



Client Note: Potential Shutdown on Friday, Manchin to Leave Senate

Government Funding Runs Out November 17

In what has become a common occurrence, Congress is up against a deadline to fund the government. The good news is Speaker Mike Johnson (R-LA) has a potentially feasible plan to avoid a shutdown. The bad news is time and trust are both running short, so we could still stumble into an accidental funding lapse on Friday due to bad timing, stubborn politics, and poor communication.

On Saturday, Speaker Johnson unveiled [his government funding proposal](#): a relatively clean continuing resolution (CR) that includes a Farm Bill extension through September 2024 (more on this below) but nothing from the Administration's supplemental funding request for Ukraine, Israel, the Southern border and Taiwan.

The key distinguishing trait of Speaker Johnson's funding approach is the inclusion of two separate funding extension timelines for various departments, which the Speaker calls a "laddered" CR. In this construct, four spending bills (Agriculture, Energy and Water, Military Construction-Veterans Affairs, and Transportation-Housing and Urban Development) would be extended until January 19, 2024, while the remaining eight – including the two largest, Defense and Labor-HHS-Education – would be extended until February 2, 2024. Congress would have until those dates to come up with full-year funding plans. This is a new approach within contemporary funding battles (though [it's been done once before](#)) developed by the right-wing Freedom Caucus as a way to head off their hated all-or-nothing funding decision at the end of the calendar year, and it would functionally create two shutdown deadlines rather than just one.

The idea has so far received mixed reviews. The [White House opposes it](#), as does House Appropriations [Ranking Member Rosa DeLauro](#) (D-CT), calling out the increased number of future shutdown standoffs. In addition, at least [five House Republicans](#) have voiced opposition, alleging it isn't sufficiently conservative, enough to sink the bill on the floor if all Democrats vote against it. However, [other Democrats](#) have kept [the door open](#), recognizing that the bill extends current funding levels, doesn't include poison pill riders, and preserves Democrats' leverage since the Defense bill (the only true Republican spending priority) is held to the later deadline.

House Republicans will need to shepherd the bill through the Rules Committee today and then pass the rule for the bill on the floor, both of which are usually routine exercises, but have failed multiple times this year amidst the ongoing chaos in the House. Speaker Johnson is clearly betting that his far-right conservatives will extend his honeymoon period and give him the votes to pass the rule. If all that happens, a House vote on passage of the bill is planned for tomorrow.

As further enticement to Dems to vote for passage, Speaker Johnson has indicated that failure of this bill would lead him to offer a full-year CR with massive cuts to non-defense spending. Republicans would

likely unite behind that alternative which would almost certainly lead to a shutdown, since that bill would be rejected by the Senate and White House.

Playing out alongside all of this:

1. In addition to the CR, Speaker Johnson has said he'll try to pass two more of the underlying FY2024 spending bills (Labor-Health and Human Services, and Commerce-Justice-Science) this week, but they may not have enough support (last week, both the Transportation-Housing and Urban Development and Financial Services and General Government bills were pulled due to lack of support).
2. Rep. Marjorie Taylor Greene (R-GA) introduced a resolution to impeach Homeland Security Secretary Alejandro Mayorkas, setting up a Tuesday vote. It's unclear whether there is enough Republican support for passage, or whether leadership will try to find another way out to focus on appropriations.
3. On Friday, the credit rating agency Moody's [changed](#) the U.S.'s credit outlook to negative, citing political dysfunction and high interest rates leading to lower chances of getting U.S. debt under control. This follows Fitch's credit downgrade in August, and S&P's in 2011.
4. At the end of last week, Majority Leader Schumer (D-NY) took steps to pass a Senate CR since they hadn't received one from the House yet. The Senate has a procedural vote on its CR scheduled for tonight, but it's possible Senators will wait to see how the House CR progresses before continuing to move forward on their own.

Dems Have a Great Election Day but Lose Manchin

Election Day ended on a positive note last week as Democrats saw major wins across multiple states. In Virginia, where the entire membership of the State Senate and House of Delegates was up for reelection, Democrats held their majority in the Senate and flipped the House, saddling Republican Governor Glen Youngkin with a blockade against efforts to join other southern states in banning abortion and pushing an anti-climate legislative agenda. Pro-choice voters won in Ohio, too, as they passed a referendum securing Ohioans' right to an abortion in the state constitution. And in Kentucky, incumbent Democratic Andy Beshear held onto the governor's seat by a decent margin. With most poll watchers considering abortion to be the top issue Republicans are facing today, and typically seeing off-year Virginia elections as a bellwether for midterm or Presidential elections, Democrats are hoping to ride this wave into 2024.

However, all this positive electoral news for Democrats was tempered by the surprise announcement that Senator Joe Manchin (D-WV) won't run for reelection in 2024. As Chairman of the Senate Energy and Natural Resources Committee, Manchin has had a major impact on U.S. energy policy and was a critical vote in passing the bipartisan Infrastructure Improvement and Jobs Act (IIJA) and the Inflation Reduction Act (IRA), President Biden's two biggest legislative achievements. Manchin is the last remaining Democrat in the deep-red West Virginia delegation (former President Trump won the state in 2020 with a margin of almost 39%, second only to his margin of victory in Wyoming), so without him the seat is Republicans' to lose. This makes holding onto the Senate in 2024 more challenging for Democrats – even if all Democrat incumbents up for reelection hold their seats (many of which are in red or purple states), the Senate will be back at 50-50 and the balance of power will be determined by the winner of the White House. If Democrats are able to hold onto the Senate and White House and flip the House, it could lead to even more success for progressives – Senator Manchin was one of the most conservative Democrats and

blocked many liberal policies like President Biden's original Build Back Better plan and eliminating the filibuster.

Farm Bill Extension

Members of Congress continue efforts on a five-year reauthorization of the 2018 Farm Bill, which technically expired at the end of September. For now, Speaker Johnson's laddered CR includes a blanket one-year extension, including funding for the "orphan" programs that are only funded through the Farm Bill.

In the House, Agriculture Committee Chairman G.T. Thompson (R-PA) expressed skepticism of including funding for all programs in an extension, but also acknowledged that the House's Farm Bill text won't be ready for a floor vote in December (as Speaker Johnson originally called for), instead saying committee leaders were working on a clean CR through the end of the next fiscal year.

Funding Opportunities

Last week, DOE [announced](#) \$30 million in funding to support research and development technologies that decarbonize buildings. Interested applicants must submit a concept paper by December 13 for the [Building Energy Efficiency Frontiers & Innovation Technologies \(BENEFIT\) FOA](#).

The Department also [noticed](#) their intent to potentially issue \$7.5 million for research on community strategies to convert organic waste into feedstock for clean transportation fuel products. It is expected to open before the end of the year.

Finally, deadlines for the following funding opportunities are this week:

- [\\$100 Million for EV Reliability and Accessibility Accelerator](#) (Applications due today, Monday, November 13)
 - Funding to support projects that repair and replace existing but non-operational EV charging infrastructure at the state and local level.
- [\\$10 Million FOA for Research on HVDC Transmission Systems](#) (Concept Papers due tomorrow, Tuesday, November 14)
 - Seeks to drive innovation and reduce costs of high-voltage direct current (HVDC) voltage source converter transmission systems, particularly for offshore wind projects.
- [\\$50 Million FOA for Distributed Energy Systems Demonstrations](#) (Concept Papers due Thursday, November 16)
 - Funding supports two to four (\$10-25 million for each) transformative at-scale projects within medium and large distribution systems that demonstrate reliable grid operations using higher contributions from distributed energy resources than previously validated.

Where in the World is Pioneer?

[Jake Jackson](#) will be in Brussels this week for Politico's [Sustainable Future Week](#), focused on the future of climate and energy policy in the EU.

[Carianne Lee](#) will be serving as a moderator at the Asian Pacific American Institute for Congressional Studies [2023 Energy & Sustainability Summit](#), which will hear from a handful of Members of Congress.

On Wednesday, she will moderate a panel on the challenges and opportunities of the clean energy transition.

Sweta Chakraborty was in Singapore for the [2023 Earthshot Prize](#), a project founded by Prince William to fund fifty solutions to climate change by 2030, in which she serves on the expert advisory board.

Pioneer sponsored the Zero Emission Transportation Association's (ZETA) first annual EV Awards reception and dinner at Union Station on Wednesday. Attendees heard from a number of leaders in the EV industry, including highlights from DOE Secretary Jennifer Granholm, Senators Chuck Schumer, Lisa Murkowski, and Catherine Cortez-Masto (who all received awards), and former Vice President Al Gore to celebrate the accomplishments and aspirations in transportation electrification.

This Week: [Hearings to Watch](#)

Tuesday, November 14

House Energy and Commerce Subcommittee on Communications and Technology

“Leveraging AI to Enhance American Communications”

(10:00 AM EST), watch [here](#)

Senate Agriculture, Nutrition, and Forestry

“Hearings to examine innovation in American agriculture, focusing on leveraging technology and artificial intelligence”

(10:00 AM EST), watch [here](#)

House Judiciary Subcommittee on Administrative State, Regulatory Reform, and Antitrust

“Oversight of the Department of Justice Antitrust Division”

(10:00 AM EST), watch [here](#)

Senate Banking, Housing, and Urban Affairs

“Hearings to examine oversight of financial regulators, focusing on protecting Main Street not Wall Street”

(10:00 AM EST), watch [here](#)

House Natural Resources Subcommittee on Energy and Mineral Resources

“Examining the Biden Administration’s Abandoned Mine Lands and Active Mining Programs”

(10:15 AM EST), watch [here](#)

House Energy and Commerce Subcommittee on Environment, Manufacturing, and Critical Materials

“Clean Power Plan 2.0: EPA’s Effort to Jeopardize Reliable and Affordable Energy for States”

(10:30 AM EST), watch [here](#)

House Science, Space, and Technology Subcommittee on Investigations and Oversight

“Missing the Target: CEQ’s Meritless Selection of SBTi”

(2:00 PM EST), watch [here](#)

Wednesday, November 15

House Financial Services

“Oversight of Prudential Regulators”

(9:30 AM EST), watch [here](#)

Senate Environment and Public Works

“Hearings to examine opportunities in industrial decarbonization, focusing on delivering benefits for the economy and the climate”

(10:00 AM EST), watch [here](#)

Thursday, November 16

Senate Aging

“Hearings to examine modern scams, focusing on how scammers are using artificial intelligence and how we can fight back”

(10:00 AM EST), watch [here](#)

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