



## This Week's Climate Policy Update | September 16-20, 2024

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Recent legislative and regulatory developments reflect ongoing tensions between environmental policies and economic priorities in the U.S. energy landscape. The House Energy and Commerce Committee's advancement of three resolutions targeting Environmental Protection Agency (EPA) rules on power plants, vehicle emissions and air quality standards marks a broader Republican effort to counter President Biden's environmental agenda, though these resolutions face likely vetoes. In contrast, House Speaker Mike Johnson has signaled openness to retaining certain green energy tax credits, reflecting a pragmatic approach as some Republican districts benefit from these investments. Simultaneously, bipartisan efforts to boost critical mineral production, led by Senators Hickenlooper and Tillis, aim to reduce U.S. reliance on Chinese imports, while the White House has raised tariffs on Chinese electric vehicles and solar products, a move seen as both protective of domestic industries and potentially disruptive to supply chains. Legal battles continue, as seen in the judicial blocking of the Interior Department's methane rule in five states and ongoing litigation over EPA's cross-state pollution rule, which the agency has been allowed to revise. Meanwhile, grid operators have expressed concerns that the EPA's carbon emissions rule could threaten power plant operations, pushing for legal revisions to protect grid reliability. Together, these developments reflect the broader debate over balancing environmental regulations with economic and energy security concerns.

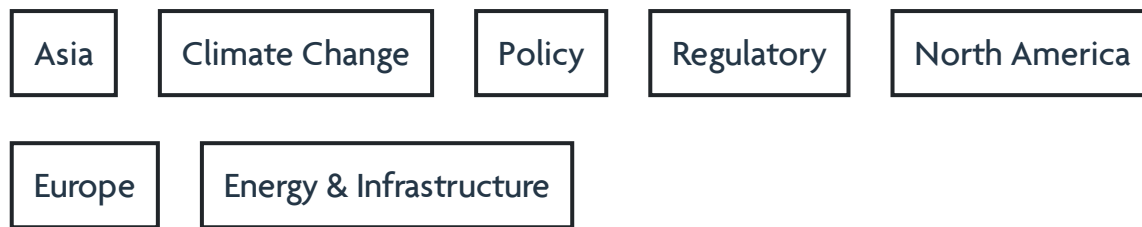
On the state level, Governors Jeff Landry of Louisiana and Chris Sununu of New Hampshire have launched the Governors' Coalition for Energy Choice, aiming to reduce regulatory barriers and promote affordable energy, with support from eight other governors. This

coalition stands in contrast to California Governor Gavin Newsom’s proposal to require refineries to store more gas, which has drawn criticism from the governors of Nevada and Arizona for potential cost increases—concerns Newsom dismissed as industry-driven. In California, environmental concerns continue as the state re-examines jet fuel emissions following pleas from airport workers affected by pollution, sparking a debate on environmental justice. Meanwhile, Washington Governor Jay Inslee is fighting to preserve his signature cap-and-trade law against a voter initiative that seeks its repeal, which could undermine clean energy funding. Lastly, Virginia’s legal battle over its exit from the Regional Greenhouse Gas Initiative underscores the tension between state-led carbon reduction efforts and opposition to regulatory frameworks perceived as burdensome.

While state approaches to tackling climate change continue to clash in the U.S., Azerbaijan has called for a climate “truce” as it prepares to host the global COP 29 conference. The country emphasized energy storage, green hydrogen and a fossil-fuel-backed climate fund to support developing nations, even as it faces criticism for its reliance on oil and gas. Meanwhile, the U.S. International Development Finance Corp. is considering increasing its investments in India’s clean energy sector, particularly in solar, wind and electric vehicles. In Europe, European Commission President Ursula von der Leyen has appointed a new team of commissioners focused on balancing security, economic growth and climate action. Spain’s Teresa Ribera will oversee antitrust and energy goals for the European Union (EU), while Denmark’s Dan Jorgensen will manage energy prices and lead housing initiatives. These developments reflect the complex global efforts to align economic growth with the urgent need to combat climate change.

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