



As we head into the new year, the Biden Administration is finalizing rulemakings on a host of energy and environment regulations. We've compiled a snapshot, summarized below, to help explain what they do and the politics around them. Click on the infographic below to access the full snapshot.



Key Climate and Environmental Rulemaking to Watch in 2024

JANUARY

FEBRUARY

MARCH

APRIL

POST-APRIL

- **Section 48 comments due (1/22)**
- **Comments due:**
 - 45X (2/13)
 - 45V (2/26)
- **DOT: CO₂ transportation proposed rule expected**
- **Final rules expected:**
 - **EPA:** medium & heavy-duty truck emissions
 - **DOE:** interstate transmission
 - **DOI:** renewable energy modernization
- **Final rules expected:**
 - **SEC:** climate risk disclosure
 - **CEQ:** GHG in NEPA review
 - **EPA:** Methane fee
 - **DOI:** mineral leases
 - **DOI:** renewable energy on public lands
- **USDA: HBIIP proposed rule expected (June)**
- **Final rules expected:**
 - **EPA:** power plants (Spring)
 - **Treasury:** 30D (June)
 - **DOE:** categorical exclusions (TBD)
 - **FPISC:** FAST-41 (TBD)

Client Note: Johnson's First Real Challenge Arrives

He's had the job for a few months now, but next week will tell us if House Speaker Mike Johnson has grown into it or not. After [blistering dissent](#) from the far right of his caucus to the topline funding agreement he reached with Senate Majority Leader Chuck Schumer, Speaker Johnson eschewed the temptation to retreat from his word and early Friday afternoon decided to endure the wrath of the Freedom Caucus in favor of [affirming his commitment to the agreement](#). Now we'll see if he can deliver the votes.

Because his hard-right Members hate this agreement, any action Speaker Johnson takes now to fund the government must be moved under suspension of the House rules, which requires 290 votes for passage. So, each of the following steps absolutely must be carried out with a huge share – likely the majority – of votes coming from House Democrats.

- 1) Next week, Leader Schumer will begin the process to pass a short-term continuing resolution (CR), to a date (or dates) to be determined. We understand it is possible that this CR will keep the two-tiered funding deadlines setup as an olive branch to Speaker Johnson, since he had hung his hat on that construct in the last CR agreement. We should know by Tuesday for sure. Republicans hate short-term funding stopgaps, so after Senate passage, which will likely be a major bipartisan effort, House Dems will have to carry this vote for Speaker Johnson and likely around half (or less) of his caucus. The alternative is he doesn't bring it to the floor and the government shuts down, which seems unlikely at the moment.
- 2) Appropriations Members and staff are racing to complete the writing of the 12 bills that fund the government now that they have finality on the overall funding level. These will be mostly behind-the-scenes negotiations, while advocates outside the room push their narratives in public. Republicans, led by Speaker Johnson, are agitating for culture war policy provisions on abortion, immigration, climate, and guns, among many other issues. Expect the vast majority of these to fall out, but be certain that Johnson would love to deliver something on the rider front for his conservative members (maybe no speed cameras in DC?). Republicans will then have to decide if they are willing to force a shutdown if and when these provisions aren't included in the funding bills.
- 3) At some point, we'll see if an agreement on the Administration's supplemental spending package can be reached. The sticking point remains an agreement on border provisions. Republicans insist it must restrict the President's parole authority, which Democrats argue is one of the key tools the Administration has to manage the border and reduce unauthorized crossings. Even if a deal comes together in the Senate, it's assured not to include the House Republicans' most extreme immigration policies, so it will again have to be carried by Democrats (and will likely be paired with another moving spending vehicle).

Taken all together, starting next week there are three major inflection points coming where Speaker Johnson must rely on House Democrats to govern – and de facto challenge his caucus to stand behind him or again revolt and go back down the path of ousting its leader.

Senate ENR Hearing Takes Aim at EVs

Yesterday, the Senate Energy and Natural Resources Committee held an [oversight hearing](#) on the Biden Administration's implementation of EV tax credits. The hearing was an opportunity for Chairman Manchin and Senate Republicans to take shots at the Biden Administration's policies on EV tax credits and their connection with foreign entities of concern – primarily China.

Senator Hawley (R-MO) made the most vocal concerns about China during the hearing, accusing the EV tax credit policies of “driving us and our supply chains into the hands of our greatest geostrategic enemy”. Chairman Manchin (D-WV) accused the Biden Administration of illegally implementing the IRA and referred to the tax credit rules as a departure from congressional intent - even going so far as saying he is eager to file suit against the administration over EV policy.

Deputy secretaries Turk and Adeyemo held their own by emphasizing the successes that White House policies are already yielding. Turk noted the steep increase in EV sales and affordability since Biden took office, and Adeyemo stressed the manufacturing boom that is taking place because of the significant investment in manufacturing industries tied to EVs. Turk also noted that these policies and the jobs they are creating for Americans are making the U.S. more competitive with China. “Right now, we are competitive... and we are winning”.

Agencies Rush to Finalize Big Picture Environmental Rules

As we enter the new year, we’re faced with the fact that it could be the last year of the Biden Administration. While there is nearly a full year until a possible change in administration, the deadline to finalize rules and protect them from Congress possibly nullifying them under the Congressional Review ACT (CRA) is as soon as April. Under the CRA, Congress has sixty legislative days after a major rule has been finalized and submitted to Congress to act on a resolution of disapproval and effectively nullify the rule. During that sixty days, the Senate has fast track procedures that make the resolution privileged, guaranteeing it a vote on the floor even if the Majority Leader opposes it and allowing it to pass with a majority vote rather than a 60 vote threshold. If a rule is published fewer than sixty legislative days before adjournment, the clock restarts in the new Congress - therein lies the risk for any Biden Administration rule finalized this summer or later. Moreover, before a rule can be finalized, it must undergo an OMB review, which can take three months or even longer. Therefore, agencies are working to wrap up a host of proposed rulemakings as early as possible this year (many anticipated by March and April) to prevent the easy ability of a potential Republican-controlled White House, House, and Senate to repeal and undue important parts of Biden’s agenda.

This year’s agenda is the first impacted by the President’s [actions to modernize](#) the regulatory review process, including steps to increase community engagement and reform how agencies conduct their cost-benefit analysis to better account for the impact on the public. We’ve outlined the highest climate, energy, and environmental priorities his Administration is wrapping up over the coming months [here](#).

[Funding Opportunities](#)

Concept papers for the [\\$9.5 million in funding](#) for projects that improve the flexibility of hydropower, such as by supporting the grid alongside other renewable energy sources, are due January 18th.

Next Week: [Hearings to Watch](#)

Wednesday, January 17th

House Financial Services Subcommittee on National Security, Illicit Finance, and International Financial Institutions

“International Financing of Nuclear Energy”
(10:00 AM EST), watch [here](#)

Thursday, January 18th

House Financial Services Subcommittee on Oversight and Investigations

“Oversight of the SEC’s Proposed Climate Disclosure Rule: A Future of Legal Hurdles”
(10:00 AM EST), watch [here](#)

House Oversight and Accountability Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs

“The Next Generation: Empowering American Nuclear Energy”
(2:00 AM EST), watch [here](#)

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