



*ICYMI: Before the holidays, Pioneer's Alex McDonough and Carianne Lee released [a special client note](#) that examines the dynamics playing out across the United States to dismantle responsible investing and restrict the use of Environmental, Social, and Governance (ESG) investing metrics. The note explores the dark money behind the attacks; state and federal activity; the significant real-world impacts, and more.*

## **Client Note: Congress Starts 2024 in the Hole**

### **Congress Once Again Scrambles to Avert Shutdown**

When Congress returns next week, there will be only eight days in which both the House and Senate [will be in session](#) prior to the first appropriations lapse on January 19th. Unfortunately for everyone involved, the new calendar year hasn't changed the facts on the ground for the problems plaguing the Hill. The two immediate tasks are:

- **Appropriations**

The two deadlines – January 19th and February 2nd – to fund government agencies are quickly approaching. And yet, no agreement has been made on top-line funding levels, let alone funding amounts for individual appropriations bills. With the clock ticking closer to the first deadline, both sides of the Capitol are starting to feel the pressure and are looking for a way out. This includes potentially voting on an omnibus (a package of several appropriations bills combined together) or a full-year continuing resolution (CR). Democrats in the Senate are staunchly opposed to a full-year CR, since it would trigger across-the-board spending cuts built into the debt ceiling deal reached last spring, and Speaker Mike Johnson (D-LA) has said he will not advance another short-term CR. Importantly, unlike last year, the looming funding cliffs over the next month are scattered throughout the GOP's presidential primaries, with the Iowa caucuses less than two weeks away and the New Hampshire primary on January 23rd. We will be watching if and how the Republican candidates weigh in on the government funding debate; if this becomes a national political topic, especially for former President Trump, it could harden House Republicans' stance under Speaker Mike Johnson (R-LA) to undercut the spending numbers in the debt ceiling deal, in opposition to Democrats and Senate Republicans.

- **Ukraine, Israel, Taiwan and Border Aid**

Senate Majority Leader Chuck Schumer (D-NY) kept the Senate in session the week before Christmas in an attempt to finish negotiations on supplemental disaster funding, but ultimately strong partisan disagreements necessitated punting to 2024. To kick off the year, some news outlets are reporting that one of the more difficult border policy reforms may be off the table – restricting parole, the president's power to admit classes of migrants on an emergency basis. This was a top priority for House Republicans but was also a grave concern for immigration activists. This development may placate some of the anger coming from the left that cropped up as we went into the holidays, but it is still unclear 1) if the rest of the deal can come together or 2) whether

this means the remaining immigration pieces will be sufficient to get enough Republican support to pass.

A very likely outcome would be for these two items – annual appropriations and a supplemental spending deal – to mold into one major deal to be hashed out. Aside from the practical matter of taking up less floor time in both chambers, there’s the political fact that large numbers of House Republicans largely don’t support either package on their own, so Speaker Mike Johnson would much prefer to take one bad vote instead of two, if he can.

Looking later in the year, Congress still has a few unfinished items, including:

- Farm Bill  
The House and Senate Agriculture Committees have yet to release the draft text of the reauthorization bill. The new deadline to pass the Farm Bill is September 30th, but Congress will need to make substantial progress on it over the next few months to avoid another extension.
- FAA  
The FAA authorization was extended to March 8th, which will be here fast, and Congress will need to keep up the FAA progress we saw at the end of the year to avoid another extension.
- FISA  
After extending FISA authority at the end of the year, Congress has an April deadline to pass a full reauthorization.

**Tracking the IRA’s Clean Energy Tax Credits**

Although we witnessed a significant amount of the [IRA’s tax credit guidance](#) in 2023, Treasury is working to finalize rules for the remaining clean energy incentives this year:

<b>Released vs. Unreleased IRA Tax Credit Guidance</b>					
<i>Clean Electricity</i>	<i>Transportation</i>	<i>Buildings</i>	<i>Cross-Cutting</i>	<i>Manufacturing</i>	<i>Fuels</i>
<u>48 Clean Energy Facilities ITC</u>	<u>25E Used Clean Vehicle Credit</u>	<u>25C Energy Efficient Home Improvements Credit</u>	<u>Apprenticeship &amp; Prevailing Wage</u>	<u>48C Advanced Energy Products</u>	<u>45V Clean Hydrogen Production</u>
<u>48(e) Low-Income Communities Bonus Tax Credit</u>	<u>30D Clean Vehicle Credit</u>	<u>179D Energy Efficient Commercial Buildings</u>	<u>Direct Pay &amp; Transferability</u>	<u>45X Advanced Manufacturing PTC</u>	<u>40B Sustainable Aviation Fuel PTC</u>

<a href="#"><u>Energy Community Bonus Credit</u></a>	<a href="#"><u>45W Commercial Clean Vehicle Credit</u></a>	<a href="#"><u>45L Energy Efficient New Home Credit</u></a>	<a href="#"><u>45Q Carbon Sequestration</u></a>	<a href="#"><u>Domestic Content Bonus Credit</u></a>	<a href="#"><u>45Z Clean Fuel PTC</u></a>
<a href="#"><u>45 Clean Power PTC</u></a>	<a href="#"><u>30C Alternative Fuel Infrastructure Credit</u></a>	<a href="#"><u>25D Residential Clean Energy Equipment Credit</u></a>			
<a href="#"><u>45Y Renewable Energy PTC</u></a>					
<a href="#"><u>48E Clean Energy ITC</u></a>					
<a href="#"><u>45U Zero-Emission Nuclear PTC</u></a>					

### Funding Opportunities

DOE recently announced multiple RD&D funding solicitations related to clean hydrogen and EV technologies. Announcements include:

- [\\$59 Million for RD&D of Clean Hydrogen Technologies](#) that support the advancement of fueling infrastructure for heavy-duty vehicles and other heavy-duty transportation applications; addressing key challenges to siting, permitting, and installation; and improving community engagement and outreach to ensure equitable deployment of clean hydrogen systems.
  - Concept papers are due January 26th.
- [Expected Funding for RD&D and Technology Integration of Advanced Vehicle Technologies](#) to support projects focused on:
  - Developing new chemistries for reduced cost, higher energy density EV batteries;
  - Providing widescale, cybersecure EVs and EV charging infrastructure;
  - Low GHG emission concepts for off-road vehicles;
  - Manufacturing high-performance electric steels using domestic resources;
  - Improving the mobility system through vehicle-to-everything approaches;
  - Zero-emission vehicle and infrastructure training for first responders; and,
  - Enabling Clean Cities coalitions to undertake high-impact outreach, engagement, and technical assistance activities.
- [\\$37 Million to Reduce EV Battery Recycling Costs](#) by supporting RD&D projects transporting, dismantling, and preprocessing end-of-life electric drive vehicle batteries for recycling; and recycling of plastic and polymer electric drive battery accessory components.
  - Concept papers are due February 7th.
- [\\$29 Million to Advance Low-Carbon Feedstocks for Clean Energy Technologies](#) by supporting R&D projects utilizing low-carbon, purpose-grown energy crops (i.e. algae, herbaceous, intermediate, and short-rotation woody crops) for the deployment of clean energy technologies.

- The application process is expected to open this month.

Additionally:

- Concept papers for the [\\$10 Million FOA for the Critical Materials Accelerator](#) supporting R&D projects that prototype and mature technologies or processes to address critical material challenges are due Friday, January 5th and,
- Concept papers for the [\\$3.5 Billion FOA to Boost Domestic Manufacturing of Advanced Batteries and Materials](#) supporting new, retrofitted, and expanded domestic facilities for battery-grade processed critical minerals, battery precursor materials, battery components, and cell and pack manufacturing are due Tuesday, January 9th.

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