



BRIEF ON CLIMATE & SUSTAINABILITY

February 15, 2021

DEVELOPMENTS IN CONGRESS

- ***Biden, Senators Meet to Discuss Infrastructure Plan.*** President Joe Biden urged Congress to move quickly on a large infrastructure improvement plan in a meeting yesterday with four senators.
 - Biden met with Sens. Tom Carper (D-Del.), chairman of the Environment and Public Works Committee; Shelly Moore Capito (R-W.Va.), the top Republican on the panel; James Inhofe (R-Okla.), a Republican who is a former chairman of the committee; and Ben Cardin (D-Md.), chairman of the Small Business Committee.
 - In addition to traditional infrastructure programs, such as building roads and shoring up bridges, the Biden administration wants to install charging stations for electric vehicles and add protections against climate change. Some of this non-traditional spending has faced skepticism from Republicans, although yesterday's meeting drew optimistic feedback.
- ***Federal Energy Contracts Bill.*** Reps. Ralph Norman (R-S.C.) and Peter Welch (D-Vt.) introduced legislation that would permit federal agencies to enter into longer-term contracts with renewable energy providers. The bill would amend the National Energy Conservation Policy Act to lengthen the maximum term for renewable energy contracts up to 30 years, the lawmakers said in a statement.
- ***Carper to Pass Major Infrastructure Bill by Memorial Day.*** EPW Chair Tom Carper (D-Del.) plans to pass a major infrastructure bill out of his committee by Memorial Day.
 - Carper, speaking at a Tuesday press conference, said he would hold a hearing later this month on a surface transportation reauthorization package "with a strong climate title."
 - "Our expectation is that we will be gathering input from Democrat and Republican senators on what the priorities should be in that surface transportation reauthorization," Carper said. "We're going to try to report this bill out this year in the month of May."
- ***Democrats Introduce Green Energy Tax Bill.*** Democrats on the House Ways and Means Committee unveiled legislation to extend incentives for renewable energy, carbon capture projects, electric vehicles and energy efficiency upgrades.
 - The legislation was co-sponsored by every Democrat on the tax-writing committee and seeks to offer a longer lifeline for credits supporting zero-emission technology deployment, create new credits for manufacturers and buoy union jobs.
 - Among its many provisions, the legislation would lift the cap for tax credits for plug-in vehicles to 600,000 from the current 200,000 cap, though the credit would drop by \$500 after the first 200,000.
 - The bill would also maintain the investment tax credit, which allows developers to recoup up to 30 percent of costs for solar and geothermal projects that begin construction by the end of 2026, and phase that credit down to 26 percent in 2026, 22 percent in 2027 and 10 percent after that.

- ***Manchin Presses Biden on Natural Gas Benefits.*** Biden must consider the benefits of natural gas — including 1.5 million industry jobs and improved energy security — as he moves forward with climate regulations and leasing reform, according to Manchin, who chairs the Senate Energy and Natural Resources Committee.
 - In a letter setting the tone from the Senate's most influential member, Manchin says that his home state and others have benefited from the "shale revolution" and notes that natural gas liquids are used to make medical equipment like PPE and disinfectants.
- ***Democrats Call on Biden to Shut Down DAPL.*** Democrats are pressing Biden to order a shutdown of the Dakota Access Pipeline. Sens. Jeff Merkley (Ore.) and Elizabeth Warren (Mass.), House Natural Resources Chair Raúl Grijalva (Ariz.) and California Reps. Nanette Barragán and Raul Ruiz signed onto a Friday letter that calls for Biden to build on his shutdown of the Keystone XL pipeline — which they called a "promising start" — to also shut down DAPL.
 - The letter points to a January decision upholding a conclusion that the Army Corps of Engineers failed to conduct the necessary environmental review before approving the easement needed to build the pipeline.
- ***Energy Subcommittee Announces Hearing on Decarbonizing the U.S. Energy Sector.*** Energy and Commerce Committee Chairman Frank Pallone, Jr. (D-NJ) and Energy Subcommittee Chairman Bobby L. Rush (D-IL) announced that the Energy Subcommittee will hold a fully remote hearing on Thursday, February 18, at 11:30 a.m. (EST) entitled, "A Smarter Investment: Pathways to a Clean Energy Future."
- ***Republicans Express Opposition to Haaland.*** A confirmation hearing for Biden's Interior pick Deb Haaland hasn't even been set, but already Republican senators are indicating they plan to oppose the nomination.
 - Montana Sen. Steve Daines suggested he would try to block her confirmation, followed by a statement from Senate Energy ranking member John Barrasso (R-Wyo.), who said Haaland's "radical views are squarely at odds with the responsible management of our nation's energy resources."
 - Republicans could slow down, but can't stop Haaland's confirmation given Democrats hold a 51-50 edge in the chamber, with Vice President Kamala Harris providing a tie-breaking vote, if necessary.

BIDEN ADMINISTRATION ACTIONS AND NEWS

- ***From ARPA-E to ARPA-C.*** The Energy Department will offer up \$100 million in funding for "transformative" clean energy technology research projects, part of the Biden administration's plans to act aggressively on climate change across the government. The Biden administration has also created a working group to prepare to launch a new effort to fund decarbonization research known as the Advanced Research Projects Agency-Climate, or ARPA-C.
- ***EPA Pulls Back Trump PFBS Health Assessment.*** Biden's EPA pulled back a health assessment for a toxic "forever chemical" that was finalized by the Trump administration in its waning days, arguing that political interference weakened its conclusions.
 - EPA said in a statement that career scientists' review of the health assessment for the chemical PFBS led to an initial determination that its conclusions were "compromised by political interference as well as infringement of authorship and the scientific independence of the authors' conclusions."
 - The agency said it constitutes a violation of the Scientific Integrity Policy and that the documents have been removed from the EPA website while a full review is completed.

- ***Biden Adds Officials to White House Council on Environmental Quality.*** Biden on Tuesday added several policy officials and legal experts to his White House Council on Environmental Quality, pulling a number of Obama administration alumni and Capitol Hill veterans.
 - **Matt Lee-Ashley**, who served as deputy chief of staff at the Obama Interior Department, was tapped as senior lands director and interim chief of staff.
 - **Jayni Hein**, recently an adjunct professor at the NYU School of Law, will become senior director for NEPA and counsel.
 - **Sara Gonzalez-Rothi** was named senior director for water. Gonzalez-Rothi comes from the Senate Commerce Committee, where she led work on oceans, fisheries, climate and other environmental policies.
- ***Interior Undoes Trump-ERA LWCF Limits.*** Acting Interior Secretary Scott de la Vega issued an order on Thursday overturning Trump-era limits on how funds are spent from the Land and Water Conservation Fund. Among other things, the limitations issued in the days after last November's elections included an effective veto for states and localities over federal land acquisitions for conservation purposes.
- ***Biden Administration Announces DOE Appointees.*** The administration announced a spate of appointees to the Energy Department, including several staffers from the Biden-Harris campaign.
 - **Jeremiah Baumann**, most recently the director of federal policy at Energy Innovation, was named deputy chief of staff.
 - **Robert Golden**, who most recently served on the policy team for the Biden-Harris transition team, was named special adviser to the chief of staff. Golden also was previously the deputy chief of staff for Ørsted's Offshore Wind Division in North America.
 - **Emily Doran**, most recently the digital organizing director for Biden and the 2020 Virginia Democratic Coordinated Campaign, was named special assistant for the Office of Fossil Energy.
 - **Lavianna Felder**, the organizing director for the 2020 Georgia Senate runoff elections, was tapped for special assistant for the Office of Energy Jobs.
- ***Energy Department Vows to Award 'Billions' for Technology Research.*** The Energy Department will make billions of dollars available this year for energy technology research and development, the agency said in a statement.
 - The agency announced \$100 million in funding for "transformative clean energy technology research and development" through its Advanced Research Projects Agency - Energy as part of the Biden administration climate innovation agenda.
 - "The Department of Energy is committed to empowering innovators to develop bold solutions that will help America achieve net-zero emissions by 2050 while creating millions of good-paying jobs that benefit all Americans," Chief of Staff Tarak Shah said in statement.
- ***NOAA's Updated U.S. Climate Data Will Establish "New Normal."*** Climatologists from NOAA National Centers for Environmental Information (NCEI) are currently compiling and reviewing 30 years of weather and climate data from across the U.S. to serve as the nation's updated climate "normals" for the next 10 years. This new 30-year dataset will span from 1991 to 2020 and is scheduled for release in May 2021.
 - "NOAA's Climate Normals provide a baseline to compare yesterday's weather and tomorrow's forecast to a standard for each location and time of year," said Mike Palecki, project manager for NOAA's 1991 to 2020 Climate Normals. "They can be used to understand the impacts of climate on many activities such as agriculture decision support, electricity load planning, building heating requirements calculation, construction scheduling, and many other factors impacting all sectors of the economy."

- For the first time, this updated batch of Normals will include 15-year Normals for those needing a climatology representing a period closer to today. NOAA will also release high spatial resolution monthly Normals data for the conterminous U.S., as well as develop new tools and methods to access the data.
- ***SEC Gets New Call to Mandate Corporate Climate Disclosures.*** The SEC should require companies to report their risks from climate change, according to a new report from a think tank and an environmental group that question the effectiveness of voluntary disclosures. Guidance on voluntary disclosures the Securities and Exchange Commission issued in 2010 hasn't led to "comparable, specific, and decision-useful" climate-risk reporting from companies, the New York University School of Law's Institute for Policy Integrity and the Environmental Defense Fund said in the report released yesterday. Existing disclosure frameworks and standards that don't have the force of SEC rules aren't sufficient either, they said.

ENERGY ECONOMY NEWS

- ***Federal Commission Bars Korean Company from Importing Batteries.*** Ford is breathing a sigh of relief after the U.S. International Trade Commission last night gave it a reprieve from a decision to block shipments to the battery company meant to supply the electric F-150.
 - The ITC ruled that SK Innovation had stolen trade secrets from fellow South Korean battery manufacturer LG Chem. The decision would block imports of any battery components to SK Innovation for 10 years, also affecting a line of Volkswagen vehicles expecting to use the batteries.
 - But the ITC included a grace period for the automakers "to permit these third parties to transition to new domestic suppliers for these programs."
- ***Bill Gates-Led Fund Backs Tech to Cut Emissions from Natural Gas.*** Breakthrough Energy Ventures, the fund helmed by Bill Gates, led a funding round to raise \$11.5 million for California-based startup C-Zero Inc.
 - The company has developed technology to lower the greenhouse-gas emissions from using natural gas. Instead of burning the fuel to produce carbon dioxide and water, C-Zero passes the gas through a mixture of molten salts, which splits methane—the main component of natural gas—into hydrogen gas and solid carbon. When the hydrogen burns, it produces water; the solid carbon goes to landfills.
 - Alongside BEV, the other investors in C-Zero include Eni Next, the venture arm of oil and gas giant Eni SpA, and Mitsubishi Heavy Industries, which is developing hydrogen turbines. Michael R. Bloomberg, founder of Bloomberg LP, is also a backer of BEV.
 - C-Zero isn't the only one trying to deploy the tech. Nebraska-based Monolith Materials Inc. is also hoping to find a market for the solid carbon produced as a byproduct of turning methane into hydrogen. Australia-based Hazer Group Ltd turns natural gas into hydrogen and graphite, a form of carbon that can be used in lithium-ion batteries.
- ***Shell Unveils Plans for Emissions Cuts.*** Energy giant Shell rolled out new plans Thursday for cutting emissions and ultimately becoming carbon neutral by 2050.
 - Central to its path forward are the closures of seven refineries and plans to cut down production of gasoline and diesel fuel by 55 percent in the next 10 years. Shell also predicted that its oil production peaked in 2019 and will fall by between 1 and 2 percent each year.
 - "Our accelerated strategy will drive down carbon emissions and will deliver value for our shareholders, our customers and wider society," Royal Dutch Shell CEO Ben van Beurden [said in a statement](#) outlining the plans.

- To scrap or offset carbon emissions, Shell said it plans on increasing its output of liquefied natural gas, low-carbon fuels such as bioethanol and hydrogen. It will also boost the number of electric vehicle charging stations to roughly 500,000 by 2025, a jump from the 60,000 that are available today, and invest \$100 million annually in “nature-based solutions.”

CORPORATE SUSTAINABILITY UPDATES

- ***Fund Group Seeks New Rules on Corporate Climate-Risk Disclosure.*** The main U.S. investment fund trade group, the Investment Company Institute, is urging the Biden administration to require companies to more fully disclose climate-related risks.
 - Public companies already must share financially material information, but shareholders need stronger disclosures to understand how their holdings are exposed to a changing climate, said Eric Pan, the newly appointed chief executive officer of ICI.
 - Washington-based ICI represents regulated funds with more than \$36 trillion.

STATE AND LOCAL GOVERNMENT NEWS

- ***Texas Leaders Attempt to Block Biden’s Climate Change Plans.*** Powerful politicians in Texas are rallying the state government to do everything possible to block Biden's plans on climate change, including efforts to crack down on methane leaks from the oil and gas industry.
 - The Texas General Land Office has created a "Texas Defense Task Force" that will include private companies and is led by George P. Bush.
 - Gov. Greg Abbott has ordered his agencies to use "all lawful powers and tools" to fight Biden actions that could hurt the energy industry.
 - Texas oil companies allowed nearly 5.5 million metric tons of methane to leak in 2019, according to the Environmental Defense Fund. Another group, Earthworks, found with drone flyover data that three-quarters of flaring in Texas was happening without the proper permits.

ENVIRONMENTAL ADVOCACY

- ***Young Adults to Take Climate Case to the Supreme Court.*** The group of children and young adults trying to force the government to take sweeping action on climate change are planning to take their lawsuit to the highest court in the land. The U.S. Court of Appeals for the 9th Circuit on Wednesday said it will not reconsider its ruling that the suit is out of bounds — leaving the U.S. Supreme Court as the plaintiffs’ last hope.
- ***Climate Scientists Urge Biden Against Biomass.*** A group of 508 international climate scientists on Thursday urged Biden and leaders in Europe and Asia not to embrace biomass as a carbon-neutral alternative to fossil fuels. Harvesting additional wood for bioenergy releases carbon dioxide that would have otherwise remained stored away, and regrowing those trees takes time the world does not have, they argue. “The United States needs to avoid treating biomass as carbon neutral or low carbon as the new administration crafts climate rules and creates incentives to reduce global warming,” wrote the scientists in [a letter organized by the Woodwell Climate Research Center in Massachusetts.](#)
- ***Progressives Push ‘Thrive’ Agenda.*** The Green New Deal Network and more than 200 other groups want Biden to adopt the "[THRIVE agenda,](#)" a strategy laid out by congressional Democrats and activists that calls for making economic gains by addressing climate change and other crises.

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“We call on you to work with us to incorporate the entirety of the THRIVE Agenda into the economic recovery proposal you will soon announce,” the groups wrote.

