



Client Note: Another Kick at the Can

Report Highlights Climate Tax Avenues in 2025

Earlier this week, the Hamilton Project released [a report](#) that analyzed seven potential climate policy scenarios (ranging from IRA expansion to repeal) that could face the federal government in 2025, and their associated trade-offs across three dimensions: emissions, economic efficiency, and fiscal impact.

Notable takeaways:

- If the IRA is repealed and neither the EPA's tailpipe nor power plant rules are finalized, power sector emissions would rise over a gigaton by 2035 and continue to grow thereafter.
- In all scenarios, household energy costs decline, but the report highlights that the IRA is driving down consumer costs and repeal would negatively impact family energy budgets.
- Both scenarios – an IRA repeal and the implementation of a carbon fee – each result in slightly higher household energy costs.

In short, the IRA is working and the report highlights that expanding or augmenting the IRA has both reduced emissions and consumer savings benefits - whereas repeal scenarios slow emissions reduction and expose consumers to higher costs.

Short, Short Stopgap CR

Fortunately, the scenario we forecasted on Monday has come to pass – Speaker Mike Johnson (R-LA) decided to continue [funding the government](#), relying on Democratic votes to forestall a government shutdown while the Appropriations Committees finalize the twelve FY24 funding bills. Yesterday, the House passed the continuing resolution (CR) under suspension of the rules with a vote of 320-99, and the Senate followed suit shortly thereafter, 77-13.

Additionally, Congressional leadership agreed that a package of six funding bills will be voted on prior to March 8th – Agriculture-FDA, Energy and Water, Military Construction-Veterans Affairs, Transportation-Housing, Commerce-Justice-Science and Interior-Environment. We expect to see the full text of those bills as soon as tomorrow, but certainly sometime this weekend so that the process can start early next week, with passage likely before the President's State of the Union address on Thursday. The remaining six bills will need to be agreed to before March 22nd, which is the new shutdown deadline under the new CR.

While we don't yet have the legislative language from the six bills due to be passed next week, House Appropriations Ranking Member Rosa DeLauro (D-CT), a key negotiator in the process, [has said they are free from poison-pill riders](#) that [hard-right conservatives had been demanding](#) and Democrats had been objecting to as a condition of their support. Whether or not the absence of these riders in the first six bills portends the same outcome for the final six remains to be seen – if Speaker Johnson has no ideological wins to show for his efforts in the final funding package, he may not have his job for much longer.

FERC Nominees Released

Yesterday, President Biden [announced](#) his intent to nominate three Commissioners to the Federal Energy Regulatory Commission (FERC), an agency that has lacked a full five members since former Chairman Rich Glick's departure. Judy W. Chang and David Rosner (a Manchin pick and Senate ENR staffer) were selected as Democratic nominees; one of whom will likely replace current Democratic Commissioner Allison Clements when she steps down this summer. Lindsay See, West Virginia's current solicitor general and a McConnell pick, was chosen as a Republican.

Assuming all three nominees are confirmed, FERC will sit at a 3-2 split with Democrats in the majority – the first time it will have had a full Commission in over a year.

Funding Opportunities

This week, DOE [announced](#) \$25 million in funding for clean energy projects on Tribal lands. Applications are due May 30th.

DOE is also [requesting information](#) from industry, investors, developers, and other stakeholders on the role of, and funding needs for, mid-scale commercial direct air capture (DAC) demonstration facilities, including the interest, potential structure, benefits, and risks associated with them. Feedback is due April 25th.

Lastly, there are a handful of funding opportunities with deadlines next week [that can be found here](#).

Pioneer and Clients in the News

[Charlie Ellsworth](#) was [quoted in Roll Call](#) criticizing floated changes to the CBO scoring process, which he said ignore the underlying problem.

[LCV Deputy Legislative Director Madeleine Foote](#) [highlighted](#) the importance of conservation funding in the increasingly stagnant Farm Bill negotiations.

The [State of Michigan](#) [launched](#) a Battery and Advanced Manufacturing Challenge through a \$125 million investment that offers matching grant dollars for battery and advanced manufacturing projects in Michigan. Applications for Phase 1 and 2 are due March 14th and May 1st, respectively. [See here for more information](#).

Next Week: [Hearings to Watch](#)

Wednesday, March 6th

House Natural Resources Subcommittee on Energy and Mineral Resources

“Hearings to examine extended producer responsibility policies for consumer packaging.”

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

House Financial Services

“The Federal Reserve's Semi-Annual Monetary Policy Report”

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

House Natural Resources Subcommittee on Energy and Mineral Resources

Legislative Hearing

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

Thursday, March 7th

Senate Banking, Housing, and Urban Affairs

“Hearings to examine the Semiannual Monetary Policy Report to the Congress.”

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

House Natural Resources

Oversight hearing titled: "Monetizing Nature and Locking up Public Land: The Implications of Biden's Strategy for Natural Capital Accounting"

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

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