

# ABC's Weekly Federal Legislative Update February 16, 2021

## Introduction

With the wrap up of former President Trump's impeachment trial in the Senate, Congress is pivoting back to the next COVID Relief Package as well working through the confirmation process for President Biden's cabinet nominees. As the last round of pandemic aide expires on March 14, Democrats have a short time frame to pass this legislation. During that short time frame, they must pass the legislation out of the House and get all 50 Democrats in the Senate to support the bill. Below is news from Washington, D.C.

#### Administration

#### White House Climate Task Force Meeting

The following story discusses the first meeting of the National Climate Task Force convened by the White House.

Lesley Clark of <u>E&E Daily</u> wrote on February 11, "The Biden White House today launched what it called an "ambitious innovation effort" to create jobs while tackling climate change, including a new research working group and a \$100 million grant program from the Department of Energy for clean energy research.

"The announcements came as Biden's national climate adviser, Gina McCarthy, virtually convened the first-ever National Climate Task Force meeting.

"The new Climate Innovation Working Group will be part of the National Climate Task Force and is part of Biden's effort to launch an Advanced Research Projects Agency-Climate — which Biden pitched on the campaign trail as a new division for research and development into low-carbon energy technologies.

"The White House said the working group will coordinate and strengthen federal efforts to develop technology to stave off climate change and reach Biden's goal of net-zero economywide emissions by 2050.

"It will be co-chaired by the White House Office of Domestic Climate Policy, Office of Science and Technology Policy, and Office of Management and Budget.

"We are tapping into the imagination, talent, and grit of America's innovators, scientists, and workers to spearhead a national effort that empowers the United States to lead the world in tackling the climate crisis," McCarthy said in a release. "At the same time, we are positioning America to create good-paying, union jobs in a just and equitable way in communities across the nation that will be at the forefront of new manufacturing for clean energy and new technology, tools, and infrastructure that will help us adapt to a changing climate."

"The climate working group will address a myriad of carbon-producing factors, from homes and offices, air conditioners and heat pumps, to automobiles and airplanes.

"It will look at buildings, including carbon-neutral construction materials; energy storage; plans for electric grids that are powered by zero-carbon power plants; industrial processes that capture emissions for making steel, concrete and other industrial products; as well as agricultural techniques to remove carbon dioxide from the air and store it in the ground.

"As part of the effort, DOE announced \$100 million via its Advanced Research Projects Agency-Energy to support low-carbon energy technologies.

"Under the project, experts across the country can submit proposals for grants to support early-stage research into energy technologies.

"The department is looking for "scientists, inventors, entrepreneurs and creative thinkers across America to join us in developing the clean energy technologies we need to tackle the climate crisis and build a new, more equitable clean energy economy," DOE chief of staff Tarak Shah said.

"Biden has pledged that his government will spend 40% of its clean energy and other sustainability efforts on disadvantaged populations, and the White House said the working group would focus on programs at land-grant universities, historically Black colleges and universities, and other institutions that serve minority groups."

#### FERC: Chairman Glick Unveils Environmental Justice and Climate Plans

President Biden campaigned on promises of environmental and social justice. These issues are being taken up at every level of the federal government. The following story discuss how Chairman Glick is implementing those priorities at FERC.

On February 12, Arianna Skibell of <u>Energywire</u> submitted, "Federal Energy Regulatory Commission Chairman Richard Glick has said he will create a senior position dedicated to addressing environmental justice and equity concerns at the agency.

"Though the Democratic chairman's announcement yesterday offered few details, he said, "This position is not just a title," suggesting the coordinator could shape FERC's oversight of natural gas infrastructure, electric transmission lines and other big energy projects.

"I believe the commission should more aggressively fulfill its responsibilities to ensure our decisions don't unfairly impact historically marginalized communities," Glick said yesterday on a call with reporters during which he discussed a wide range of goals he has as chairman. "I will do what it takes to empower the new position to ensure environmental justice and equity concerns finally get the attention they deserve."

"President Biden last month appointed Glick to chair the five-member panel charged with overseeing large-scale natural gas infrastructure and wholesale power markets. While Republicans make up the majority of sitting commissioners, Glick determines FERC's agenda.

"Glick is joined by Democratic Commissioner Allison Clements, along with Republicans Neil Chatterjee, James Danly and Mark Christie. Biden will have a chance to appoint a third Democrat this summer when Chatterjee's term expires.

"During the call yesterday, Glick addressed Biden's proposal to zero out power-sector emissions by 2035. He also talked about his main priorities as chairman, including market reforms, transmission build-out, greenhouse gas emissions accounting and cybersecurity. Here are the top issues Glick discussed:

## Environmental justice

"FERC isn't legally required to act on environmental justice concerns, based on 1997 White House guidance on agency requirements under the National Environmental Policy Act.

"And while FERC has often documented negative impacts to front-line communities when evaluating infrastructure proposals, the agency has never rejected a project on environmental justice grounds.

"Studies show that Black, Indigenous, Latino and low-income white communities are significantly more likely to bear the brunt of environmental pollution caused by, among other sources, energy infrastructure when compared with their more affluent, predominantly white counterparts.

"Glick's creation of an environmental justice role at FERC could change the agency's calculus in reviewing projects, though the chairman said he would offer more details at a future date.

"Environmental justice and equity needs to be taken into account in all of our decisionmaking processes," Glick said. "This new position will be responsible for ensuring we do just that."

## Biden's clean energy plan

"The Biden administration has set an ambitious goal to eliminate power-sector emissions by 2035.

"While FERC, as an independent agency, is fuel neutral, Glick said he thinks Biden's plan is "feasible."

"There are a lot of people interested in aggressively reducing greenhouse gas emissions, and it isn't just environmental organizations," he said. "These are big corporations, a lot of smart people and smart scientists, and I think people are going to be able to figure it out and get it done."

"Glick said FERC will have to ensure that the nation's power markets do not unduly discriminate against new energy technologies, such as battery storage. He also said the commission has a duty to understand the energy industry's direction.

"There's going to be a lot more demand for electricity, both with electrification and demand for cleaner resources," he said. "We have to figure out policies that will hopefully promote a greater investment in the transmission grid to facilitate access to cleaner resources."

## Transmission

"Meeting clean power policy goals will require a major build-out of high-voltage transmission lines, Glick said, noting that the panel has significant authority over such projects under the Federal Power Act.

"At the same time, we need to expedite the generator interconnection process, which takes far too long for many reasons," he said, referring to the way new resources like large-scale wind farms link up with the wider grid.

"Glick said there are several avenues the commission can take to tackle transmission planning and development. First, FERC can update Order No. 1000, the agency's 2011 landmark transmission planning and cost allocation rule.

"Essentially, utilities have an incentive to build shorter, reliability, supplemental project-type lines, because in those cases, they don't have to subject those particular projects to a competitive bidding process," he said. "So we need to figure out a way to address what I think is a disincentive."

"Glick also expressed interest in revisiting a separate proposed rulemaking that would incentivize transmission development.

#### **MOPR**

"Glick said he aims to better harmonize state policy priorities with organized markets. Many state leaders have said federal market rules have stymied progress toward meeting renewable energy goals.

"FERC needs to pursue approaches to accommodate state resource decisionmaking, rather than using wholesale market rules to block state programs," Glick said.

"The federal-state tension came to a head in 2019 when FERC implemented a market rule in the PJM Interconnection, the nation's largest regional grid operator. The minimum offer price rule, or MOPR, blocks sources of generation that receive government subsidies — like many wind and solar farms — from competing in capacity markets.

"Such markets offer a way for grid operators to secure enough power generation to meet demand in the future. Generation resources like a coal plant or wind farm bid into periodic auctions to qualify to provide future electricity.

"There's a recognition that the MOPR process in general is just not sustainable," Glick said. "We're going to work with the [regional grid operators] to the extent we can and figure out a better approach that accommodates and not blocks state policies."

## Climate change

"Another top priority is improving the commission's approach to siting interstate natural gas pipelines and liquefied natural gas facilities to ensure that these projects are both needed and in the public interest before they are approved, Glick said.

"I've said it a million times, and I know people don't believe me. Some people out there say, 'He's against all pipelines,'" Glick said. "That's simply not true."

"He said his "beef" with the commission is that in the last few years, the panel has refused to consider whether greenhouse gas emissions are significant from a climate change perspective. Critics have warned that the agency may overstep its statutory authority if it wades into regulating carbon dioxide based on climate concerns.

"Glick has long criticized FERC's approach to weighing carbon emissions in its decisions. He said he is still speaking with commissioners about how best to take on the issue, whether by updating the 1999 policy statement the panel uses to guide its permitting progress or through an order.

"I need to work with my colleagues, but I'm definitely committed, and I think they are hopefully committed, as well," he said.

"The chairman said he would also be prioritizing the newly created Office of Public Participation, which Congress directed FERC to create in an omnibus spending package passed late last year.

"The office is intended to ease public participation at FERC, whose technical work can be difficult to follow and often plays out behind closed doors.

"Glick said he would have more to share about the new office during next Thursday's monthly FERC meeting, his first as chairman.

## Congress

## **Congressional Infrastructure Push**

The following story details discussions between members of the Senate Environment and Public Works Committee and the White House on infrastructure priorities.

<u>E&E Daily</u> reporter Nick Sobczyk published on February 12, "The leaders of the Senate Environment and Public Works Committee huddled with President Biden at the White "House yesterday, kicking off early talks on an infrastructure bill that could be a key vehicle for climate and environmental policy.

"Chairman Tom Carper (D-DE) and ranking member Shelley Moore Capito (R-WV) met with Biden and Vice President Kamala Harris, alongside Senators Ben Cardin (D-MD) and Jim Inhofe (R-OK), both senior members of EPW. Transportation Secretary Pete Buttigieg joined virtually, according to the White House.

"I really, honest to God, never have thought of infrastructure as being a partisan issue," Biden told reporters yesterday.

"And I could think of no better group of people to start off with to try to see if we can come to some kind of generic consensus about how to begin," Biden added. "They have a lot of jurisdiction over a significant portion of infrastructure."

"Carper struck a similarly bipartisan tone, despite talk on Capitol Hill about Democrats moving a climate and infrastructure spending package through budget reconciliation—allowing them to bypass Republican filibusters—once Congress finishes with COVID-19 relief in the coming weeks.

"The EPW chairman has said he hopes to report a surface transportation bill out of committee by the end of May, building on the bipartisan \$287 billion package the panel passed during the 116th Congress.

"A surface transportation reauthorization bill can reduce greenhouse gas emissions, create jobs to strengthen our economy, and move us to a cleaner, safer future," Carper said in a statement yesterday. "I'm currently putting together a bipartisan bill that does just that, and I'm glad it's at the top of the Administration's agenda."

"EPW's transportation bill never took hold, despite a bipartisan vote out of committee in 2019. Other committees of jurisdiction never took up their portions, and Senate Republicans struggled to negotiate pay-fors to cover shortfalls in the Highway Trust Fund that the Trump White House could agree to.

"House Democrats also pushed for a much more expansive package, particularly after the COVID-19 pandemic, passing a \$1.5 trillion infrastructure bill last year.

"We agreed on a lot of things because the president and I have been working together on transportation since 1987," Inhofe told reporters yesterday.

"But while Biden campaigned on a \$2 trillion "Build Back Better" plan to rebuild infrastructure and tackle climate change, White House press secretary Jen Psaki said yesterday the top-line numbers are still under negotiation.

"The meeting this morning was a reflection of how important it is to him to meet with bipartisan leaders and have a discussion about what's required in states and communities," Psaki told reporters. "But I don't have a number for you. We're not at that stage in the process guite yet."

"Psaki added that the bipartisan group "established the mutual understanding that America needs to build new infrastructure across urban and rural areas."

"The president, the vice president and the secretary also shared the administration's view for building sustainable infrastructure that will withstand the impact of climate change and fuel an American clean energy revolution," Psaki said.

"Carper and Capito have both said they're hoping to hold their first hearing on infrastructure by the end of the month.

"We have a lot of common ground," Capito told reporters after the meeting. "Certainly members like infrastructure because it's job creating and every state benefits, so we are going to kick it off in our committee when we come back in a week with a hearing."

"But pay-fors for infrastructure remain a challenge, though Capito said the gas tax — long a point of contention during the Trump administration — did not come up at the White House meeting.

"We're going to have to figure out how to pay for it, and that's always a challenge with the gas tax declining," Capito said.

## Senate Agriculture Democrats Focus on Race, Social Justice

Three Senators of color recently joined the Agriculture Committee, Senators Raphael Warnock (D-GA), Ben Ray Lujan (D-NM) and Cory Booker (D-NJ). These new members have pledged to address issues of racial equality and environmental justice in agricultural policy.

Marc Heller of <u>E&E Daily</u> reported on February 12, "The COVID-19 relief package moving through Congress offers some insight into Democrats' plans for the Senate Agriculture, Nutrition and Forestry Committee.

"In his first significant legislative move, recently elected Senator Raphael Warnock (D-GA) co-authored a \$4 billion provision in the relief bill to help Black and Latino farmers and other farmers of color pay off outstanding loans from the Department of Agriculture and related taxes.

"It's part of the \$1.9 trillion relief package Democrats are muscling through Congress through the budget reconciliation process — including direct payments, enhanced unemployment benefits, and aid to state and local government.

"The farm-related provisions, also negotiated with House leaders, mark Congress' first action this year on social justice in agriculture — a likely priority for Warnock and a hint of the Agriculture panel's new focus.

"Agriculture groups in Washington and Georgia said they're watching Warnock and two other new Democratic arrivals on the committee, Senators Ben Ray Luján of New Mexico and Cory Booker of New Jersey, to shape discussions on issues from racial equity to environmental policies to strengthening the nation's food supply chains.

"They'll be trying to pursue that agenda without a real majority on the committee — tied between Democrats and Republicans but chaired by the Democrats — and sometimes with resistance from groups tied to large-scale agriculture.

"Warnock's signature on the bill "speaks to his priorities," said Eric Deeble, policy director for the National Sustainable Agriculture Coalition. The measure's endorsement from senior lawmakers including Chairwoman Debbie Stabenow (D-MI) shows that the committee is serious about addressing racial issues in agriculture, he said.

"Luján, who previously served in the House, worked on programs for underserved farmers and on securing farmland conservation funding for land grant universities in the 2018 farm bill, among other priorities.

"And Booker — in the Senate since 2013 — has been outspoken about market concentration in meatpacking and about environmental risks from large livestock farms.

"There's a lot that we don't know, obviously, but there are also some people with really long track records," Deeble told E&E News.

#### USDA backs Warnock bill

"Warnock, a 51-year-old pastor from Savannah, asked for the committee assignment. During his campaign, he emphasized conservation programs and rebuilding rural communities in a questionnaire for the Georgia Farm Bureau.

"In a statement on the COVID-19 relief measure, Warnock said rural areas have been "slammed for years" and hurt further by the pandemic.

"Even worse, many Black farmers and other producers of color, like those I've met all over Georgia, have been left even further behind due to historical discrimination and a crippling lack of investment from the federal government for decades," Warnock said.

"The measure Warnock helped secure, called the "Emergency Relief for Farmers of Color Act," includes the \$4 billion in direct payments to farmers, as well as \$1 billion for USDA, to be used for loans and grants to improve land access, for research programs at historically Black colleges and universities, and to create at least one legal center to address agriculture issues facing farmers of color, among other provisions.

"The House is moving in similar directions. There, the Agriculture Committee approved budget reconciliation language on Wednesday that includes debt relief for farmers of color and aid to colleges and other institutions that serve Black and other minority farmers, part of an overall \$16.1 billion agriculture aid package.

"Warnock's proposal has support from the Biden administration. USDA's chief of staff, Katharine Ferguson, called the bill "the culmination of hard work and collaboration among members of the Senate and House and new leadership at USDA who share a common purpose to end inequity in our food and agricultural systems."

"After the COVID-19 aid, the Senate Agriculture Committee is likely to turn to climate change.

"Lobbyists told E&E News they expect the panel's earliest hearings to focus on that subject, and that Stabenow and Senator Mike Braun (R-IN) will likely reintroduce their signature climate and agriculture bill, the "Growing Climate Solutions Act," in a matter of days.

# Carbon markets

"Warnock must run for reelection next year to fill out the term of former Sen. Johnny Isakson, a Republican who resigned in 2019 and was replaced by Kelly Loeffler, who then lost to Warnock last month.

"While Booker, from safely Democratic New Jersey, may take on agribusiness and concentration in meatpacking, as well as worker protections, those issues could be dicey for Warnock, whose state tops the nation in broiler chicken production and favors Republicans.

"Booker has proposed a moratorium on large concentrated animal feeding operations, which require EPA permits and face waste-disposal and carbon-impact challenges — but have strong allies on the agriculture committees.

"It'll be interesting to see where Warnock falls on those," said one agriculture lobbyist who added that the nation's biggest agriculture lobbying group — the American Farm Bureau Federation, led by Zippy Duvall of Georgia — has been critical of the industry. Stabenow, interested in keeping Democrats in control, "will prop him up for success," the lobbyist said.

"The president of the Georgia Poultry Federation, Mike Giles, told E&E News yesterday that his organization is pleased to maintain representation on the committee and looks forward to working with Warnock, but didn't comment on its priorities or expectations of the new senator.

"The Georgia Agribusiness Council supports increasing the number of minority, new and beginning farmers, as well as maintaining farmers' access to pesticides and herbicides, spokesman Jake Tench said.

"Senator Warnock indicated throughout his campaign that he plans to fight for Georgia's ag community, and we look forward to working with him to keep agriculture strong in our state," Tench told E&E News.

"Warnock told the Georgia Farm Bureau he backs incentives for farmers to sequester more carbon, although he didn't mention carbon markets specifically. The idea doesn't have universal support and neither does Stabenow's bill, which would pave the way for such a system. But it's also likely to shape the committee's discussion and put Warnock and other members on the record.

"The National Sustainable Agriculture Coalition hasn't taken a position, Deeble said, and would prefer to see Congress first pour more support into conservation programs already in place, including boosting field staff at USDA.

"Among other hurdles, he said, are worries that carbon markets can drive up land values and cut off opportunities for beginning farmers, and that they've had spotty results in states that have tried them.

"We're deeply skeptical of carbon markets," Deeble said. "It's a bit of a dubious track record there."

## Senate Legislation on Biofuels

The following story discusses two bills recently introduced in the Senate which aim to force EPA to act on outstanding biofuels issues. This includes a measure introduced by Senators Thune and Shaheen that would address backlogged biogas registrations to power electric vehicles.

On February 9, Marc Heller of <u>E&E Daily</u> submitted, "Senators John Thune (R-SD) and Jeanne Shaheen (D-NH) introduced legislation to force quicker EPA action on advanced biofuels awaiting the agency's approval.

"Their bill, introduced last week, would OK advanced biofuel registrations that EPA hasn't approved, if they're already being used in at least one state.

"The proposal, one of several to force the administration's hand on biofuels policy, would also give EPA 90 days to decide on registration applications that have been pending for 180 days or longer.

"The lawmakers, who introduced similar legislation last year, said it would spur advanced fuels such as cellulosic ethanol that the federal renewable fuel standard was meant to promote when enacted in the mid-2000s.

"Petitions for such fuels have been pending at EPA in some cases for several years, stymied by lack of resources or, according to biofuel industry groups, a lack of enthusiasm during the Trump administration to advance them as alternatives to petroleum. EPA has said the applications can be highly complex.

"The nominee for EPA administrator, Michael Regan, said at his confirmation hearing last week that, if confirmed, he'd meet with staff to find a way to address the backlog.

"One application, for use of corn kernel fiber, was approved as a "pathway" for the RFS in 2014, but the registration requests that go with it have languished.

"The Renewable Fuel Standard has been a driver of American energy innovation, but regulatory inaction has stifled the advancement of promising technologies like ethanol derived from corn kernel fiber," Thune said in a news release.

"Biofuel supporters say they're counting on Regan to support the RFS, and he told senators during his confirmation hearing last week that the program will be a priority.

Klobuchar-Ernst bill

"Senators Amy Klobuchar (D-MN) and Joni Ernst (R-IA) reintroduced legislation to boost infrastructure for higher-ethanol blends.

"Their bill would create a grant program at the Department of Agriculture to support the installation of pumps and other equipment supporting ethanol blends such as E15 and E85, which are 15% and 85% ethanol, respectively.

"Grants would total up to \$500 million over five years. Money could be used to convert existing equipment for use in ethanol blends greater than 10% and biodiesel greater than 20%.

"The ethanol industry group said the legislation would build on programs that have been in place at USDA, including a biofuel infrastructure program that Tom Vilsack, the nominee for Agriculture secretary, advanced while leading the agency during the Obama administration.

"Klobuchar mentioned the legislation at Vilsack's confirmation hearing in the Senate Agriculture, Nutrition and Forestry Committee last week. Separately, last week Thune and Klobuchar introduced a bill to require EPA to update greenhouse gas modeling for ethanol and biodiesel.

#### Other