



### **Client Note: Congress Says See You in September**

The Senate and House appropriations processes finished the July work period moving in opposite directions and are both now on break until September. When they return, there will be just 12 legislative days when both Chambers are in session before government funding expires on Sept. 30.

In the Senate, Chair Patty Murray and Ranking Member Susan Collins achieved a rare feat by reporting out all 12 appropriations bills, with the last four finishing on Thursday – funding for Defense, Homeland Security, Interior/Environment, and Labor/Health and Human Services. This is the first time in five years that all 12 bills have been reported out. Bill language, reports and adopted amendments from the bills marked up on Thursday are [available here](#).

In the House, Republicans were [barely able to pass](#) the Military Construction/Veterans Affairs funding legislation (219-211), traditionally one of the easiest and most bipartisan appropriations bills to move forward. Leadership then decided to stop and go home for the recess, rather than try (and possibly fail) to move the Agriculture spending bill, which faced unified resistance from Democrats plus defections from moderate Republicans over additional cuts to international food aid and abortion policy riders.

When the House returns, it will have to decide whether to support a continuing resolution (CR) to keep the government funded while negotiations on full-year appropriations bills continue or to shut down the government. Our guess is that a shutdown may be inevitable, but seems unlikely on Oct. 1. More likely in our opinion – the House will acquiesce to a short-term CR to provide itself time to organize a narrative around what it is demanding in exchange for funding the government.

As a related point, in a shutdown fight, each side wants to be seen by the public as the responsible actors who are working to avoid a funding lapse – at the current rate, the Senate is primed to pass a slew of appropriations bills in September while the House is spinning its wheels. If a shutdown happens, we'd expect the public to say House Republicans are to blame; whether that matters to certain interests of that body – the Freedom Caucus – is another question.

In addition to government funding, there are several other bills that expire at the end of September – including the annual defense policy bill; the FAA reauthorization bill; and the Farm Bill, in that order of priority for passage. The Farm Bill is the least likely to get done on time, but it's worth remembering that a Farm Bill hasn't passed on time in either of the last two cycles (December 2018 and February 2014).

### **House Financial Services Marks Up Anti-ESG Legislation**

This week the [House Financial Services Committee](#) considered anti-ESG legislation following six hearings (making up “ESG month”), which covered proxy voting, shareholder rights, climate risk and

regulators, and the housing insurance market. Of the [seven bills reported out of the committee](#) on Thursday, four relate to ESG (all passing with only Republicans supporting), including:

- [H.R. 4790](#), the "[Guiding Uniform and Responsible Disclosure Requirements and Information Limits \(GUARDRAIL\) Act of 2023](#)", which would stipulate that companies are required to disclose only material information and require the SEC to publicly list and explain any non-material disclosure demands.
- [H.R. 4767](#), the "[Protecting Americans' Retirement Savings from Politics Act](#)", which includes provisions that would raise the resubmission thresholds for shareholder proposals and allow companies to exclude environmental, social and political proposals. It would also require large asset managers to conduct an economic analysis when voting against board recommendations and compel investors to consent to the use of non-pecuniary factors in decision-making.
- [H.R. 4823](#), the "[American Financial Institution Regulator Sovereignty and Transparency Act](#)", which would hamper the federal banking regulators from engaging with their international counterparts by increasing congressional oversight of federal banking regulators and their interactions with international organizations.
- [H.R. 4655](#), the "[Businesses Over Activists Act](#)", which would prohibit the SEC from mandating companies include shareholder proposals or discussions of shareholder proposals in their proxy statements.

### **FERC Delivers Win for Renewable Energy Connection to the Grid**

Yesterday, the Federal Energy Regulatory Commission (FERC) [unanimously approved Order 2023](#), which seeks to improve multiple aspects of the interconnection process in an effort to accelerate timelines for connecting new generation (including wind and solar) and storage resources to the grid – the backlog of projects languishing in interconnection queues across the country is estimated to exceed 2,000 GW with a 5-yr average wait time per project. Reforms included the institution of a first-ready-first-served cluster study process, intended to reduce delays by improving process efficiency, as well as increased financial commitments for interconnection customers, which is intended to weed out speculative requests from developers and projects that are not commercially viable. Order 2023 also imposes firm deadlines and penalties if transmission providers fail to complete their interconnection studies on time and updates modeling and performance requirements for inverter-based resources (e.g., wind, solar and batteries).

### **AM Radio Mandate for EVs**

Yesterday, the Senate Commerce Committee [passed out of committee legislation](#) that would require newly-made vehicles to have analog AM radio receivers, rather than digital AM access. The electromagnetic waves emitted from all electronics, but especially the electric drive train in EVs, creates severe interference and poor service for AM receivers, which is why EVs use digital AM instead. Proponents of the bill argue that analog AM radio plays an important role in transmitting emergency alerts; however, the [FCC is already in the process of moving emergency notifications to digital](#), and digital AM radio provides access to more AM programming, both locally and nationally. This is a perplexing move by Congress, which is akin to mandating rabbit ear antennas on the purchase of every new TV. Forcing outdated technology on consumers runs counter to innovation and would require EV manufacturers to redesign their drivetrains, add heavy signal blocking metal panels and stop existing manufacturing lines while these changes are made.

### **This Week in the Economy:**

In a widely expected move, the Federal Reserve issued a 25-basis-point increase [on Wednesday](#), putting interest rates at their highest level in more than 22 years. Unless incoming economic data changes course, the Fed's latest hike is likely to be the last of its current campaign against inflation. Recent reports, including a [better-than-expected](#) 2.4 percent annual GDP growth rate for Q2, suggest a hopeful future for the American economy—one that raises [prospects](#) for a soft landing.

### **DOE Funding Opportunity Announcements (FOAs)**

Last Friday, the Department of Energy (DOE) [issued](#) \$20 million in funding for research and development projects that streamline the reuse and recycling of solar energy technologies and improve the installation quality and resilience of photovoltaic (PV) systems. Under two topic areas, DOE plans to make four to seven awards ranging from \$2 million to \$8 million for each project. Mandatory letters of intent and concept papers must be [submitted](#) by September 6 and 13, respectively.

Additionally, RFI responses to inform a potential program for the [Pilot-Scale Validation of Clean Energy Technology Components and Subsystems](#) are [due](#) by Monday, July 31.

For other opportunities to engage with DOE, please see [this memo](#).

### **Pioneer and Clients in the News**

Pioneer's [Sweta Chakraborty](#) [was on CGTN America's "The Heat"](#) to discuss the effects of record-breaking temperatures on human health, food systems, migration, global security, and how we can motivate political will by bringing more attention to it.

[Climate Power](#) [has launched](#) a new organization, "Climate Power En Acción," a project aimed at building Latino support for a clean energy transition through a new communications network to make clean energy a priority discussion in these communities.

On Wednesday, [Climate Power](#) hosted a [press conference](#) near the one-year anniversary of the Inflation Reduction Act. Majority Leader Schumer and a handful of other members of Congress came together to emphasize the importance of building clean and renewable infrastructure as not only a way to protect the climate, but as a way to bolster positive economic growth in America.

### **ICYMI: Hearings of Interest**

Notes on the Senate Budget Committee [hearing](#) on the fiscal consequences of climate change on infrastructure can be found [here](#), and notes on the Senate Energy and Natural Resources Committee [hearing](#) on permitting reform, can be found [here](#).

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