



ABC's Weekly Federal Legislative Update July 13, 2020

Introduction

Congress is out of session and will return to Washington the beginning of next week. Both chambers have pledged more COVID 19 relief. The following is news from Washington, D.C.

Administration

[Energy Secretary Speaks at Climate Change Conference](#)

The following story contains remarks from Energy Secretary Dan Brouillette during his appearance at the Clean Energy Transitions Summit last week.

Lesley Clark of [Energywire](#) wrote on July 10, "Energy Secretary Dan Brouillette used the year's chief global climate change conference to criticize 100% renewable electricity and to warn that government-mandated climate initiatives risk raising taxes and don't take into account "real world" conditions.

"Speaking yesterday from Texas, where he plans to meet today with independent oil producers, Brouillette told the Clean Energy Transitions Summit, hosted online by the International Energy Agency, that the Trump administration remains committed to free markets, scientific research and "the choices of producers and consumers alike."

"He cast the challenge of taming the ravages of a warming globe as a choice between "top down" government mandates or "bottom up" — based on competition.

"I believe the bottom-up approach is fully coherent with who we are as democratic societies and nations," Brouillette said. "The top-down approach lets governments do the choosing, which can end up with more taxes, more regulation, perhaps imposing climate risk assessments on companies, so that the government can steer people away from certain energy sources and into the direction of others.

"It's a philosophy which by regulating less lets us innovate more," he added. "And it's a philosophy that works in the real world."

“His remarks came as IEA calls on countries to make clean energy investment a central part of their post-pandemic economic recovery efforts and has warned that the globe could otherwise find it impossible to meet climate change targets.

“The European Union and South Korea have pledged to do so, but United Nations Secretary-General António Guterres noted that the world's largest economies are spending twice as much money on fossil fuels than on renewable energy in their recovery plans. Guterres urged the countries to end fossil fuel subsidies.

"Some countries have used stimulus plans to prop up oil and gas companies that were already struggling financially," he noted.

“President Trump and Republicans in Congress have sought to aid oil and gas producers amid a price crash caused by slumping demand, and they have largely balked at efforts to include climate and other clean energy provisions in pandemic recovery packages.

“House Democrats included billions of dollars for clean energy, including wind and solar tax incentives, in a \$1.5 trillion infrastructure bill, but it faces a steep climb in the Senate, and Trump has threatened to veto the measure, arguing that the legislation is "full of wasteful Green New Deal initiatives."

“During the speech, Brouillette said the U.S. will stay the course, embracing an "all of the above" approach.

"Some would even ban zero-emissions nuclear energy, compelling us to rely on renewable energy alone. Now there is an obvious problem with this approach. Renewables by themselves cannot ensure the reliable flow of electricity in any nation. Simply stated, every nation can benefit from a wider mix of fuels to keep its grid running," he said. This month, Germany announced plans to phase out coal and nuclear, although Brouillette did not mention the country by name.

“He noted that, in 2019, U.S. wind generation surpassed hydropower for the first time, and renewable consumption surpassed coal for the first time in more than 130 years.

“In February, Brouillette suggested at a congressional hearing that 100% renewable power may be possible eventually.

“Yesterday, he said that the U.S. is "abandoning none of our fuels and not one iota of economic opportunity in the quest for a clean energy world, and that's why we're dedicated to an all-fuels, all-technologies energy strategy."

"I'm proud of the fact that besides being the world's largest producer of oil, the United States is also its leading natural gas producer, its largest producer of nuclear power, and its second-largest generator of wind and solar power, with the highest year-to-year growth in renewables occurring this past year," he said."

Congress

Tax Policy: Representative Casten Wants to Revive 1603 Clean Energy Grant Program

The 1603 Grant Program gave a significant boost to the development of the renewable energy industry in 2010 and 2011. The following story discusses proposed legislation that would revive the program.

On July 8, Geof Koss of E&E Daily published, “A popular clean energy grant program created in the 2009 economic stimulus would be revived under legislation introduced in the House this week.

“The bill, H.R. 7491, introduced by Representative Sean Casten (D-IL), would bring back the so-called 1603 grant program created in the American Recovery and Reinvestment Act, the nearly \$800 billion stimulus bill Congress approved in the early months of President Obama's tenure.

“The 1603 program — a reference to the statutory section that created it — allowed renewable energy projects to receive a cash grant equal to 10% to 30% of the value of the production or investment tax credits developers qualified for.

“It was intended to address the frozen cash-liquidity market created by the recession of 2008, which left companies unable to obtain financing.

“It was extended the following year until the end of 2011 at a cost of \$3 billion, according to a 2011 Congressional Research Service report on the program, although projects that began construction before it lapsed qualified for several more years.

“Casten's legislation would temporarily resurrect the program for the production tax credit (PTC) through the end of 2021, with the investment tax credit (ITC) stretched to 2022, with applicability starting Jan. 1, 2020.

“Adding some sort of refundability component of the PTC and ITC is once again being looked at on Capitol Hill, as tax equity markets once again have dried up from the COVID-19 pandemic.

“Casten's office said his bill would basically extend the lapsed 1603 program, but Hill aides and lobbyists say there may be other ways to address the issue.

“For instance, the tax title of the behemoth \$1.5 trillion infrastructure package that passed the House last week, H.R. 2, would allow taxpayers to be treated as having made a payment of tax equal to 85% of the value they would be eligible for under the PTC or ITC, according to a summary.

“Instead of opting to carry forward credits to be applied to future tax liability, the provision allows them to take a reduced credit and request a refund for overpaying the tax, allowing entities with little or no tax liability to utilize the credit.

“While the House has already passed the legislation, the prospects for clean energy tax credits in the Senate are unclear.

“Senate Majority Leader Mitch McConnell (R-KY) signaled this week that his caucus will unveil a pandemic relief bill when the chamber returns in two weeks, but there's been little enthusiasm among the GOP for including broader clean energy relief in current talks.”

House Democrats Introduce Clean Energy Standard Legislation

Last week, Rep. Diana DeGette introduced her bill that would establish a clean energy standard.

E&E Daily reported Adam Aton submitted on July 9, “Representative Diana DeGette (D-Colo.) will introduce legislation today that would establish a federal clean energy standard for net-zero power sector emissions by 2050 at the latest.

“The “Clean Energy Innovation and Deployment Act of 2020” from DeGette, a senior member of the Energy and Commerce Committee, includes provisions designed to tighten the net-zero deadline if it becomes technologically feasible, potentially moving it to as soon as 2037. Utilities could earn financial incentives for reaching net zero even earlier than that.

“Modeled on the 30 states with existing renewable or clean energy standards, the bill would award a credit to companies for every megawatt-hour of carbon-free electricity they produce. That would include nuclear power as well as fossil fuels, if their emissions are captured and sequestered.

“Companies could also earn a credit for each ton of carbon dioxide they remove from the atmosphere — a process that's difficult and cost prohibitive with current technology.

“To truly solve this climate crisis, we need to start driving the innovation and deployment of new clean-energy technologies today,” DeGette said in a statement to E&E News.

“This legislation will not only do that, it will also help bring down the cost of these technologies so other countries can quickly follow suit,” she said.

“DeGette's bill comes as Democrats are ratcheting up their climate ambitions, with the House Select Committee on the Climate Crisis targeting 2040 for net-zero electricity

emissions, and the presidential campaign of former Vice President Joe Biden considering a deadline of 2035.

“Lawmakers have increasingly turned to energy standards as one of the foundations of climate policy, though divisions remain over which energy sources should be acceptable.

“Senator Tom Udall (D-NM) has floated legislation to reach at least 50% renewable energy by 2035, but it wouldn't count electricity generated from nuclear, coal with carbon capture and sequestration, or other nonrenewable sources.

“By contrast, those energy sources would be considered clean under a bill from Senator Tina Smith (D-MN) and Representative Ben Ray Lujan (D-NM), which seeks an 80% emissions cut by 2035 and nearly net zero by 2050.

“DeGette's bill also seeks to support fossil fuel workers with a new energy workforce transition office at the Department of Energy, as well as a climate resiliency corps that would hire workers to harden communities against climate impacts.

“The bill — which is co-sponsored by Representatives Jared Huffman (D-CA) and Scott Peters (D-CA) — was developed with input from utility companies and green groups.

“Xcel Energy Inc., Duke Energy Corp., Southern Co., American Electric Power Co., Exelon Corp., Tri-State Generation and Transmission Association Inc., and the Salt River Project were consulted, according to DeGette's office.

“So were the National Wildlife Federation, Environmental Defense Fund and Clean Air Task Force. North America's Building Trades Unions, a labor federation, also expressed its support.

"This bill would establish achievable targets consistent with our carbon strategy and encourage widespread deployment of renewable energy," Ben Fowke, CEO and chairman of Xcel Energy, said in a statement."

Reporter Benjamin Storrow contributed.

This story also appears in Climatewire.

Appropriations: House Committee Approves \$24 Billion Agriculture Bill

Marc Heller of [E&E News PM](#) wrote on July 9, “The House Appropriations Committee today swiftly passed a \$24 billion spending measure for agriculture programs for the next fiscal year, brushing aside the Trump administration's request for sweeping cuts.

“The measure would give a big boost to rural broadband programs, an issue that lawmakers in both parties said has been highlighted by work-at-home needs during the novel coronavirus pandemic.

“Lawmakers took up just two amendments, from Agriculture Subcommittee Chairman Sanford Bishop (D-GA), and approved them and the broader bill by voice vote.

“Bishop's additions would give the Food and Drug Administration authority to recall prescription and over-the-counter drugs, as it already has for other products. That expanded authority, he said, is a "commonsense fix" to respond to public health emergencies.

“Specifically, Bishop said, he was spurred by imports of hand sanitizer that authorities said could pose dangers and by some companies' refusal to voluntarily recall them.

“Lawmakers praised other aspects of the bill that would boost research on soil health and conservation, continue funding to fight citrus greening disease in Florida, and increase funding on cranberry research, among other priorities for members.

“Representative Marcy Kaptur (D-OH) cheered funding for urban agriculture, and Representative Chellie Pingree (D-ME) praised funding for local food markets and a funding increase of \$1 million for "climate hubs" at the Department of Agriculture.

“Separately, the House Appropriations Committee this afternoon also approved the Military Construction-Veterans Affairs bill with several environmental provisions.

Other

Campaign 2020: Biden Has a New Climate Road Map

On July 9, Adam Aton of [Climatewire](#) reported, “Climate investment goals, green job targets and key decarbonization deadlines were missing from an environmental platform published yesterday by a joint team of Joe Biden backers and Senator Bernie Sanders supporters.

“The gaps point to potential sources of liberal conflict next year if Democrats retake control of the federal government. Even so, most greens and activists hailed the policy recommendations as an improvement over Biden's current plans for global warming.

“Biden, the presumptive Democratic presidential nominee, allied with Sanders (I-Vt.) and his supporters in an effort to unify the left after Biden outpaced Sanders in the Democratic primary.

“The Biden-Sanders task force recommended the former vice president embrace two major benchmarks: 100% clean electricity by 2035 and net-zero emissions from new buildings by 2030.

“The task force also suggested several narrower goals, such as five-year deadlines for transitioning all school buses to zero-emissions vehicles and retrofitting 2 million homes for energy efficiency.

“But the task force members — six supporters of Biden and three supporters of Sanders — could not agree on deadlines for ending emissions from big U.S. sources, like transportation or manufacturing.

“Nor did they reach a consensus on how much money the federal government should spend on decarbonization, what portion of funds should be earmarked for environmental justice or how many green jobs the government should seek to create.

“Other presidential campaigns had set specific targets for some or all of those issues.

“Biden campaign staffers guided the task force process, according to one person familiar with its discussions. The source, who asked not to be named in order to speak candidly about private conversations, said the campaign didn't want to recommend some climate policies without buy-in from groups that didn't have representation on the task force, such as labor unions.

"There was definitely a lot of pretty heavy hand-holding from the campaign and some of the top Biden surrogates that were more in touch with the vice president and his senior advisers," the person said.

“One Biden surrogate, Representative Conor Lamb (D-PA), was added to the task force after its initial formation, according to campaign statements — making it the only group with nine members.

“Other Biden-Sanders groups looked at topics such as criminal justice, immigration and health care.

“Lamb has a more dovish reputation toward fossil fuels than the other Biden-appointed members, such as Gina McCarthy, the former EPA administrator who now heads the Natural Resources Defense Council, or Florida Representative Kathy Castor, the chairwoman of the House Select Committee on the Climate Crisis, which last week issued its own climate policy framework with more detailed targets.

“Lamb's and Biden's campaigns did not respond to questions about his appointment.

“For some problems, the task force issued statements of intention instead of quantifiable commitments. One example was methane. The task force recommended "robust federal standards" and "targeted support" for repairing leaking oil and gas infrastructure, but it didn't specify what those standards or support might be.

“Other recommendations amounted to seeking more recommendations.

“For instance, the first transportation bullet point urges Biden to "immediately convene California, due to its unique authority, and other states with labor, auto industry, and environmental leaders to inform ambitious actions that will enable the United States to

lead the way in building a clean, 21st century vehicle fleet and stronger domestic manufacturing base powered by high-wage, union jobs."

"Some specific recommendations drew attention to what had been omitted. The task force called for an end to international coal financing — an insufficient goal when "ALL fossil fuel financing — including all oil and gas — must be ended, in the US and globally," Friends of the Earth said.

"RL Miller, founder of Climate Hawks Vote and a newly elected member of the Democratic National Committee, said she was unimpressed with several aspects of the plan — particularly its call for installing 500 million solar panels, a holdover from Hillary Clinton's 2016 climate plan.

"Things have happened since 2016. Science-y things. Big scary wildfire things. Hurricane things. Trumpy things. And you can't update from the 2016 Hillary Clinton platform?" she tweeted.

"Varshini Prakash, co-founder of the Sunrise Movement and a task force member, said the recommendations "move the needle a lot, especially on environmental justice."

"Biden's previous plan called for net-zero emissions by 2050. But he had few intermediate deadlines, besides a goal of cutting building emissions in half by 2035, and no target date for ending electricity emissions. Plans for both are much stronger, Prakash said, and the stage is set for an ambitious clean cars standard.

"The task force also brought new ideas to Biden's campaign, including an equity screen on federal spending and permitting decisions, a White House Office of Climate Mobilization that reports directly to the president, and a "cash for clunkers"-type program to incentivize zero-emissions vehicles.

"Many of those ideas came from the presidential campaigns of Senator Elizabeth Warren (D-MA) and Washington Gov. Jay Inslee (D), whose policy staffers since have formed the policy and advocacy group Evergreen Action.

"Evergreen's co-founder, Jamal Raad, praised the task force for embracing the three-legged framework of environmental justice, clean energy standards and federal investments.

"Although the recommendations missed a chance to embrace other Inslee policies — such as a green bank to invest in clean energy — Raad said it nevertheless amounted to a "strong blueprint."

"The task force did not mention hydraulic fracturing, which many on the left want to ban. Biden opposed a fracking ban throughout the primary, and the task force operated within that constraint.

“Another omission from the task force was any direct mention of the Green New Deal. That idea's most high-profile supporter, Representative Alexandria Ocasio-Cortez (D-NY), was a co-chair of the task force, and its recommendations to Biden echo the Green New Deal's framework.

“That climate framework has become shorthand for government overreach in conservative media, and Biden's campaign has been wary of alienating moderates and older voters as he looks to defeat Trump.

"Of course, like in any collaborative effort, there are areas of negotiation and compromise," Ocasio-Cortez tweeted after the recommendations were published.

"But I do believe that the Climate Task Force effort meaningfully & substantively improved Biden's positions."

Reporter Nick Sobczyk contributed.