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Senate Appropriations Committee Advances Several FY25 Appropriations Bills

The Senate Appropriations Committee has been working in earnest to send its FY25 appropriations bills to a floor vote, having now advanced eleven of the twelve bills for floor consideration – with Homeland Security still awaiting full committee markup and approval. On July 25, the committee approved four appropriations bills, including its \$44.6 billion Interior-Environment appropriations bill. Whereas the House version of the bill (which was passed by the lower chamber late on July 24) slashes funding for the Environmental Protection Agency (EPA), the Senate version would slightly increase funding for both EPA and the Interior Department. Senate Appropriations advanced four more of its FY25 appropriations bills on Aug. 1, including its \$61.5 billion Energy-Water appropriations bill (with over \$2 billion more in funding than the House version), which was reported unanimously. The Senate Energy-Water bill would boost the Department of Energy's (DOE) funding by nearly \$300 million from FY24 levels, including, among other things, a \$360 million increase for the Office of Science, \$34.5 million for technology transfer and commercialization efforts, \$200 million to strengthen the security of the energy sector and resilience of the electric grid, and \$70 million for the Office of Indian Energy Policy and Programs. The bill would also keep funding for DOE's energy efficiency and renewable energy programs in line with current fiscal year levels at \$3.46 billion, as well as provide roughly \$1.68 billion for nuclear energy research and development, including \$800 million in repurposed supplemental emergency funding for the advanced reactor demonstration program and nuclear fuel development. The Senate has yet to pass any of its funding bills on the floor, whereas the House has approved five of its FY25 appropriations bills. However, House GOP leaders have faced problems passing several of their remaining bills, leading them to cancel votes on the chamber's Energy-Water bill and several others before adjourning early for August recess. With major differences in top-line spending totals, the two chambers will face challenging negotiations when returning from August recess, and Congress is already having discussions about passing a Continuing Resolution (CR) when lawmakers return to the Hill, as there will only be a few weeks remaining with the fiscal year ending on Sept. 30.

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Senate Energy and Natural Resources Committee Advances Permitting Reform Bill

On July 31, the Senate Energy and Natural Resources (ENR) Committee approved S. 4753, the “Energy Permitting Reform Act,” by a vote of 15-4. Among the four nay votes include Sen. Bernie Sanders (I-VT). The long-awaited legislation, negotiated by ENR Chairman Joe Manchin (I-WV) and Ranking Member John Barrasso (R-WY), aims to update permitting rules to accelerate energy infrastructure development, incorporating Democratic priorities such as expanding interstate transmission lines to connect new renewable energy sources to the grid, as well as Republican-backed provisions that would allow for increased access to oil, gas, and coal on federal lands. While more than 60 amendments were being floated leading up to markup, members did not offer all their amendments, or introduced them but later withdrew them as the panel leaders wanted to keep the legislation as intact as possible for committee passage. Among the amendments that passed included the manager’s amendment, and an amendment from Sen. Steve Daines (R-MT) to apply the 150-day statute of limitations for lawsuits to certain forestry projects, in addition to energy projects covered by the bill. Lawmakers also spent considerable time discussing the bill’s hydropower provisions, including an amendment by Sen. Daines to confirm hydropower as a renewable resource (which failed 8-11). During this discussion, Sen. Manchin reiterated his support for hydropower generally, but noted that the hydropower title came together at the last minute; he emphasized the need to “get the language right” and committed to working with panel members ahead of a floor vote. Sen. Lisa Murkowski (R-AK) also offered several amendments on hydropower licensing reform but withdrew them following Manchin’s commitment. Sens. Manchin and Barrasso both expressed optimism about the bill and its anticipated impact, despite previous efforts to pass permitting reform legislation having stalled in Congress, but the bill still faces a difficult path forward if it is brought to the Senate floor for consideration and debate.

Senate Finance Examines Federal Tax Policies to Aid Local Economic Development

On July 30, the Senate Finance Committee held a hearing on ways federal tax policies could aid in local economic development. Among the witnesses included was Lashea Lofton, Deputy City Manager for the City of Dayton, Ohio, who testified on the importance of maintaining the tax exemption of municipal bonds and restoring advance refunding of tax-exempt bonds, which was repealed in the 2017 Tax Cuts and Jobs Act. Lofton noted that tax-exempt bonds issued by state and local governments and nonprofit entities have financed over three-quarters of our nation’s infrastructure. Chairman Ron Wyden (D-OR) noted that the tax code gives a lot of tools to build a strong economy and that the “tax-exemption for municipal bonds is a key tool, helping local governments finance priorities like infrastructure and utility projects,” and that he opposes Republican efforts to repeal the tax exemption. With much of the 2017 tax law expiring next year, lawmakers on the Senate Finance panel are already having private negotiations on the upcoming tax package, with efforts expected to ramp up following the November elections.

Commissioner Chang Sworn in, Bringing FERC to Full Commissioner Complement

On July 15, the third and final of President Biden’s recently confirmed Federal Energy Regulatory Commission nominees, Judy Chang, was sworn in as a FERC commissioner. Chang fills the seat of former Commissioner Allison Clements, whose term ended June 30. Commissioners David Rosner and Lindsay See, Biden’s other two nominees to the Commission, were sworn in June 17 and June 28, respectively.

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Commissioners Chang and See joined FERC for their first meeting as commissioners at the Commission's July 25 Open Meeting, although they refrained from voting on any matters (as Commissioner Rosner did at FERC's June open meeting), as is typical of commissioners during their first meeting as officials. With Commissioner Chang's swearing in, FERC has its full panel of five commissioners for the first time since former Chair Richard Glick's departure in 2022, with FERC Chair Willie Phillips leading the Commission with a 3-2 split favoring Democrats.

OIRA Releases Spring Unified Agenda

On July 5, the Office of Information and Regulatory Affairs (OIRA) released the spring Unified Agenda, a semi-annual regulatory schedule for all federal agencies. Many of the Biden administration's major rules were finalized in recent months to shield them from potential Congressional Review Act nullification, and the next major wave of regulations is not expected until after the elections. Of interest to electric utilities, regulations covering greenhouse gas emissions from existing natural gas-fired power plants are expected to be proposed in December, with no target date for a final rule. A rule implementing the methane fee for oil and gas facilities, instituted under the Inflation Reduction Act, is expected to be finalized in December as well, among other anticipated rules and regulations. Target dates in the Unified Agenda tend to be approximate – and often fall behind – but they do offer insight into where agencies are expected to put their resources in the coming months.

President Biden Drops Out of the 2024 Presidential Election; President Trump Accepts Republican Nomination at RNC

In a statement released July 21, President Joe Biden announced that he is dropping out of the 2024 presidential election, writing that he believes it is in the best interest of the Democratic Party and the country “to stand down and to focus on fulfilling [his] duties as President for the remainder of [his] term.” The announcement followed weeks of mounting pressure for Biden to drop out of the race, including from many Democratic lawmakers. Biden also endorsed Vice President Kamala Harris to become the Democrats’ presidential nominee. That endorsement has helped Harris to secure enough delegates for the nomination during the Democratic National Convention being held in August. The Republican National Convention was held July 15-18 in Milwaukee, Wisconsin, where President Trump formally accepted the Republican nomination for the presidential election and announced Sen. J.D. Vance (R-OH) as his pick for Vice President. Harris has also announced her pick for Vice President, Minnesota Governor Tim Walz (D), setting the rest of the stage for the November presidential election. Broader political dynamics of the 2024 elections will continue to shift as these events continue to unfold in the coming months.

