



ICYMI: Pioneer is hosting an event with AAPIs in Clean Energy and DOT Director Lynda Tran next week on May 24 – register [here!](#)

Client note: Permitting reform cheat sheet – all the proposals in one place

The political demand for permitting reform continues to grow as more and more policymakers release their ideas. Most recently, Senate Environment and Public Works (EPW) Committee Chairman Senator Carper (D-DE) [released](#) his own permitting reform bill [yesterday](#) and leading climate hawk Senator Heinrich (D-NM) released his own [transmission planning bill](#) today.

As we've mentioned before, everyone means something different when they say "permitting reform." To help you sort through all the proposals out there, we've put the key provisions of each bill in the attached document (or [here](#) if you prefer spreadsheets - the Pioneer Team is divided on this particular controversy). For example, you can use it to compare what Senator Carper means when he talks about improving interagency cooperation for NEPA reviews versus what Senators Barrasso (R-WY) or Capito (R-WV) mean, or see that only Democrats are advocating for provisions to make it easier to build transmission. You can also see that only Sen. Barrasso's bill and H.R. 1 (which passed by the House with only one Republican vote opposed) include provisions trying to resurrect coal mining and lease more public lands for oil and gas drilling.

As debt limit negotiators work toward a deal, whittling away distracting policies and simplifying the path toward avoiding default (more on that below), the momentum appears to be moving towards a narrower permitting reform package anchored by NEPA streamlining provisions, such as timelines.

Concurrently, key senators are working towards a more comprehensive permitting package later this year. On Thursday, EPW Chairman Carper and Ranking Member Capito met with Senate Energy and Natural Resources Chairman Joe Manchin (D-WV) and Ranking Member Barrasso and agreed to continue working on the bill through the traditional committee process.

Debt limit

Negotiations to avoid default had rapidly picked up pace in the last week, but just this morning, [news came that talks had stalled](#). Earlier press reports had indicated a deal could come together [by Monday](#), while Speaker McCarthy had told his caucus to be prepared for a vote next week; likewise, Senate Majority Leader Schumer had told Senators, currently in recess, to be prepared to travel back to DC to vote within 24 hours notice.

The negotiators left to hammer out a deal are representatives for President Biden (key White House adviser Steve Ricchetti and OMB Director Shalanda Young) and Speaker McCarthy (who has tapped key ally Rep. Garret Graves). Both the [progressive left](#) and [hard right conservative](#) factions of the House are making last-minute arguments to influence the deal.

As to the substance of a final agreement, things are still very much up in the air. Previous to the apparent pause in negotiations on Friday, the deal had been rumored to be one that would actually carry more Republican votes than Democratic votes, an outcome we would not have expected at the beginning of this saga.

That outcome was premised on the rumors of a 2-year budget agreement on topline spending levels that allows defense spending to grow in line with the President's budget request (a 3.2 percent year-over-year increase) with non-defense discretionary spending being flat-funded at FY23 levels. In order to garner more savings and "offset" the defense spending increase, negotiators are said to be looking at rescissions of unspent money passed in previously approved Covid aid packages, plus various machinations of budget gimmickry too wonky to spend time describing here.

As we lay out in our permitting reform side-by-side, there might be enough on the table for both sides to make a comprehensive bipartisan bill possible. However, hammering that out in time to attach it to the debt limit is unlikely. [Republicans are arguing](#), instead, that Congress should pass some portion of NEPA reform now and come back later on everything else. Without transmission in particular, anything beyond a narrow permitting package seems unlikely.

The status of safety-net restrictions is even more in flux -- while President Biden [mentioned some openness](#) to increasing work requirements, some Democrats, like Senator Fetterman (D-PA), [quickly pushed back](#), saying, "I didn't come here to take food away from hungry kids." It's hard to say if work requirements are really on the table right now, or what Democrats would do if President Biden agreed to some additional restrictions.

The vote counting at this point is unclear. On its own, a spending agreement that increases defense money while doing nothing for non-defense will be very difficult for the 100-plus member Congressional Progressive Caucus to stomach. Add in possible changes to bedrock environmental laws and new work requirements for safety-net programs and it's hard to see how they vote for that deal. If we also assume the 40-member House Freedom Caucus is likely to vote against this package, along with other Republicans in Trump-dominant districts who are worried about a primary challenge, then passage is truly up in the air. We believe both sides earnestly want to avoid default, but who is seen as coming out as the "winner" in this negotiation creates a very rocky pathway on the road to a successful conclusion.

Pioneer Clients in the news

Yesterday, Charm Industrial [announced \\$53 million in contracts](#) from several major companies (including Alphabet, McKinsey Sustainability, Meta, H&M Group, and Shopify) through Frontier to remove 112,000 tonnes of CO2 from the atmosphere by 2030. This is Frontier's first major purchase and is roughly 10x all permanent CO2 removals to date.

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