



Client Note: Congress Sprints to the Finish Before August Recess

Congress is on its final stretch before gaveling out for the traditionally long August recess. When they return after Labor Day, both chambers will have just a few weeks to pass bills to reauthorize the Farm Bill, National Defense Authorization Act (NDAA), and Federal Aviation Administration (FAA), as well as fund the federal government for the next fiscal year, all of which expire on September 30. Although FAA and [NDAA](#) reauthorizations are well underway in both chambers, negotiations over the Farm Bill and agency appropriations are another story. There is significant concern that even a continuing resolution (CR) to temporarily fund the government and extend expiring authorities will be hard to get passed, and many are already predicting a government shutdown while that gets sorted out. All this is made much more complicated by the compressed summer schedule - just one more week in session before the August recess, and then only a few weeks back in session before the September 30 deadline.

House GOP Continues Blitz on IRA Investments

This week, the House Appropriations Committee [passed a bill](#) (on a party-line vote) to drastically cut funding for key environmental agencies, including the Interior Department and EPA, and clean energy programs funded through the IRA, representing a 35 percent reduction in spending from FY 2023. It also repeals nearly \$10 billion in funding for the EPA and nearly \$10 billion included in the IRA for the GHG Reduction Fund and clean energy programs to combat climate change.

Several policy riders were added, such as provisions to block a handful of recent EPA proposed rules, including the emissions regulations for power plants, passenger vehicles, and heavy-duty trucks. Because there's a divided Congress, what passes the Republican-run House will require significant changes and we expect most of these cuts and IRA attacks to be removed. However, Senate Democrats cannot ignore everything it disagrees with - their 51-vote majority with Senator Manchin regularly voting with Republicans on environmental and other hot-button issues means they will almost certainly have to make some compromises either on spending levels and/or riders to keep the process moving.

On the other side of the Hill, the Senate Committee on Appropriations unanimously passed their own [\\$58 billion version](#) of the Energy and Water funding bill yesterday, in a stark contrast to the House's [bill](#), which includes a decrease of \$3.8 billion (a 6.5 percent cut) below FY 2023 levels and repeals \$6 billion in IRA clean energy programs. The Senate's Energy and Water bill reflects strong bipartisan support for scientific research and nuclear energy, giving DOE \$3.686 billion (an 8 percent increase from 2023 levels) for energy efficiency and renewable energy programs, \$290 million for the Office of Electricity (a 17 percent decrease from FY23 funding levels), and \$60 million for the Grid Deployment Office (a 7 percent decrease from FY23 levels)—expanding on IRA efforts to boost clean energy production and transmission buildout.

With vast differences between House and Senate appropriations bills, a CR will be necessary to give negotiators additional time to reconcile their disagreements. While a CR has been common practice for decades, the wide gulf between the chambers (and [some far right Republicans](#)' comfort with a shutdown) makes a shutdown all the more likely.

Anti-ESG Hearing Series Concludes

The House Committee on Financial Services wrapped up its last of six [hearings](#) on the use of environmental, social, and government (ESG) metrics in making investment decisions. Next week, the committee will consider as many as eighteen bills to limit the use of ESG practices and therefore prevent shareholders and investors from managing risk and making well-informed decisions with their money. The markup reflects the culmination of months of attacks by Republicans on the SEC's proposed climate-related disclosure [rule](#).

FERC Schedules Consideration of Long-Awaited Interconnection Rule

First proposed a year ago under Chairman Rich Glick's leadership, the [proposed rule](#) on improving the process by which regional grid operators approve energy generators for interconnection is finally [scheduled for a vote](#) next Thursday. This is important because there's a logjam of over 1,300 gigawatts of energy facilities, mostly solar, wind and batteries, [waiting for approval](#) to connect to the grid. By comparison, the entire U.S. grid is currently powered by roughly 1,250 gigawatts. FERC is evenly divided with two Democrats and two Republican commissioners, with Senator Manchin slowing confirmation of the third Democrat insisting on pairing that person with a yet-to-be-named Republican nominee. This dynamic could impact the strength of the final interconnection rule - we'll learn more when FERC releases it on Thursday.

FAA Reauthorization Passes House

Thursday morning, the FAA reauthorization [passed](#) the House with large bipartisan support (351-69). It also included some key wins for decarbonization, including an amendment that directs the FAA to use the ASCENT program to study hydrogen as a tool to decarbonize aviation. The next steps are for the Senate to pass their version of the bill and then conference it with the House to negotiate a version that can pass both chambers.

Funding Opportunity Announcements (FOAs)

Last Friday, the [EPA opened](#) applications for two more competitions under the Greenhouse Gas Reduction Fund. With a [solar-specific \\$7 billion competition](#) already accepting applications, EPA turned to allocating the other \$20 billion in funding provided by the IRA. The two competitions include 1) the [National Clean Investment Fund](#), which will provide grants to support two or three non-profit green banks (\$14 billion, of which at least \$5.6 billion will go to low-income communities), and 2) the [Clean Communities Investment Accelerator](#), which will provide grants to support between two and seven nonprofits nationwide that will include funding and technical assistance to public, quasi-public, not-for-profit, and non-profit community lenders working in low-income and disadvantaged communities. The deadline to apply for both competitions is October 12.

This week, DOE [announced its intent](#) to issue \$50 million in funding for distributed energy systems demonstrations. The Department intends to award between \$10 million and \$25 million to between two and four projects each, with a 50 percent minimum required non-federal cost share.

Additionally, DOE officially [opened](#) the Manufacture of Advanced Key Energy Infrastructure Technologies (MAKE IT) Prize for applications. Submission deadlines for both the [Facilities](#) and [Strategies](#) Tracks are October 18.

Request for Information (RFI) responses for [DOE's recently announced](#) \$1 billion demand-side support initiative for Regional Clean Hydrogen Hubs (H2Hubs) are [due](#) by July 27. Feedback from small businesses, private investors, project developers, and incubators and accelerators interested in the [Pilot-Scale Validation of Clean Energy Technology Components and Subsystems RFI](#) must be [submitted](#) by July 31.

Sec. 48C Advanced Energy Manufacturing Credit

As we've shared before, mandatory concept papers for the first round of the [48C Qualifying Advanced Energy Project Credit Program](#) are [due](#) by July 31. The 48C tax credit is capped and therefore has an application process like a grant, and manufacturers must apply through DOE and receive approval following a competitive application process.

For more information about other FOAs in the energy space, please see [this memo](#).

Clients in the News

[Bobbie](#) CEO Laura Modi [joined](#) CBS Mornings this week to discuss the company's recent acquisition of Nature's One, which will expand access to infant formula across the country. Modi also discussed much-needed innovation in the industry, and Bobbie's role in modernizing organic formula.

[Brimstone](#) CEO Cody Finke spoke at the Clean Industrial Summit on Wednesday. Pioneer's [Pierson Stoecklein](#) was also in attendance at the event, which featured remarks from DOE Undersecretary David Crane, as well as Senators Capito, Coons, and Tillis on efforts to reduce industrial emissions.

Next Week: Hearings to Watch

Tuesday, July 25

Senate Judiciary Subcommittee on Privacy, Technology, and the Law

“Oversight of A.I.: Principles for Regulation”

(3:00 PM EDT) Watch [here](#).

Wednesday, July 26

Senate Budget

“Beyond the Breaking Point: The Fiscal Consequences of Climate Change on Infrastructure”

(9:30 AM EDT) Watch [here](#).

Senate Energy and Natural Resources

“Opportunities for Congress to Reform the Process for Permitting Electric Transmission Lines, Pipeline, and Energy Production on Federal Lands”
(9:30AM EDT) Watch [here](#).

Senate Banking, Housing, and Urban Affairs Subcommittee on Financial Institutions and Consumer Protection

“Taking Account of Fees and Tactics Impacting Americans' Wallet”
(9:30 AM EDT) Watch [here](#).

Senate Environment and Public Works

“Improving Capacity for Critical Mineral Recovery through Electronic Waste Recycling and Reuse”
(10:00 AM EDT) Watch [here](#).

Senate Homeland Security and Governmental Affairs

“Governing AI through Acquisition and Procurement”
(11:00 AM EDT) Watch [here](#).

Senate Environment and Public Works

“Cleaner Trains: Opportunities for Reducing Emissions from America’s Rail Network”
(2:30 PM EDT) Watch [here](#).

Thursday, July 27

Senate Environment and Public Works Subcommittee on Superfund, Waste Management, and Regulatory Oversight

“Solutions for Single-Use Waste, Focusing on Expanding Refill and Reuse Infrastructure”
(9:45 AM EDT) Watch [here](#)

Joint Economic Committee

“The Economic Impact of Diabetes”
(10:00 AM EDT) Watch [here](#).

House Natural Resources, Subcommittee on Energy and Mineral Resources

“Safeguarding American Jobs and Economic Growth: Examining the Future of the Offshore Leasing Program | Subcommittee on Energy and Mineral Resources”
(10:00 AM EDT) Watch [here](#).

House Natural Resources, Subcommittee on Water, Wildlife and Fisheries

Legislative Hearing
(10:15 AM EDT) Watch [here](#).

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