



Weekly Landscape Report
April 14, 2023

Pioneer is hosting the kickoff event for the new D.C. chapter of Women in Climate Investing and Finance, a group that brings together women from all backgrounds working to fight climate change through effective use of capital. Register [here](#) for the event on April 25, and join us and [Arpita Bhattacharyya](#), the new Chief Climate Officer at DOE's Loan Programs Office, for an evening on the rooftop terrace of our new offices at 700 Pennsylvania Ave SE!

The debt limit fight gets real:

Suddenly, after months of nothing, the debt limit standoff will see real action next week.

On Monday, House Speaker Kevin McCarthy will give a speech at the New York Stock Exchange where he's expected to discuss the debt limit. And after Democrats spent weeks hammering Republicans for the lack of a budget or a plan to raise the debt limit, everyone in the House now has ideas. Speaker McCarthy gave a [preview of his new debt limit plan](#) to the press; the Republican Main Street Caucus [released an outline](#); Republican Study Committee chair Rep. Kevin Hern pressed for a vote and has already [released his preferences](#); even the bipartisan Problem Solvers Caucus [allegedly has a plan coming](#).

The problem is when you have a variety of plans without majority support, you really don't have a plan at all. And that's why there remains intense skepticism that McCarthy has the votes in his caucus for ANY bill to raise the debt limit – at least until the country reaches a crisis moment and forces the House GOP to choose an approach that is acceptable to the White House and Senate Democrats.

In the meantime, Speaker McCarthy has to show he is trying. He'll use his Monday speech to pitch proposed spending cuts as “reasonable” while lambasting President Biden for his refusal to negotiate until the GOP passes a budget. He'll also hope to draw out on-the-record responses from Democrats – anything, good or bad – just to kickstart a debate.

Democrats, for their part, will walk a fine line between dismissing the demagoguery as unserious and hammering the GOP for the harm their proposed cuts will cause everyday Americans (and, likewise, the harm caused by default). Democrats are comfortable staying the course on refusing to negotiate until the GOP can pass a bill that meets their own established test of reducing the deficit without raising taxes or touching Medicare & Social Security. As a historical note, the GOP had the opportunity to address their deficit concerns without needing Democratic votes five years ago, but instead used reconciliation to pass the 2017 tax cut bill that cost more than \$2 trillion.

This week in the economy:

The possibility of a debt default would be catastrophic for the economy, but the Federal Reserve's inflation-fighting campaign also remains a material threat to prompt a recession. On that front, this week's

inflation data [was a mixed bag](#). On the one hand, the Consumer Price Index showed a 5 percent year-over-year increase, the slowest pace in nearly two years; but, on the other, core CPI, which strips out the volatile food and energy categories, actually increased to 5.6 percent from the previous month's reading of 5.5 percent. Moreover, OPEC recently announced it will [cut oil production](#), so the energy price reductions won't last long as we approach the summer months.

This data comes on the heels of a solid employment report, with a gain of [236,000 jobs in March](#), but less robust than the prior two months and the lowest monthly gain since December of 2020. Coming in below expectations, the data suggests the beginning of a labor market slowdown amid the Fed's ongoing rate-hike campaign. Additionally, new unemployment claims released Thursday [were higher than market expectations](#). All things considered, barring a surprise, it seems likely the Fed will again hike interest rates by another quarter point at its meeting on May 2-3.

The status in Washington:

EPA Emissions Rule

On Wednesday, the EPA released its [highly anticipated rule](#) on greenhouse gas emissions for automobiles, which will require at least two-thirds of domestically produced new cars and light trucks to be electric by 2032. [According to the EPA](#), the effects of the proposed regulation will save consumers \$12,000 on average over the lifetime of their vehicle. The rule [already faces legal challenges](#), with the automotive industry and Republican state officials contending that the EPA overstepped its authority given by Congress.

A similar, less-controversial [rule issued by the EPA](#) pertaining to heavy-duty vehicles is expected to decrease emissions significantly (1.8 billion tons of CO₂) over the coming decades. This proposal has projected net benefits ranging from \$180 billion to \$320 billion. Expect both rules to be hot topics as Congress returns, with [reports](#) that Republicans may try to (unsuccessfully) use the Congressional Review Act (CRA) to overturn them.

Solar Tariff Waiver CRA vote

Next week, the House of Representatives is expected to move on a resolution of disapproval over President Biden's solar tariff waiver. Recall that early last year the Commerce Department, at the request of a single company, looked into investigating whether retroactive tariffs should be imposed on panel manufacturers in four Southeast Asian nations for allegedly circumventing existing anti-dumping tariffs on Chinese solar companies. The threat of new tariffs severely disrupted solar project development in the U.S. and led to many projects being [put on hold](#) because developers couldn't get their hands on enough solar panels. In June 2022, Biden [gave the industry a reprieve](#) by declaring that no new tariffs would be imposed for 24 months as a bridge to adjusting the solar supply chain. In December 2022, the Commerce Department announced its [preliminary determination](#), finding that four of eight major Chinese solar companies under investigation in recent months tried to evade tariffs. The solar industry contends that Commerce moved the bar on what activities constitute circumvention, threatening to impose retroactive tariffs on previously-allowable manufacturing practices using material sourced from China.

Now the debate shifts to Congress. At the start of this year, members in both chambers introduced CRA resolutions of disapproval, which would overrule the two-year suspension of tariffs on imported solar

panels. Many Republicans are already on board and support the resolutions. However, [Democrats appear split](#) on the issue. Rep. Dan Kildee (MI-08) and Sen. Ron Wyden (D-OR) are vocal members in support of the resolution. Conversely, Sen. Jacky Rosen (D-Nev.) is leading opposition to a Senate CRA resolution, pushing to ensure that deployment of solar power is not delayed.

DOE funding opportunity announcements (FOAs):

This week, the Department of Energy (DOE) announced \$6.5 million in funding toward research and development projects focusing on innovative and novel ideas in photovoltaics (PV) and concentrating solar-thermal power (CSP). Under the [Small Innovative Projects in Solar \(SIPS\) program](#), universities, federally funded research and development centers, nonprofits, community-based organizations, state agencies, local governments, and solar developers are expected to receive 14-24 awards between \$250,000-\$400,000. Full applications are due [here](#) by June 1.

Additionally, DOE issued a request for information (RFI) to help shape the [Domestic Manufacturing Conversion Grants for Electric Vehicles \(EVs\) Program](#). Authorized by the Inflation Reduction Act (IRA), the program provides \$2 billion in 50% cost-shared grants to support the domestic production of efficient hybrid, plug-in electric hybrid, plug-in electric drive, and hydrogen fuel cell EVs. Responses are due [here](#) by May 9.

Lastly, DOE opened the application process for a funding opportunity seeking to boost the domestic production of large metallic near net shape (NNS) components to strengthen clean energy manufacturing supply chains. Concept papers are due [here](#) on May 11.

To view other available funding opportunities, such as the [\\$156 million multi-topic industrial FOA](#) and the [\\$6 billion Industrial Demonstrations Program](#), both of which have concept paper deadlines next week, please see [this memo](#).

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

- Dow Jones Industrial Average: 34,029.69, +608.73, (+1.82%)
- NASDAQ: 12,166.27, +227.19, (+1.90%)
- S&P 500: 4,146.22, +65.07, (+1.59%)
- Weekly initial jobless claims: 239,000 vs. 232,000 expected
- 10-Year Treasury Note yield: 3.449%

Next week: Economic indicators

- [SCE Labor Market Survey](#)
- [New Residential Construction](#)
- [NAR Existing Home Sales](#)
- [Weekly Economic Index \(WEI\)](#)

Next week: Hearings to watch

House Ways and Means

Hearing on Countering China's Trade and Investment Agenda: Opportunities for American Leadership (hearing before expected committee vote on the solar CRA on 4/19/23)

4/18/23 (10:00 AM EDT), watch [here](#).

House Energy and Commerce Subcommittee on Innovation, Data, and Commerce

Fiscal Year 2024 Federal Trade Commission Budget

04/18/23 (10:00 AM EDT), watch [here](#).

House Financial Services

Oversight of the Securities and Exchange Commission

04/18/23 (10:00 AM EDT), watch [here](#).

Senate Energy and Natural Resources

Hearings to Examine the President's FY 2024 Budget Request for the U.S. Forest Service

04/18/23 (10:00 AM EDT), watch [here](#).

House Energy and Commerce Subcommittee on Energy, Climate, and Grid Security

American Nuclear Energy Expansion: Powering a Clean and Secure Future

04/18/23 (2:00 PM EDT), watch [here](#).

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

Spending on Empty: How the Biden Administration's Unprecedented Spending Increased Risk of Waste, Fraud, and Abuse at the Department of Energy

04/18/23 (2:00 PM EDT), watch [here](#).

Senate Environment and Public Works Subcommittee on Clean Air and Nuclear Safety

Hearings to examine cleaner vehicles, focusing on consumers and public health.

04/18/23 (2:30 PM EDT), watch [here](#).

House Ways and Means

Hearing on the U.S. Tax Code Subsidizing Green Corporate Handouts and the Chinese Communist Party

4/19/23 (10 AM EDT), watch [here](#).

House Agriculture

For the purpose of receiving testimony from The Honorable Michael Regan, Administrator, U.S.

Environmental Protection Agency

04/19/23 (10:00 AM EDT), watch [here](#).

House Natural Resources

Examining the President's FY 2024 Budget Request for the Department of the Interior

04/19/23 (10:00 AM EDT), watch [here](#).

Senate Environment and Public Works

Hearings to examine the Nuclear Regulatory Commission's proposed fiscal year 2024 budget

04/19/23 (10:00 AM EDT), watch [here](#).

Senate Agriculture, Nutrition, and Forestry Subcommittee on Nutrition, Agricultural Research, and Specialty Crops

Hearings to examine SNAP and other nutrition assistance in the Farm Bill.

04/19/23 (12:00 PM EDT), watch [here](#).

Senate Agriculture, Nutrition, and Forestry Subcommittee on Conservation, Forestry, and Natural Resources

Hearings to examine the Farm Bill, focusing on making conservation programs work for farmers and ranchers.

04/20/23 (10:00 AM EDT), watch [here](#).

House Appropriations Subcommittee on Departments of Transportation, and Housing and Urban Development, and Related Agencies

Budget Hearing – Fiscal Year 2024 Request for the Department of Transportation

04/20/23 (10:00 AM EDT), watch [here](#).

Senate Energy and Natural Resources

Hearings to examine the President's proposed budget request for fiscal year 2024 for the Department of Energy.

04/20/23 (10:00 AM EDT), watch [here](#).