outsized influence over the scope of legislation as Democrats seek to deliver on Biden's call for massive new investments in clean energy and aggressive action on climate change.
  - Manchin spoke to Pro's Anthony Adragna, where he said he'll pursue investments for communities like those in his state that have lost jobs amid the transition to new energy sources, adding that many West Virginians "feel like returning Vietnam veterans" as the country moved off coal. The West Virginia Democrat also stressed that rather than wielding the legislative tool of budget reconciliation, which allows some measures to move with a simple majority, he has long preferred "a bipartisan way" of governance — and his approach has not changed.
  - Manchin discussed Biden's \$2 trillion climate plan and the idea of a clean energy standard. "We should be looking at everything that we're using now to make it cleaner and everything that we'll use in the future to make sure it's clean. But also be realistic: It's an all-in energy policy. Just don't throw one away for the other because it's aspirational."
- ***Castor Talks Climate Panel Under Biden:*** Florida Rep. Kathy Castor, who will remain as chair of the Select Committee on the Climate Crisis, is planning to push for the set of recommendations unveiled by the panel last year to be put into law under President-elect Joe Biden.
  - "We're going to keep track of our recommendations of ones that have been enacted into law already and then continue to press the committees of jurisdiction to act on the policy proposals that have not been enacted to date," said Castor.
- ***New Surface Transportation Bill:*** Senate Democrats are planning to draw up a new surface transportation bill that contains more aggressive proposals on climate issues and other key Democratic priorities, essentially scrapping the bipartisan bill the committee approved in the last Congress.
  - Sen. Tom Carper (D-Del.), who is poised to take over as chair of the Senate Environment and Public Works Committee, indicated that he will not use the bipartisan bill, S. 2302 (116), as a starting point in negotiating a new bill, noting that Senate control gives Democrats the opportunity to significantly build on that bill's climate title and other key priorities.
  - The transportation and infrastructure package will likely be the first big legislative push of the 117<sup>th</sup> Congress to address climate change.
- ***New GOP House E&C Members Selected:*** The Republican Steering Committee met yesterday to recommend new members for certain committees for the 117th Congress, and eight were selected to join the House Energy and Commerce Committee, according to a Republican aide.

- They include: Reps. Kelly Armstrong (R-N.D.), Dan Crenshaw (R-Texas), John Curtis (R-Utah), Neal Dunn (R-Fla.), John Joyce (R-Pa.), Debbie Lesko (R-Ariz.), Gary Palmer (R-Ala.), and Greg Pence (R-Ind.).
- The full House Republican Conference still has to approve these appointments.
- ***Senators Ask Biden to Bolster Renewable Fuel Standard:*** A group of Democratic senators led by Sen. Tammy Duckworth (D-Ill.) is urging Biden to take a number of actions to shore up the renewable fuel standard, according to a letter sent Monday.
  - “It’s critical that the integrity of this policy be restored, and that biofuels be part of your efforts to combat climate change,” the senators wrote.
  - The senators urged Biden to quickly publish renewable volume obligations, approve pending applications for corn kernel fiber ethanol, and update the EPA’s biofuels emissions modeling, among other actions.
- ***Cantwell Announces Legislation to Permanently Preserve Pristine National Forest Lands:*** U.S. Senator Maria Cantwell (D-WA), a senior member of the Senate Energy and Natural Resources Committee, joined U.S. Representative Ruben Gallego (D-AZ-07) and many other members of Congress in announcing a renewed push to enshrine roadless rule protections into law.
  - The *Roadless Area Conservation Act of 2021* would codify Roadless Rule, which protects almost 60 million acres of America’s last remaining wild forestlands, including 2 million acres in Washington State.

### TRUMP ADMINISTRATION ACTIONS

- ***A Flurry of New Rules in Trump’s Final Days.*** The Trump administration released a bevy of regulatory actions on Thursday in its final days. The Interior Department finalized a rule changing how companies calculate royalty payments for oil, natural gas and coal extracted from federal lands, which the Trump administration says will save the industry \$28.9 million a year.
  - **The Energy Department will publish a final rule today** that creates new classes of water heaters and home furnaces to allow cheaper, less efficient products to remain on the market. By creating a separate class for products that do not recapture waste heat, future administrations will have a high legal bar to meet to force these products to become more efficient.
  - **The Office of the Comptroller of the Currency also finalized a rule preventing big banks from denying loans and other services to entire industries** like energy or private prisons, ignoring criticism from lenders, consumer groups, Democrats and even some conservative groups.
  - **EPA proposed extending 2019 and 2020 compliance deadlines under the Renewable Fuels Standard. In a proposed rule published today,** the agency called for extending the deadline for 2019 biofuel blending obligations to Nov. 30, 2021, and the corresponding deadline for submission of attest engagement reports until June 1, 2021.
    - It also proposed extending the 2020 compliance deadlines to Jan. 31, 2022, and June 1, 2022.
    - Though EPA was looking to issue some small refinery exemptions before President Donald Trump's term had ended, the agency appears to have backed off that position.
- ***EPA Political Officials Overrule PFBS Decision:*** EPA political officials overruled the agency's career scientists to weaken a major health assessment for the chemical PFBS — one type of PFAS “forever chemicals.” A replacement for PFOS, which was phased out in the mid-2000s over health

concerns, PFBS has been used for years in military firefighting foam, carpeting and food packaging, and is contaminating the drinking water of an estimated 860,000 Americans.

- The changes open the door for state and federal regulators to potentially set less stringent cleanup standards and drinking water limits.
  - The draft assessment EPA released for public comment in November 2018 took the standard approach of providing a single number describing how toxic the chemical is to humans, called a "reference dose." **But the final assessment sent to the White House for review Monday** replaces that with a range of values, the sources said, a change made by staffers in the agency's pesticides office at the direction of political officials — not the career scientists at EPA who specialize in assessing the human health risks of chemicals.
  - The alterations were so alarming that several of the career EPA scientists who spent years working on the study have asked that their names be removed from the document, two of the sources said.
- ***EPA Carbon Pollution Rule Sets Out Threshold for Industry:*** Just a week before President-elect Joe Biden takes office, EPA will publish a rule to effectively prohibit the future regulation of greenhouse gases from any stationary industry other than power plants.
    - Any stationary source whose industry-wide emissions make up less than 3 percent of U.S. greenhouse gas pollution will be deemed "necessarily insignificant without consideration of any other factors" under the rule, meaning it would not qualify for regulation under Section 111(b) of the Clean Air Act.
    - That section was primarily how the Obama administration regulated greenhouse gases from power plants and other sources. The 3 percent threshold would appear to exclude every stationary greenhouse gas polluter in the U.S. aside from power plants.
  - ***EPA Publishes Airplane Rule:*** EPA today published a final rule governing greenhouse gas emissions from aircraft engines, marking a rare occasion in which the Trump administration enacted a regulation to limit greenhouse gases.
    - U.S. aircraft makers needed the rule in order to get their engines certified for use in countries that will abide by a 2016 International Civil Aviation Organization agreement intended to reduce the climate impact from aircraft.
  - ***EPA Readies Biofuel Waivers and Delays for Trump's Final Days:*** The Trump administration is considering exempting some oil refineries from 2019 mandates to use renewable fuel as it readies possible last-minute moves on U.S. biofuel policy.
    - EPA officials also are considering formally extending deadlines for oil refineries to prove they have complied with renewable fuel quotas for 2019 and 2020, as legal uncertainty surrounds the biofuel program.
    - In a warning shot from the biofuels industry in response to the Trump administration's consideration of the move, American Coalition for Ethanol CEO Brian Jennings wrote to the EPA's inspector general asking for assurance that any potential "last-minute action to grant a significant number of petitions for small refinery exemptions" complies with federal law.
  - ***Interior Issues Oil-Drilling Rule:*** The Interior Department is proposing a new rule that could allow oil drilling and other industrial activity on federal land to continue even if federal agencies discover that imperiled plants and animals are more threatened than previously known.
    - Environmental groups say the proposed rule would prioritize fossil fuels over endangered species on public lands.

- ***Biden Climate Executive Order Items:*** The early White House executive order on climate Biden has promised will likely include restrictions on new oil and gas drilling on federal lands.
  - During his campaign Biden vowed to ban new oil and gas leasing and permitting on public lands and waters.
  - The order also is expected to recommit the U.S. to the Paris Agreement on climate change and reinstate the Trump-era reductions to national monuments, including Utah's Bears Ears.
- ***Biden Climate Staffing Updates:*** President-elect Joe Biden is rounding out his White House climate team with policy hands who've spent the Trump era defending climate regulations, engineering new policy and campaigning on the issue. The new hires continue the trend of the Democratic establishment and the party's progressive wing converging on a common climate agenda, even as the left clashes with Biden over other portfolios. The White House climate team will include:
  - David Hayes as special assistant to the president for climate policy.
  - Cecilia Martinez as senior director for environmental justice at the White House Council on Environmental Quality.
  - Maggie Thomas as chief of staff for the Office of Domestic Climate Policy.
  - Sonia Aggarwal as senior adviser for climate policy and innovation.
  - Jahi Wise as senior adviser for climate policy and finance.
  - Jeff Marootian as special assistant to the president for climate and science agency personnel, working within the Presidential Personnel Office.

#### ENERGY ECONOMY NEWS

- ***Clean Energy Maintains Slow Jobs Growth:*** The U.S. clean energy sector closed out 2020 with its fewest number of workers since 2015, according to a new report this morning from BW Research Partnership.
  - The sector added back nearly 16,900 jobs in December, leaving the total number of clean energy workers who are unemployed at about 429,300 since February 2020, and marking a 12 percent decline over pre-coronavirus employment levels.
- ***Volkswagen Triples Electric Car Sales Ahead of Climate Rules:*** Automaker Volkswagen tripled sales of battery-only cars in 2020 as its new electric compact ID.3 came on the market ahead of tough new European Union limits on auto emissions. It will likely be an upcoming year of increasing market share for electric cars as EU regulations drive their adoption, despite the recession caused by the coronavirus pandemic that has caused the overall car market to shrink.
  - Volkswagen said Tuesday its namesake brand sold 134,000 battery-powered cars last year, up from 45,000 in 2019.
  - The uptake of electric vehicles has been slower in the United States, where regulatory pressure has been weaker and where gasoline costs as little as \$2 per gallon, depending on the region. That compares to 1.30 euros per liter of gas, or \$6 per gallon in Germany, much of which is taxes.
- ***API Wants to Keep Trump Regulatory Rollbacks:*** The American Petroleum Institute, which released its annual "State Of Energy" report on Wednesday, specifically cited the Trump administration's loosening of the National Environmental Policy Act and changes to Nationwide Permit 12 program as two changes that are "critically important in advancing needed energy infrastructure."

#### CORPORATE SUSTAINABILITY UPDATES

- ***New Infrastructure Campaign Launches:*** The U.S. Chamber of Commerce and Bipartisan Policy Center today are launching the “Build by the Fourth of July” campaign, urging Congress to pass an infrastructure package by the Fourth of July.
  - More than 140 organizations, including the American Association of State Highway and Transportation Officials, are supporting the initiative.
  - Provisions in the campaign are focused on repairing and updating infrastructure, addressing climate change and enhancing federal project approvals.
- ***Energy Freezes Donations Following Riots:*** Energy companies and trade groups are suspending their political donations to reevaluate after last week's deadly siege on Capitol Hill.
  - The trade groups American Fuel and Petrochemical Manufacturers and the Independent Petroleum Association of America, as well as BP, Valero Energy, ConocoPhillips and Marathon Petroleum Corp., will stop political contributions, at least for the short term.
  - The news comes as a wave of companies said this week they would either stop corporate political giving to both parties or to specific Republican lawmakers who objected to the Electoral College certification last week.
  - **But campaign finance experts said it was not clear whether the pause** in contributions would make much of a statement, particularly since few of the lawmakers were raising money so soon after an election.
- ***PepsiCo Pledges to Achieve Net-Zero Carbon Emissions by 2040:*** PepsiCo Inc. has pledged to achieve carbon neutrality by 2040, adding to the growing list of major companies including Amazon.com Inc. that aim to reach net-zero greenhouse gas emissions a decade ahead of scientists' guidance.
  - PepsiCo's goals include curbing absolute emissions across its direct operations by 75% and its so-called Scope 3 emissions -- those generated in the supply chain or by customers using the products -- by 40% from 2015 levels by the end of this decade. Currently, Scope 3 emissions account for about 91% of PepsiCo's carbon footprint, according to Jim Andrew, chief sustainability officer.
  - The emission reduction plan also includes an expansion of the company's network of “Demonstration Farms,” which provide local farmers with sustainable tools and practices. It's targeting a reduction in virgin plastic use and more recycled content in packaging as well.
  - PepsiCo already announced plans to use renewable electricity across all company owned businesses by 2030 and across all third-party operations a decade later.
- ***Clean Water Group Releases Priorities:*** The National Association of Clean Water Agencies detailed its priorities for the 117th Congress, including investment in public clean water infrastructure, aid for utility revenue shortfalls due to the Covid-19 pandemic, pollution and PFAS regulations, and a push for efficient and cost-effective technology for the water sector.

### NEW CLIMATE CHANGE STUDIES

- ***U.N.: Nations Lag on Adaptation:*** A new report this morning from the United Nations Environment Programme finds that countries across the globe need to urgently step up their action on adaptation to climate change or risk being saddled with steep costs.
  - The UNEP Adaptation Gap Report 2020 finds 72 percent of countries have adopted at least one national-level adaptation planning strategy or policy, while a further 9 percent are in the process of developing one. But they lack adequate financing and implementation, the report found.

- Adaptation to climate change is a key part of the Paris agreement that President-elect Joe Biden has promised to re-enter on Day 1 of his administration.
- ***NOAA: Record Billion-Dollar Climate Disasters in 2020:*** One of the warmest years on record in the U.S. contributed to a record 22 weather and climate-related disasters that each inflicted damages of more than \$1 billion, NOAA said. In total, those disasters accounted for \$95 billion in damages and killed 262 people and injured many more, NOAA said.

### STATE AND LOCAL GOVERNMENT NEWS

- ***Former Governor of Flint Charged:*** Former Michigan Gov. Rick Snyder was charged Wednesday with two counts of willful neglect of duty over his handling of the Flint water crisis.
  - The charges, as the Associated Press reports, are misdemeanors punishable by up to a year in jail and a \$1,000 fine, but they're historic given that no current or former governor in the state's history has been charged with crimes related to their time in office, the AP notes, citing the state archivist.
  - The charges reportedly stem from a new review by the AG's office into the outbreak of lead poisoning and Legionnaires' Disease that sickened and killed many in Flint.
- ***Cuomo Announces Wind Farms, Proposes 'Green Energy Economy':*** New York Gov. Andrew Cuomo laid out his plans for a green economy on Wednesday to create thousands of jobs, while reducing the state's carbon emissions and aiding the recovery from the coronavirus pandemic.
  - In his State of the State address, the governor focused on four components: building projects to generate clean energy statewide, creating the manufacturing capacity to sustain new projects, increasing transmission capacity, and training and educating a green energy workforce.
  - As part of the plan, Cuomo announced the launch of a competitive bidding process to build a green transmission grid across the state, with a focus on bringing renewable energy from upstate to meet the demand in the New York City metropolitan area.
  - Cuomo also announced plans for two new Equinor Wind US LLC offshore wind farms more than 20 miles off the shore of Long Island in one of the largest U.S. renewable energy procurements to date.
- ***Biden Urged to Join International Agreement on Plastic Waste:*** A bill filed Tuesday in the California Assembly urges President-elect Joe Biden to ratify the amended international Basel Convention in order to avoid a plastic waste crisis.
  - Assembly member Cristina Garcia (D) authored a joint resolution that encourages Biden to sign on to the agreement within his first 100 days. "All the scientific data shows that plastic waste poses an existential threat to our planet equivalent to climate change," she said in a news release.
  - The Basel Convention, established in 1989, was an attempt to stop wealthier countries from exporting hazardous waste to less developed countries. The U.S. signed the treaty but never ratified the agreement. In 2019, the agreement expanded to include plastic waste shipments, which are often burned or dumped rather than recycled, Garcia's office said.

### INTERNATIONAL NEWS

- ***U.K.'s Johnson Sets UN Climate Summit Goal of 'Net Zero' by 2050:*** Prime Minister Boris Johnson said putting the world on a pathway to achieving net zero carbon emissions by 2050 is

## MONUMENT ADVOCACY

the main aim of the crucial round of United Nations climate change talks the U.K. is hosting in November.

- As COP president, Britain is seeking firm commitments from India, Indonesia, Australia, Canada, South Africa, Brazil and Saudi Arabia among others.
- If President-Elect Joe Biden, who's indicated he'll rejoin Paris, makes the same pledge, some 63% of global emissions will be covered by net zero promises, according to Climate Action Tracker.
- The U.K. itself has already set the most ambitious interim goals of any major economy on the way to achieving net zero emissions by 2050. So far, some 26 countries have announced net-zero goals, including six countries that have passed binding legislation.

