



## **Client Note: The calendar turns to spring and House GOP attacks bloom**

### **Anti-climate Congressional Review Act votes**

Since taking control of the House, Republicans have attacked climate policy through repealing administrative rules and by using powers under the Congressional Review Act (CRA). These Congressional resolutions (which are colloquially called CRAs, after the act) are an [oversight mechanism](#) used to rescind major rules recently promulgated by federal agencies.

CRAs have historically been most useful when a party has a majority in both chambers of Congress and recently flipped the White House – only a simple majority in each chamber is needed for passage, so it's easy to undo a predecessor's rules even with a bare majority. But even in times of divided government, the CRA can be a potent tool, allowing a majority party in the House or Senate to challenge the White House by forcing votes and even compelling vetoes in order to protect its rules and salvage its agenda.

It's no surprise then that Republicans have focused on using the CRA to try to roll back politically charged rules. Earlier this week, President Biden was forced to issue his first veto to preserve a Department of Labor (DOL) [rule](#) allowing retirement plan fiduciaries to consider environmental, social, and governance (ESG) factors when making investment decisions. Although the ESG CRA lacks the support to override the veto, it did get support from a Democratic [House member](#) as well as Senators Manchin and Tester.

Perhaps the biggest CRA threat to climate policy to date is a resolution to overturn a Department of Commerce rule, adopted pursuant to an [energy emergency executive order](#) from President Biden, that provided solar companies with a two year "bridge" to suspend retroactive tariffs on solar imports from Southeast Asia while the domestic industry ramps up. This is a tricky issue, as there is a confluence of anti-China and pro-domestic manufacturing politics that has already led to a few key Democrats [supporting](#) the CRA. Without this waiver, though, many solar projects will ground to a halt and tariffs will be retroactively assessed on some solar panels already installed on roofs and solar installations. While President Biden would certainly veto this CRA, strong Democratic support in either chamber would be a big step backward for climate policy and distract from the huge success story underway in which Made in America solar is already seeing a [renaissance driven by IRA tax incentives](#) – as are a number of other sectors, including [battery production](#).

But it doesn't stop there – there are a number of other anti-climate CRAs making their way through Congress:

- The House recently [passed](#) a resolution (with even more Democratic support than the ESG CRA) that would nullify the [Revised Definition of “Waters of the United States” rule](#), which is used to protect inland water sources, and could pass the Senate soon.
- Republicans introduced a CRA to overturn heavy-duty vehicle efficiency standards.
- Republicans have previewed a desire to put forward a CRA to overturn a Securities and Exchange Commission (SEC) [rule](#) that requires registrants to disclose certain climate-related risks about their business. Similar to the ESG rule, this SEC rule has become a constant Republican punching bag.

### **No clarity in Fed actions or debt limit fight**

This week the Federal Reserve had the unenviable task of deciding its rate-setting posture amidst the still-unsettled [fallout from the failures](#) of Silicon Valley Bank and Signature Bank. Chair Jerome Powell and the governors decided on a quarter-point increase on Wednesday (now reaching 5 percent), in an effort to convince the public that “[t]he U.S. banking system is sound and resilient” and that the bank failures were an anomaly, not a harbinger. Senators Elizabeth Warren and Rick Scott (odd bedfellows to say the least) are taking a “trust, but verify” approach, as they [joined forces on a bill to increase oversight](#) of the Fed and the Consumer Financial Protection Bureau with a new independent Inspector General for the two entities. Rest assured, this is only the start of Congress’s legislating on this issue.

Moving forward, the Fed has said it is unlikely to cut rates this year, but the market doesn’t believe it. The [market-priced expectation for interest rates](#) at the end of this year is a full percentage point lower than current policy. So, for the market to be right, it believes either the Fed is bluffing and will soon cut rates or that we’re headed toward a recession and the Fed will have to cut rates. Alternatively, if the Fed keeps rates high all year (as they’ve promised to do) the market is in for a reckoning.

Lastly, somehow the takeaway from House Republicans from all the banking sector drama has been [to double-down on their threats](#) to default on our nation’s debt unless massive spending cuts happen – despite still not having a plan of their own to offer. Expect this empty posturing to continue until we have a more firm deadline of when emergency measures from Treasury will run out (the X date), which may be sometime in May.

### **IPCC Report Released – the Cliffs Notes**

It’s easy to glaze over the many reports emphasizing the urgency of the climate crisis, but this key report that the Intergovernmental Panel on Climate Change (IPCC) released Monday is worth pausing for. The report is the IPCC’s final installment in a series of reports that make up the IPCC’s sixth assessment of the impacts of climate change since 1990. With the seventh assessment not expected until 2030, this report acts as the experts’ last ditch effort to push policymakers and individuals into taking more action to reduce emissions, this time underscoring the risks to future generations in order to spur progress. The chart at the bottom of [this](#) figure is getting a lot of attention, as it shows that those born in 1980 and later will see significant warming (potentially overshooting the 1.5 and 2 degree Celsius markers) in their lifetimes, and certainly in their children’s lifetimes, unless dramatic action is taken to reduce emissions beyond what countries have already committed to.

While the past couple of years have seen unprecedented progress on climate policy in the U.S., opponents here and abroad have prevented action at a pace that the IPCC says is needed to prevent catastrophic impacts on people, wildlife, the environment, food security, and more (you know, just the small stuff). Republicans have introduced a bill (H.R. 1) that proposes rolling back key IRA provisions. In the same vein, [the Guardian reported](#) that the Saudi Arabian delegation wanted to weaken the IPCC report's call for countries to reduce reliance on fossil fuels, and instead rely heavily on the use of CCS.

If you're interested in more details of the report, we found [this Washington Post article](#) helpful. You can find the full 85-page report and other (shorter) materials on the IPCC website [here](#).

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

This week, the Department of Energy (DOE) [announced](#) \$14 million in funding to support the development of high-impact technologies that convert domestic biomass and waste resources into affordable biofuels and bioproducts. The topic areas seek to address the research and development (R&D) needs of gasification technologies (emphasis on syngas conversion) and microbial conversion of renewable resources into chemical products (emphasis on commercial potential). Concept papers and full applications for the Conversion R&D funding opportunity must be submitted [here](#) by April 21 and June 16, respectively.

Additionally, DOE [issued](#) a notice of intent (NOI) for funding to boost the production of large metallic near net shape (NNS) components, increasing their ability to compete and commercialize in the domestic manufacturing base.

In case you missed it last week, DOE [announced](#) \$156 million for a multi-topic FOA to decrease emissions across the industrial sector. Lastly, concept papers for the [Carbon Capture Demonstration Projects Program](#) are due [here](#) by March 28.

For more details on additional FOAs open for applications, please see [this document](#).

### **Clients and Pioneer in the news**

Universal Hydrogen is still receiving [much-deserved attention in the press](#) following its test flight earlier this month. Check out their [video](#) from the day of the flight in Moses Lake, Washington.

As well, our very own Charlie Ellsworth was quoted in [The Hill](#) explaining Democrats' playbook on budget negotiations: *"Democrats are going to explain what budget cuts mean to everyday Americans and that's been the heart of Democratic messaging against austerity budgeting for years."*

### **Where in the world is Pioneer Public Affairs?**

Pioneer's President, Joe Britton, is in Albuquerque, NM this week for meetings with federal, state, and local officials in connection with planning of Universal Hydrogen's new manufacturing site at the Sunport.

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