

Northeast Public Power Association Legislative Update



November 2023

Mike Johnson Elected Speaker of the House

On Oct. 25, the House of Representatives elected Rep. Mike Johnson (R-LA) as Speaker of the House by a vote of 220-209, bringing an end to the three week period of uncertainty that followed the removal of Speaker Kevin McCarthy (R-CA). Following his swearing in, Speaker Johnson laid out an ambitious agenda that includes resuming votes on FY24 appropriations bills and a disaster aid package for Israel. Johnson has committed to advancing single appropriations bills and stated in an Oct. 23 memo that he expects FY24 spending negotiations to go well into next year. He would only pursue another stopgap measure that “expires Jan. 15 or Apr. 15 to ensure the Senate cannot jam the House with a Christmas omnibus,” The memo states. On energy policy, Speaker Johnson has a long history of working with the oil and gas industry, which is a large energy and economic stakeholder in his district in Louisiana.

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House Passes FY24 Energy-Water Appropriations Bill

The House approved its fifth FY24 funding measure, the Energy and Water Development appropriations bill, on Oct. 26 by a partisan vote of 210-199. Overall, the bill would provide \$56.958 billion in discretionary spending, nearly \$3 billion below President Biden’s FY24 request for these federal agencies and programs. A number of amendments were adopted that would block the Department of Energy (DOE) from implementing energy efficiency standards, and several controversial policy riders were included on this bill.

The provision that would block DOE from using funds to implement new conservation standards for distribution transformers was kept in the bill after an amendment to remove it was withdrawn. Nearly \$5 billion of rescissions to the Inflation Reduction Act were included, however. To appease hard-line conservative Republicans, the bill also saw cuts of \$1 billion in renewable energy accounts before it even reached the floor for consideration. A number of amendments to cut or block additional energy efficiency programs failed following an effort led by Conservative Climate Caucus Chair John Curtis (R-UT) to educate his fellow Republicans on the merits of the programs.

With significant top-line spending and policy differences between the Republican-led House and the Democrat-led Senate versions, the bills will need significant time and effort to be reconciled and conferenced. Congress will need to pass another Continuing Resolution to keep the government operating if the two chambers are unable to pass conferenced versions of each FY24 bill by Nov. 17.



Senate ENR Holds Hearing on BIL and IRA Decision-Making Processes

On Oct. 19, the Senate Energy and Natural Resources Committee held a hearing on the Department of Energy's (DOE) decision-making process to award loans and grant funding authorized by the Bipartisan Infrastructure Law and Inflation Reduction Act. The witnesses on the panel were David Crane, Undersecretary for Infrastructure, Jigar Shah, Director of the Loan Programs Office, and Teri Donaldson, Inspector General of DOE. Donaldson reported to the committee that she was "gravely concerned" that DOE is at risk of fraud and financial mismanagement due to the quick distribution of billions in grant funding being awarded, and that the agency risks unintentionally giving out money to companies controlled by China and Russia. In response to Donaldson, Committee Chair Joe Manchin (D-WV) criticized DOE for "throwing caution to the wind."

Sen. Alex Padilla (D-CA) asked Crane how DOE ensures that a "wide array" of applicants receive consideration. Crane pointed out that the recipients from the first round of funding from the Grid Resilience and Innovation Partnerships (GRIP) program included 58 projects in 44 states, and that for the second round, DOE would share a "gap analysis of needs left undone" by the first round. When asked if DOE would provide feedback to unsuccessful applicants so that they may be more competitive in the future, Crane noted that DOE received a high volume of applications and acknowledged the frustration from those who are unsuccessful, but agreed that DOE "would do its best to provide feedback."

House E&C Panel Advances Distribution Transformer Supply Chain Act, Nuclear Energy Bills

On Oct. 24, the House Energy and Commerce Subcommittee on Energy, Climate and Grid Security advanced the "Protecting America's Distribution Transformer Supply Chain Act," which would block DOE from finalizing any proposed rules to increase conservation standards for distribution transformers for five years, as well as a series of 12 bills that would help streamline the licensing, permitting, and deployment processes for advanced nuclear reactors. The bills will now go to the full committee for consideration and if approved, will be eligible for consideration on the House floor. Notably, the nuclear bills advanced on a bipartisan basis, while the transformers bill was approved on a party-line vote.

