



This Week's Climate Policy Update

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With U.S. elections rapidly approaching, presidential candidates are expected to foreshadow key aspects of their energy and environmental legislative and policy agendas. In particular, the Energy Permitting Reform Act of 2024 may prompt Vice President Kamala Harris to balance legislative progress with her environmental justice commitments. The proposed bill promises to expedite clean energy projects but also aids fossil fuel industries and potentially at odds with front-line environmental justice communities. While White House climate adviser John Podesta expresses cautious optimism about the bill's post-election prospects, environmental groups are calling on Harris to oppose the bill. Similarly, Harris' running mate, Minnesota Governor Tim Walz, takes a nuanced stance on mining projects near sensitive watersheds, balancing the difficult trade-offs in advancing clean energy mandates while maintaining resource development. This exhibits the complex negotiations required to align bipartisan support behind the democratic ticket's climate goals ahead of the presidential election.

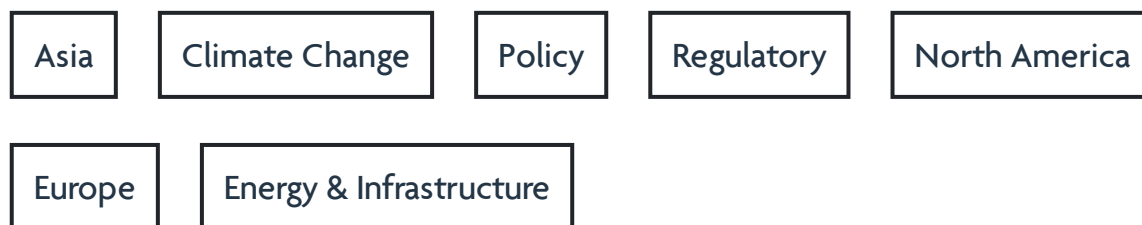
Meanwhile, the Federal Energy Regulatory Commission (FERC) faces 11 legal challenges consolidated in the 4th Circuit Court over its recent "transmission planning" Order 1920. The lawsuit carries significant implications for state versus federal jurisdiction in grid management as it will be one of the first material opportunities for judicial scrutiny of FERC's authority over transmission planning post-*Chevron*. The challenge to FERC Order 1920 aligns with the general difficulty the comes with siting and paying for transmission grid infrastructure. For example, an Illinois appellate court recently overturned the state's approval of the \$7 billion Grain Belt Express high-voltage power line project. The court's ruling is based on the developer's failure to prove its capability of financing the project, causing uncertainty about

the future of the transmission line. Anticipating such difficulties, New York and California seek to avoid delays in connecting renewables and electric vehicle infrastructure to the grid. New York is channeling federal funding towards connecting upstate renewables to demand centers in New York city, as well as expanding a substation in Brooklyn to accommodate offshore wind. California is setting new deadlines for utilities to connect electric vehicle chargers to the grid, and approving a plan to enhance grid reliability by giving the Western Energy Market more decision making power in its regional electricity markets. Additionally, California's Air Resources Board is proposing stricter standards for low-carbon fuels as both New York and California State governors contemplate relaxing climate disclosure and renewable energy laws. Governor Hochul also mentions a potential "New Nuclear Master Plan" due for announcement during Climate Week in September.

Even as New York and California continue to make strides on climate action, U.S. international climate relations with Mexico and China present challenges and uncertainty. The U.S.-China Financial Working Group will soon meet to address various areas of potential cooperation amid ongoing trade tensions, while Mexico's efforts to secure a tariff exemption for solar panel exports to the U.S. have stalled. The delay could potentially derail its plans to build a facility in the U.S. and lead Mexico to retaliate against U.S. exports.

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