

Northeast Public Power Association Legislative Update



October 2024

Congress Passes “Clean” CR, Averting a Government Shutdown

On Sept. 25, in its final action before adjourning for the final weeks of campaigning before the November elections, Congress passed a short-term continuing resolution (CR) to fund the government until Dec. 20. President Biden was quick to sign the stopgap funding measure, which funds the government largely at current levels and does not include any partisan riders, supplemental emergency funding, or Farm Bill extensions. Although some lawmakers expressed concern over the CR’s lack of additional disaster relief funding, the funding measure passed with bipartisan support by a vote of 341-82 in the House, and 78-18 in the Senate. With a “clean” CR, every major funding battle remains up in the air for FY25, and Speaker Mike Johnson (R-LA) has indicated that the House will not approve a “Christmas omnibus” in the lame duck period. Negotiations on topline funding levels are expected to ramp up after Election Day on Nov. 5, with the outcome of the elections likely to influence whether lawmakers want to address funding issues in December or kick final decisions to the new Congress. Adding to the already challenging negotiations, lawmakers will also need to raise the debt ceiling, which was suspended until January 1, 2025, under the 2023 Fiscal Responsibility Act.

House Republicans Call for Farm Bill Vote

On Sept. 26, 140 House Republicans (a majority of the House Republican Conference) sent a letter to GOP leadership calling for a vote on the 2024 Farm Bill before Congress adjourns at the end of the year. Lawmakers are under pressure to act on the bill to reauthorize agricultural, conservation, forestry, and rural energy programs that would expire at the end of the fiscal year on Sept. 30. The Farm Bill is typically reauthorized every five years, and the previous authorization is already running on a one-year extension after an initial expiration last year. A short expiration would not have a major impact on farmers, but advocates say programs would be more seriously disrupted if no Farm Bill is in place by early 2025. The letter highlights House Agriculture Committee Chair G.T. Thompson’s (R-PA) version of the Farm Bill, which was reported by the committee in May, and says passing that bill “or similar legislation” should be a priority after the November elections.

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Still, challenges remain with continued partisan disagreements among lawmakers over directing Farm Bill conservation funds toward actions to combat climate change, among other things.

Senators File 1,100+ Amendments for the FY25 NDAA

Senators have filed over 1,100 amendments for the FY25 National Defense Authorization Act (NDAA), with lawmakers hoping to use the must-pass legislation to advance their policy priorities given the little time remaining in the 118th Congress. Of those amendments, around 100 are focused on energy and the environment. Republican amendments include proposals to increase liquefied natural gas exports to friendly countries and expand mining on federal lands, and Democratic amendments focus on abandoned mine remediation and addressing increasing energy demand from AI and data centers. Although the majority of the proposed amendments will likely not be voted on, they serve as a marker of lawmakers' priorities on climate, the energy transition, and natural resources. Prime contenders for success include Sens. Joe Manchin (I-WV) and John Barrasso's (R-WY) energy permitting reform bill, as well as the 2024 Water Resources Development Act (WRDA). Measures to use AI for federal energy permitting processes, extend Defense Production Act authorization for clean energy manufacturing, create a revenue-sharing system for offshore energy, and more are also among the initiatives that may be attached to the Senate's FY25 NDAA. The House passed its version of the NDAA in June, which contained several provisions targeting the Biden administration's executive orders on climate, as well as measures to boost critical mineral procurement, support nuclear power, and improve military installations' resilience. The two chambers will ramp up negotiations to pass a compromise version of the FY25 NDAA following the November elections.

Speaker Johnson Indicates Support for Preserving Some IRA Energy Tax Credits

While talking with reporters on Sept. 17, Speaker Mike Johnson (R-LA) stated that he is open to preserving some of the energy tax credits authorized in the Inflation Reduction Act. The comments followed a broader speech Johnson gave on the economy and upcoming 2025 tax package negotiations at an event hosted by the conservative non-profit think tank, America First Policy Institute. Johnson declined to comment on which specific provisions he would want to preserve but stated that “[Congress] has got to use a scalpel and not a sledgehammer, because there’s a few provisions in there that have helped overall.” Johnson’s comments also come on the heels of a letter sent by 18 House Republicans last month highlighting their support for the IRA energy tax credits, claiming that prematurely repealing them would stop ongoing infrastructure projects and undermine investments.

FEMA Faces Funding Shortfall as Disaster Costs Rise

The Federal Emergency Management Agency (FEMA) is facing another funding shortfall in the face of recent disasters in the U.S., most recently Hurricane Helene. President Biden has issued a Major Disaster Declaration in Florida, North Carolina, and South Carolina, in addition to Emergency Declarations in those states and Alabama, Georgia, Tennessee, and Virginia. The short-term continuing resolution (CR) passed by Congress on Sept. 25 provided some funding for FEMA's Disaster Relief Fund; however, it did not include the additional funding requested by the Biden administration for disaster response. Without an infusion of funding, FEMA will likely have to go back to “Immediate Needs Funding” -- which forces the agency to prioritize lifesaving operations while pausing long-term recovery projects from past disasters -- as it was before the CR was passed. FEMA is projecting a nearly \$3 billion deficit by February and a \$22.6 billion deficit by next September, in part from a backlog of deferred payouts.



Current estimates project that Hurricane Helene will cost up to \$160 billion in damages and economic loss. As costs and damages mount, President Biden is also considering calling Congress back to Washington for an emergency session to approve new disaster relief funding.

House Passes Chips Factory Permitting Bill

On Sept. 23, the House approved S. 2228, the “Building Chips in America Act of 2023,” by a vote of 257-125. The bipartisan legislation aims to ease permitting laws to help support the construction of semiconductor factories in the U.S., exempting certain chips plants from environmental review. During debate, House Natural Resources Committee Chair Bruce Westerman (R-AR) criticized the bill as a “carve-out” for a single industry and called for broader National Environmental Policy Act reform to expedite permitting processes for energy, infrastructure, broadband, and other projects as well. Energy and Commerce Committee Ranking Member Frank Pallone (D-NJ) and Rep. Summer Lee (D-PA) also argued that the legislation would lead to polluted sites. Ultimately, the bill passed on a bipartisan basis, with 79 Democrats joining 178 Republicans in support of the bill. Having been passed by unanimous consent in the Senate last year, the bill now heads to President Biden, who has indicated he will sign the bill.

Senate Committee Holds a Hearing on Fusion Energy Technology

On Sept. 19, the Senate Energy and Natural Resources Committee held a hearing focused on fusion energy technology. The hearing saw both lawmakers and advocates highlight fusion as a promising zero-carbon energy source, with fusion boosters calling for a federal “fusion advantage initiative” to capitalize on its potential. Lawmakers also expressed a desire to ensure that China does not gain a competitive supply chain advantage for fusion technology – an angle that might help fusion advocates build bipartisan support for the technology, although some lawmakers still expressed skepticism that fusion has not yet proved it can be commercially viable. In the nearer-term, advocates hope to see lawmakers expand the Inflation Reduction Act’s 45X tax credit for domestic production of materials related to clean and renewable energy to include fusion, as well as an increase in Department of Energy funding for fusion energy research, which was increased to \$790 million in FY24.

