



Weekly Landscape Report **March 31, 2023**

Yesterday, former President Trump was [indicted](#) by a Manhattan grand jury for his role in covering up payments to Stormy Daniels to keep their alleged affair secret in advance of the 2016 election, with [dozens](#) of expected charges related to falsifying business records and illegal campaign donations. There may be no more important story this year, as Trump is the first ex-president to face criminal charges and is doing so while running for president in 2024.

This week in the economy:

Earlier this week, top financial regulators [testified](#) before Congress on the recent failures of Silicon Valley Bank (SVB) and Signature Bank. Republicans generally were more critical of regulators' inaction leading up to the bank runs, while Democrats slammed the bank's executives and pressed the witnesses on the potential need to strengthen rules governing financial institutions.

Michael Barr, the Fed's Vice Chairman for Supervision, [openly acknowledged](#) that the Fed's bank supervisors and regulators bear some responsibility for inadequate oversight of SVB leading up to its failure. However, Barr [argued](#) that the bank's collapse fundamentally came down to mismanagement of clear interest rate and liquidity risks (the Fed told SVB these were concerns starting in 2021/2022).

Along with Barr, FDIC Chairman Martin Gruenberg and Treasury Undersecretary Nellie Liang [expressed support](#) for stronger bank regulations and appeared open to the idea of raising the current cap on insuring deposits from \$250,000. They aren't alone—Federal Reserve Chairman Jerome Powell on Wednesday [suggested](#) that Congress should review deposit insurance. Rep. Ro Khanna (D-CA) and Senate Republicans are already [working on legislation](#) to guarantee certain uninsured bank deposits beyond the current limit. On the other hand, House Republicans are [calling](#) for a hearing to discuss potentially revamping the deposit insurance system altogether.

Additionally, yesterday President Biden urged agencies to reinstate [rules to help protect large regional banks](#) (including liquidity requirements and stress testing) and implement new ones (including stronger stress testing and long-term debt requirements).

[Announced](#) yesterday, the U.S. economy grew at a 2.6% annual rate in Q4 of 2022, down from 3.2% in Q3. Consumer spending rose at an annual rate of 1% in the final months of last year.

This week in Washington:

This week, the House of Representatives passed Republicans' top legislative priority, [H.R. 1, the Lower Energy Costs Act](#), on a [vote of 225-204](#) mostly along party lines. H.R.1 includes more than 20 individual bills, such as lifting restrictions on the import and export of natural gas, rolling back fees and royalties on

onshore and offshore oil and gas development, limit judicial review and place deadlines on environmental reviews under NEPA, repealing the \$27 billion “green bank” program authorized under the Inflation Reduction Act, and much more. Democrats rebranded the bill as “the [Polluters over People Act](#),” saying that it eliminates protections that keep families and communities safe while doing nothing to lower energy costs. In spite of Democrats’ effort to reframe the bill as giveaways to oil and coal companies and a weakening of safety and environmental protections, four Democrats – Reps. Vicente Gonzalez (TX-34), Henry Cuellar (TX-28), Jared Golden (ME-2), and Marie Gluesenkamp Perez (WA-3) – voted in favor of it. The only Republican to vote no was Rep. Brian Fitzpatrick (PA-1).

The vote on final passage was preceded by votes on various amendments, with many receiving bipartisan support. On Monday, the House Rules committee [whittled 173 amendments](#) down to only 37 made in order for a vote on the House floor. This action by Rules was a stark contradiction to [a promise Speaker McCarthy made](#) to the House Freedom Caucus to allow for more amendments to be considered by the full House through a “[modified open](#)” rule (rather than the “structured rule” they used to pick a small number of specific amendments to vote on). With three members of the House Freedom Caucus on the Rules Committee, leadership appeared concerned that risky party-splitting amendments would be made in order. Ultimately, [the 37 amendments made in order](#) ranged from requiring a study on how banning natural gas appliances will affect consumer costs to prohibiting Communist Party interests in China from acquiring American farmland or any lands used for American renewable energy production.

Although H.R. 1 passed the House, Senate Majority Leader Chuck Schumer has already declared the legislation “[dead-on-arrival](#)” and President Biden has issued a [veto threat](#), arguing it would reverse progress made in Democrats’ Inflation Reduction Act to curb climate change and lower clean energy costs.

What counts here is that this legislation continues long-simmering conversations around permitting reform with members of Congress laying down [their priorities for further permitting reform](#) efforts. Progressives like Natural Resources Committee Ranking Member Raul Grijalva (D-AZ-3) have promised to vote against any legislation that undermines NEPA (including bills like H.R. 1, which seeks to limit litigation over energy projects under NEPA). Some climate hawks like Senator Brian Schatz (D-HI) believe permitting reform will make it easier to build transmission lines that carry clean electricity, but are unlikely to accept trading significant streamlining for fossil fuel projects. Conversely, there are members like Rep. Kelly Armstrong (R-ND-At large) who won’t vote for anything that prioritizes renewable energy over fossil fuels.

Prior to the final passage vote in the House on Thursday, unexpected voices chimed in on the legislation and permitting reform. American Clean Power Association (ACP) CEO Jason Grummet signaled his [support for H.R.1 in a statement](#) saying “The Lower Energy Costs Act contains important provisions and reforms that will help advance clean energy in the United States. This legislation would create a predictable and timely federal permitting framework which is critical to the future development of America’s vast clean energy resources.” In contrast to ACP, [Michael McKenna, a GOP energy lobbyist](#) and former Trump administration official said that “the simple reality is that anything involving time lines or deadlines or whatever will lead us right back to where we are now.” On Monday, hundreds of groups ranging from oil and gas industries to renewable energy associations [joined a letter led by the Chamber of](#)

[Commerce](#) to Members of Congress urging permitting reform before the end of the summer; however the letter left out contentious details about what permitting reform should entail.

The House and Senate will be in recess for the next two weeks, so there won't be additional legislative moves around this (or anything else) until mid-April.

Clients and Pioneer in the News

Nora Cohen Brown, Head of Market Development and Policy at [Charm Industrial](#), [spoke](#) on a World Resources Institute panel last week examining how the latest [IPCC report](#) views carbon removal.

Jon Gordon, Co-Founder and General Counsel of [Universal Hydrogen](#), [testified](#) before the Senate Commerce Committee on Wednesday. The [hearing](#) addressed the resources, infrastructure, and regulation needed to further research and development for advancement of the next generation of aviation technologies.

Lindsay Owens, executive director of [Groundwork Collaborative](#), [appeared on The Problem with Jon Stewart](#) to talk about the effect of the Fed's rate-hike campaign on American workers.

Pioneer's [Sweta Chakraborty](#) delivered a keynote address at the [Innovations in Climate Resilience conference](#) in Columbus, OH, this week on the topic of "The Prerequisite to Bold Political Will? Patient, Thoughtful Communication."

DOE funding opportunity announcements (FOAs):

This week, the Department of Energy (DOE) [released](#) a request for information (RFI) on opportunities and challenges associated with material circularity. It seeks insight on incentivising innovation, while increasing demand for recycled materials and reducing demand for virgin materials. RFI responses are [due](#) on May 1 and will inform DOE's future efforts to advance circular economy technologies.

Last week, DOE [issued](#) two funding opportunities to modernize and expand hydropower incentives. Full applications are due for the [Hydroelectric Production Incentives Program](#) and [Hydroelectric Efficiency Improvements Incentives Program](#) by [May 8](#) and [June 20](#), respectively.

Lastly, concept papers for the [Carbon Capture Large-Scale Pilot Program](#) are [due](#) on April 5. It includes \$820 million in federal funding for 10 projects. For additional FOAs and RFIs that we are tracking, please see [this document](#).

Market and job trends from the past week (at Thursday close):

- Dow Jones Industrial Average: 32,859.03, +820.81, (+2.56%)
- NASDAQ: 12,013.47, +87.23, (+0.73%)
- S&P 500: 4,050.83, +111.62, (+2.83%)
- Weekly initial jobless claims: 198,000 vs. 195,000 expected

- 10-Year Treasury Note yield: 3.547%

Next week: Economic indicators

- [Job Openings and Labor Turnover \(JOLTS\)](#) (April 4)
- [ADP National Employment Report](#) (April 5)
- [Global Supply Chain Pressure Index \(GSCPI\)](#) (April 6)
- [Weekly Economic Index \(WEI\)](#) (April 6)
- [Employment Situation](#) (April 7)