



FEDERAL POLICY WORKING GROUP MEETING 11/09/22

Agenda

1. Initial Election Takeaways
2. Breakdown of Meetings w/ REEOs
3. Administration Activities
4. Legislative Landscape/Updates

Notes

1. Initial Election Takeaways

- Neither leadership positions in the US Senate Ctte on Natural Resources were facing reelection (Sen. Manchin and Sen. Barrasso)
- US House Ctte on Energy & Commerce Chair Frank Pallone has secured victory over Sue Kiley in NJ race, the same for House Ranking Member McMorris Rodgers.
- Final results will take days + to roll out. Generally and according to current results, the expected Republican wave did not materialize.
 - Democrats flipped the hotly contested Senate seat in PA with Fetterman beating Oz.
 - Republicans are still expected to flip the House, but **anticipated** majority has reduced to single digit #s. There is a long way to go to finish counting sufficient votes to understand who secures the majority in either chamber.
 - Senate:
 - **GA**: All signs point to a runoff election as GA requires a candidate to secure 50%+ of votes to win the election. With 95%+ of votes counted, incumbent Warnock leads Walker by just <1%, but remains ~.5% shy of the 50% margin. Runoff election would occur Dec. 6.
 - **AZ**: Incumbent Kelly leads by 5% over Republican challenger Masters with <70% of votes counted. Remaining ballots anticipated to be mail-in and provisional but AZ tends to vote heavily through mail, meaning it is unclear which direction the remaining ballots are likely to lean. A better understanding expected later today, but it took AZ over a week to call the results in the 2020 election.
 - **WI**: Results may be known this morning. 95% of votes counted giving incumbent Sen. Johnson a 1% margin.
 - **NV**: Republican candidate Laxalt leads with a nearly 3% margin over incumbent Morte Masto, but the remaining ~25% of votes remaining to be counted are mail-in and provisional ballots and are

expected to be Democrat-leaning. Still a tossup and results could take days if 2020 is any indication.

2. Breakdown of Meetings w/ REEOs

- Joe provided a breakdown of his meeting with other REEO/sister-trade associations from across the US - as we prepared for during the last Federal Policy Committee.

3. Administration Activities

On November 4, the Department of Energy (DOE), [announced](#) \$1.5 billion from President Biden's Inflation Reduction Act to build and upgrade America's national laboratories. The resources will upgrade scientific facilities, modernize infrastructure, and address deferred maintenance projects.

On November 2, the DOE announced they are seeking, through a joint Notice of Intent and [Request for Information](#), input on how to best leverage the Defense Production Act (DPA) and \$250 million of IRA funding for domestic heat pump manufacturing. The \$250 million is half of the funding appropriated for DPA investments. Responses to the RFI are due November 30, 2022.

On November 2, the DOE announced \$43 million for 23 projects to help communities plan their transition to a clean energy future and improve grid reliability and security. 20 research projects will focus on increasing communities' resilience. One of the other three is the The [Energyshed funding program](#) which aims to build data-driven tools to help communities shape their own energy future through better understanding of their current and future energy supply and demand landscape.

On November 2, the North American Electric Reliability Corp. (NERC) released its [Distributed Energy Resource Strategy](#). The Strategy outlines approaches, concepts and regulatory steps necessary for new aggregated generation to be connected to the bulk power system through 2031. Cybersecurity is highlighted as a key concern, particularly in the context of how aggregators of those generating resources will ensure they are not vulnerable to cybersecurity threats. A new white paper on the security impacts of DERs is expected in the second half of 2023, NERC said.

On October 25, the Federal Trade Commission (FTC) [asked for public comment](#) on requiring energy performance labels for additional product categories, including labels which detail energy use, efficiency and costs related to clothes dryers, air cleaners, "miscellaneous refrigerator products" such as wine chillers, residential ice makers, humidifiers, "miscellaneous gas products", cooktops, and electric spas. The FTC also asked whether labels should be required for "lower-brightness" lamps (<310 lumens, <30 watts).

On October 20, the Environmental Protection Agency (EPA) [proposed a rule](#) for allocating hydrofluorocarbon (HFC) allowances for 2024+. This proposal advances federal efforts to reduce HFC production and consumption by 85% by 2036.

On October 18, the Interior Department [announced](#) its plan to auction wind leases Dec. 6 off the state's central and northern coasts. This will be the first federal offshore wind lease sale in West Coast waters, covering five areas over 373,268 acres in the Morro Bay and Humboldt wind energy areas. The areas could support up to 4.5 GW of wind capacity and generate more than 15,879 GWh of energy per year.

On October 17, President Biden signed [S. 442](#) into law, requiring the General Services Administration to buy the "most life-cycle cost-effective and energy-efficient" lighting products for federal facilities and is applied to new buildings and lamp and fixture replacements. S. 442 passed the Senate by unanimous consent on March 30 and by a vote of 347-78 in the House on Sept. 14.

On October 12, the Biden Administration released their [national security strategy](#). Climate and energy security are major components of the strategy, including impacts of climate change on geopolitics.

4. Legislative Landscape/Updates

In order to gain control of the Senate and House, Republicans need to gain a net total of at least 1 and 5 seats respectively.

Representative McMorris Rodgers has said a Republican led House would "unleash American energy". Some of the House Republicans' strategy would incorporate the climate change [strategy](#) from earlier this summer. Some clear policy efforts would be to accelerate permitting timelines for energy projects and advancing inquiries into federal expenditures under the IRA. House Republicans have previously stated Sen. Manchin's earlier (and failed) [permitting reform proposal](#) did not go far enough (you'll recall the proposal drew ire from both sides of the aisle).

It's worth acknowledging a few contextual matters (the following notes are distillations of others' interpretations and expectations, not certainty or fact at this time):

- No Republicans (in either the House or the Senate) voted for the IRA - There are **rumblings** that there could be attempts by a Republican led House and/or Senate to repeal portions of even all of the IRA. These efforts, or at least broadly coordinated efforts, may be unlikely to materialize and very unlikely to succeed if they do materialize.
 - There do not appear to be any explicit plans to repeal parts or all of the IRA, however, talking points from Republicans paint the IRA in the light of a taxing and spending spree.
 - Were the above to be the case, and Republicans successful in passing some sort of repeal, President Biden would be expected to veto the bill. With that in mind, there are other mechanisms Congress could pull that could at least slow down progress on IRA implementation.
 - Speculation for now - but context and speculation worth keeping in mind.
- FERC Chairman Glick has been nominated for another term, however, Congress has yet to act on his nomination.

Next Meeting

Our next Federal Policy WG meeting will be on Wednesday December 14 at **8:15 am**.
Call-in coordinates are below.

[Zoom link](#)

Call-in: +13126266799,,83592457581#

Passcode: cedmc2022