



Client Note: House Democrats Send Funding Bill to the Senate

Leaders Compromise on the Second Funding Package

Today, by a vote of 286 to 134, the House passed a \$1.2-trillion funding package for the final six appropriations bills slated to lapse tonight after midnight. The majority of the Republican conference voted against the bill and, shortly after the vote, Representative Marjorie Taylor Greene (R-GA-14) [introduced a motion](#) to oust Speaker Mike Johnson – a move that harkens back to the chaos of several months ago, when Taylor Greene and her colleagues successfully ousted former Speaker Kevin McCarthy and eventually brought Speaker Johnson into power. This time, however, there is indication of less conservative support to oust Johnson and at least [some Democrats saying](#) they may work to save him. It remains unclear if and when the motion to vacate receives a vote, with the House heading into a two-week recess, returning April 9th.

Negotiations in this second tranche, which funds the Department of Homeland Security (DHS) and other agencies under fire by Republicans, were more contentious than the package passed two weeks ago. In the end, the package included a slight increase to defense spending and a small cut to non-defense funding compared to current levels. The Democrats are most proud that the bills do not include new objectionable policy language (known as riders), except for language that would block the federal government from banning gas stoves (a specious accusation from the far right) and a rider to require only the U.S. flag to be flown at military bases.

The Senate is now trying to reach agreement on a series of amendment votes (all of which would be expected to fail, lest the bill be sent back to the House) before moving quickly to final passage later tonight. We will have to see whether Senate conservatives will keep their colleagues in D.C. over the weekend to try and extract more amendments they want voted on before final passage. If an agreement can't be reached, the next vote to move the process along will happen on Sunday morning, one hour after the Senate convenes, with timing on final passage to come after that.

In any case, with the House vote completed, it's widely expected that the Senate will finish work soon enough (today or this weekend) to prevent any damaging effects from a shutdown starting at 12:01 a.m. tomorrow morning. Weekend shutdowns don't truly affect government operations until Monday morning and, even then, most, if not all, federal agencies will have previously unobligated funds to keep systems running for a few days.

If an Energy Week Falls in the Woods and Nobody Hears, Did it Really Happen?

Possibly expecting things to be a mess this week when it came to funding the government, House Republican leadership also rushed a purely partisan slate of bills to the floor for "Energy Week" to show their caucus can at least be united in its support for the oil and gas industry.

Republicans passed a handful of bills, including measures to ease Clean Water Act permitting, prevent a carbon tax, repeal the EPA's GHG Reduction Fund (including methane emission fees), scrap increased royalty rates for oil companies drilling on public lands, and block a moratorium on hydraulic fracturing of oil and gas. The bills were passed on almost entirely party-line votes, though 10 Democrats in tightly contested reelection races supported the nonbinding resolution to prevent a carbon tax.

These bills have no path in the Senate and the Biden Administration came out quickly in opposition, especially to the GOP's permitting package, which would block certain Clean Water Act vetoes, shore up the nationwide oil and gas pipeline permitting program, and tighten the litigation window for challenging permits.

At the committee level, Energy and Commerce marked up a handful of bills targeting home appliance efficiency standards (we speculate that staff spent more time naming the bills than writing them):

- The "[Liberty in Laundry Act](#)", which takes aim at DOE's standards for washing machines.
- The "[Clothes Dryer Reliability Act](#)" blocks DOE's rule on clothes dryers.
- The "[Refrigerator Freedom Act](#)" would block DOE's rule on refrigerators.
- The "[Affordable Air Conditioning Act](#)" takes aim at DOE's rule on air conditioners.
- The "[Stop Unaffordable Dishwasher Standards \(SUDS\) Act](#)" would block DOE's standards for dishwashers.

Two other energy-related bills passed by the committee seek to reauthorize the Pipeline and Hazardous Materials Safety Administration and give FERC override authority for approving pipeline permits; and, limit the implementation of the EPA's recently finalized air quality standards for airborne soot and give states more flexibility in meeting them.

The Discharge Petition, Will it Work for Ukraine/Israel Aid?

One of the only ways to bring a bill to the House floor without the Speaker's approval is a painstakingly difficult and slow process known as the discharge petition. It requires a majority (218) of members' signatures and only applies to measures that have been referred to committee for at least 30 days ([such as the supplemental aid package for Israel/Ukraine](#) passed by the Senate last month). It is then subject to various scheduling requirements before floor consideration: After a majority of signatures, seven legislative days must pass before it may be offered as a motion on the floor, after which the Speaker must designate a time for its consideration within two legislative days.

The series of time requirements as well as the fact that discharge petitions can only be brought to the floor on specific days makes this process extremely difficult to execute. Even on bills that a majority of members *might* vote for and publicly support, securing signatures from enough members of the majority party to do an end run against the Speaker's control of the House floor is an extraordinary lift and would expose any mutinous members to political retributions from the Speaker. The last successful discharge petition came from House Republicans in 2015 to reauthorize the Export-Import Bank. Aside from then, it's happened a few other times in history.

EPA Releases Tailpipe Emissions Rule

On Wednesday, EPA [published](#) its final rule laying out stricter emissions standards for light- and medium-duty vehicles, starting with models released in 2027 and phasing in over the following six years. EPA projects that average emissions from these vehicles will be cut in half with these new rules in place, compared to the existing standards for model year 2026 vehicles. While the final rule isn't as stringent as initially proposed, it's still forward-leaning. This is likely why there is some pushback from a couple of [Democrats](#), but likely won't overshadow the strong support from a [trifecta](#) of Democratic stakeholders (labor, environmental groups, and industry) and other Democratic Senators.

Fed's 2024 Rate Cut Plans Remain

Once again, on Wednesday, the Federal Reserve opted to leave interest rates where they have been since July of last year. What also didn't change is the central bank's projected rate cut forecast (except for one fewer reduction expected next year), with its ["dot plot"](#) still including three quarter-point rate cuts to take the nation's borrowing rate to around 4.6 percent by the end of the year. As has been the case, the timing for those decisions will largely depend on incoming inflation and labor statistics, with Chairman Jerome Powell [describing](#) the balancing act as "if we ease too much or too soon, we could see inflation come back...If we ease too late, we could do unnecessary harm to employment."

The Fed's balancing act will only become more complicated as the November presidential election approaches, as former President Trump is expected to politicize any rate cuts before the election – a move that economists and investors [see as increasingly likely](#) at its June meeting. Wednesday's decision and economic forecast (including an increase in GDP expectations [for both](#) this year and next) helped motivate all three major indexes to finish the day [at record highs](#).

[Funding Opportunities](#)

This week, DOE [opened its second phase](#) of Assisting Federal Facilities with Energy Conservation Technologies (AFFECT) grant funding for net-zero building projects. Applications for the \$250 million program funded under the IIJA are due June 27th.

The agency also [announced](#) a \$10 million funding opportunity for projects creating software tools that can accurately simulate the effect of new clean energy plants on existing grid infrastructure, and by providing clear and secure data to developers. Concept papers for the Solar and Wind Interconnection for Future Transmission (SWIFTR) program are due April 17th.

Finally, DOE [noticed its intent](#) to issue \$5 million in support for projects researching and developing technology that models and analyzes the aerodynamics of next-gen offshore wind turbine blades. The opportunity is expected to open this spring.

Clients in the News

The [LCV](#) held their [annual capital dinner](#) on Wednesday, where Vice President Kamala Harris and Senator Cory Booker (D-NJ) spoke on the high stakes 2024 election as well as the environmental impacts and importance of the IRA, and how crucial it is to uphold its progress.

www.pioneerpublicaffairs.com

