



Energy and Environment

What to Watch For

During the first two years of President Biden's tenure, Congress passed the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA). IIJA includes limited energy and environment provisions targeted at infrastructure (environmental remediation, low emission buses and ferries, charging stations). The IRA is projected to provide between \$741 billion and \$1.9 trillion in climate-related incentives by 2050. Key provisions include solar panel, wind turbine, battery, and critical minerals processing manufacturing tax credits, zero-emission nuclear power production credits, the Greenhouse Gas Reduction Fund, Methane Emissions Reduction Program, and more.

Energy

Oversight of the Department of Energy

Energy and Commerce (E&C) Committee Republicans have voiced concerns about potential wasteful spending on renewable energy projects and other Department of Energy (DOE) initiatives authorized by the IRA. On October 10, E&C Republicans requested details of DOE loan programs, including lists of all current loans, explanations of review processes, and risk assessments. There will likely be heightened oversight of the DOE and use of IRA funds over the 118th congress.

Domestic Energy Production

Inflation's impact on rising energy prices could lead to policies aimed at increasing domestic fossil fuel production and boosting exports of U.S. liquefied natural gas.

Permitting Changes

West Virginia Sen. Joe Manchin (D-WV) and Sen. Shelley Moore Capito (R-WV) will likely try to negotiate an energy permitting reform bill before the end of the 117th Congress. Part of the agreement in Manchin's support for the IRA was that Leader Schumer would bring energy permitting reform to a vote. We can expect to see this happen during the lame duck session.

Environment

Oversight of the Department of Interior

On October 17, House Committee on Natural Resources Ranking Member Bruce Westerman (R-AK) released a statement on plans to investigate the Department of Interior. According to the statement, “the oversight team on our committee has requested 193 documents or pieces of information from the Department of the Interior (DOI) and received only 32 substantive responses, leaving 161 outstanding requests.” This will likely remain a priority of the Committee once the GOP is in the majority.

WOTUS

In November 2021, the Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers announced the signing of a proposed rule to revise the definition of the “waters of the U.S. (WOTUS),” putting back into place the pre-2015 definition updated to reflect consideration of Supreme Court decisions. A new Navigable Waters Protection Rule took effect in June 2020. During the 2020 presidential campaign, the Biden team indicated that the new rule would be reviewed, and “previous exemptions and exclusions upon which the agricultural community” relied upon will be maintained. The proposed rule will also need to be consistent with the ruling in *Sackett v. Environmental Protection Agency*, a case challenging the jurisdictional test for WOTUS, for which a decision is expected by the Supreme Court by July 2023.

Congressional Leadership Changes

While House Minority Leader Kevin McCarthy (R-CA) has not publicly said he will disband the Select Committee on the Climate Crisis, it will likely look different under GOP leadership. There are reports the Select committee would likely have a different name such as the Select Committee on Energy Security and Independence and focus on boosting America’s oil and gas production.

Rep. Cathy McMorris Rodgers (R-WA), current Ranking Member, is seen as the most likely person to take over as Chair of the Energy and Commerce Committee, with current Chair Frank Pallone (D-NJ) serving as Ranking Member.

The balance of power in the Senate is currently uncertain. If Democrats retain their majority, it is expected that Sen. Joe Manchin (D-WV) will continue as Chair of the Energy and Natural Resources Committee, with Sen. John Barrasso (R-WY) remaining Ranking Member. If Republicans win the majority, Barrasso will be Chairman.

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