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ARIZONA POWER AUTHORITY

1810 W. ADAMS STREET
PHOENIX, AZ 85007-2697
(602) 368-4265

WWW.POWERAUTHORITY.ORG

Executive Director **Federal** Update –February/March 2021

Articles may be edited for content

TOP NEWS:

Yesterday, Congress passed the “American Rescue Plan” comprising \$1.9 trillion in COVID-19 relief measures. It is expected to be signed by President Biden on Friday. Among other things, the bill includes \$1,400 stimulus checks for most individuals, expanded unemployment insurance, child care aid and tax credits, funding for the Paycheck Protection Program, expanded health care subsidies, and funds for vaccine rollouts and school re-openings. The bill also includes \$350 billion for state and local governments, which can be further allocated to political subdivisions, \$4.5 billion for the Low-Income Home Energy Assistance Program (LIHEAP), \$19 billion to help renters with rent and utility payments, and \$9.61 billion to aid homeowners with mortgage and utility payments. Governmental employers would also be able to access payroll tax credits for emergency paid sick and family leave going forward. Final votes were 220-211 in the House and 50-49 in the Senate, reflecting party-line votes.

Committee Set To Become Energy, Environment Battleground

George Cahlink, Emma Dumain and Jeremy Dillon, E&E News reporters: February 16, 2021

The Senate Democratic takeover and several retirements will make the Appropriations Committee fertile ground over the next two years for some of the sharpest debates over President Biden's energy and environmental agenda.

Nine of 12 subcommittee chairs (cardinals in Washington-speak) will be new party leaders on their respective panels. In other words, they were not ranking members last year. They include Sen. Jeff Merkley (D-Ore.), who will lead the Interior and Environment Appropriations Subcommittee.

Additionally, Sen. John Kennedy (R-La.) will replace retired Sen. Lamar Alexander (R-Tenn.) as the ranking member on the Energy and Water Development Subcommittee ([Greenwire](#), Feb. 12).

As a divided Congress has struggled to pass major legislation in recent years, spending bills have taken on increased importance. They have become the venue for high-profile fights over climate change and the boundaries of energy exploration.

Merkley Sees Emergency

Merkley, a progressive who has made climate change a priority since joining the Senate in 2009, could push the Biden White House even further on the environment.

Merkley, for example, has joined progressives like Sen. Bernie Sanders (I-Vt.) and Rep. Alexandria Ocasio-Cortez (D-N.Y.) in asking for Biden to declare climate change a national emergency. Merkley also favors the Green New Deal.

The Oregon Democrat said he sees a huge opening to make more solar panels and wind turbines domestically as part of that effort.

Merkley, who replaces Sen. Tom Udall (D-N.M.), who retired, said he also views addressing climate change and creating more healthy forests as steps toward combating wildfires that have devastated Oregon in recent years.

In the latest spending bill, Merkley says, he helped to secure \$2.5 billion for fire suppression efforts as well as \$40 million for the Collaborative Forest Landscape Restoration Program.

Merkley has been active in securing federal dollars for improving the fish habitat along his state's Klamath River, in part by removing dams.

Merkley has in the past sponsored legislation to ban all oil and gas drilling on federal lands. His view is far more restrictive than the one currently being pursued by the Biden administration, which is now opting for a "pause" while it reconsiders the federal leasing program.

Energy-Water Makeover

Sen. Dianne Feinstein (D-Calif.), who will reclaim the Energy and Water Development gavel, is likely to reemphasize the Department of Energy's role in clean energy research, while also looking to rein in spending on the nuclear weapons side of the equation.

Kennedy, however, has already signaled that he wants to use the perch to needle Biden energy policies. "I intend to use my position on this subcommittee to stop President Biden's war on energy jobs and keep America energy independent," Kennedy said in his statement.

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Biden's Conservation Push Could Trigger State Backlash

Jennifer Yachnin, E&E News reporter Published: February 12, 2021

While proponents of dismantling the federal estate have largely halted their efforts in recent years — satisfied by the Trump administration's rollback of protections on public lands — a bill before Montana state lawmakers this week hints at a movement that could be rekindling.

State Rep. Steve Gunderson, a Republican who represents a northwestern Montana district, wants fellow lawmakers to pass a bill that would prohibit the sale of any federal land granted or transferred to the Treasure State.

On its surface, the [single page](#) proposal aims to prevent the state from obtaining public lands and then turning around to sell them off.

But opponents of the measure — environmentalists who stopped a nearly identical proposal in 2015 — assert it is actually intended by anti-public land advocates as a first step in breaking apart the nation's 606.5 million acres of federal lands and putting them under state control.

Observers outside Montana this week suggested the measure could be the first sign of a resurging anti-public lands movement across the West — where the Bureau of Land Management is responsible for more than 244 million acres of federal lands, across 11 states and Alaska — particularly as President Biden commits to an aggressive conservation platform.

The latest chapter

As one of his first moves after taking office, Biden committed to a "30 by 30" goal, or setting aside 30% of the nation's lands and waters in a natural state in the next decade.

This pledge could reinspire efforts from people who believe too much land is already under federal government control, experts said.

Efforts to break up the federal estate surged during the Obama administration, including notable efforts like Utah lawmakers' approval of plans to sue the federal government for control of lands within their state's borders. But that spark largely went out after President Trump assumed office ([Greenwire](#), Feb. 27, 2017).

Although a vocal opponent of the sale of federal lands, Trump won approval for rolling back protections on more than 2 million acres of national monument lands in Utah and weakening protections like the National Environmental Policy Act.

In the meantime, an E&E News review of current legislation across Western states shows at least two proposals that likewise seek to reduce LWCF's potential impacts. These measures were crafted in the wake of Trump last year signing the Great American Outdoors Act, which guarantees permanent, full funding annually for the LWCF that can be used for federal, state and local land purchases.

A lawmaker in Arizona is once again pushing legislation to block the addition of new federal lands in that state, while one Montana lawmaker is also considering a similar bill.

Republican Arizona state Rep. Mark Finchem (R) — an outspoken critic of what he sees as federal underpayment for the more than 28 million acres of nontaxable public lands in his state — reintroduced a proposal this month that would give the state government veto power over new federal lands ([Greenwire](#), Feb. 21, 2019).

The measure, H.B. 2702, would mandate that the governor and state Legislature approve the transfer of "any Arizona lands" to a federal agency "if the transfer negatively affects state or local property tax rolls."

When he first introduced the measure in 2020, Finchem told the Arizona Daily Star he did so in anticipation of permanent funding for the Land and Water Conservation Fund.

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Punchbowl AM

John Bresnahan, Anna Palmer & Jake Sherman February 15, 2021

Democrats are bringing earmarks back. And they're trying to clean them up.

Rep. Rosa DeLauro (D-Conn.) and Sen. **Patrick Leahy** (D-Vt.), the new chairs of the House and Senate Appropriations panels, will announce in the coming weeks that Democrats will reinstate earmarks -- also known as "member-directed spending" -- in next fiscal year's spending bills.

Democrats say they will be transparent and disclose the details of each earmark -- who requested it, and which entity would get the money. Members cannot request earmarks for entities to which they have financial ties. And Congress will not allow earmarks for for-profit institutions, such as private companies. Earmarks will be limited to state and local governments and nonprofits that carry out quasi-government functions. There will be limits on how much of each spending bill can be allocated toward earmarks.

Republicans ended earmarks when they took control of the House in 2011 following years of controversy. (Remember the infamous "Bridge to Nowhere?" Shout out to **Don Young!**) Then-Speaker **John Boehner** (R-Ohio) was fine with banning the practice since he never sought earmarks anyway. Around that time, Senate Republicans came under pressure to adopt the same stance as their House counterparts. They eventually did.

There have been calls to bring back earmarks under limited circumstances in the last decade. Banning the practice stripped congressional leaders of a powerful tool. There was never the political will to bring them back -- until now. In fact, the Senate Republican Conference endorsed a permanent ban on earmarks last Congress, so it's not clear what the GOP reaction will be. Publicly, it'll likely be negative. In private, maybe not so much.

How will this impact D.C.? This is a big deal for a lot of reasons. This will rejuvenate a whole line of business for lobbying shops. Appropriations lobbying was once a very lucrative corner of the influence market -- that will come back now.

This has the potential to make life easier for the leadership. Earmarks are a carrot to help convince lawmakers to vote for spending bills. They can also be a stick for problematic members. The new policy also makes DeLauro and Leahy quite powerful -- they will have a huge say in which projects get funded, and which don't.

Here's a question worth pondering: will House Minority Leader **Kevin McCarthy** allow his lawmakers to take earmarks, or will he use this as an opportunity to try to set Republicans apart? Rule 30 of the House GOP rules ban Republicans requesting earmarks. But there are many Republicans who will want to change that given the shifting politics.

Congressman Hopes Politics Align on Divisive Northwest Dams

February 15, 2021 By Nicholas K. Geranios

Spokane, Wash. (AP) -- Nearly two decades ago, Republican President George W. Bush stood on a bank of the Snake River near Pasco, Washington, and declared that four hydroelectric dams would not be torn down on his watch, though many blamed them for killing endangered salmon.

This month, Republican U.S. Rep. Mike Simpson of Idaho issued a bold plan that called for removing those same dams to save the salmon. In between those two acts were decades of litigation that show no sign of ending and \$17 billion worth of improvements to the dams that did little to help fish.

Now the question is: Can Simpson's plan win approval from Congress and the Biden administration and help save an iconic Pacific Northwest species from extinction?

Other Republicans are vowing to save the dams. Democrats have come out in support of Simpson's plan, which calls for spending \$33 billion to breach four dams, replace the lost hydroelectric energy with other sources and ensure that irrigation, river navigation and flood control will continue as before.

The issue of what to do with the Snake River dams has long divided the Pacific Northwest, with Democrats generally siding with saving the salmon and Republicans saying it's foolish to remove hydropower resources in the era of climate change.

Biden Plea to Remake Grid Boosted Amid Crisis

By Zachary Sherwood and Kellie Lunney February 17, 2021

The icy weather that left millions without power in Texas has critics of the Biden administration's fight against climate change blaming renewable energy, but the failures have more to do with an ill-prepared power grid and shortfalls in traditional electricity sources.

Energy analysts and experts said the blackouts in Texas underscore the U.S. electric system's need for more of almost everything, from additional power lines criss-crossing the country to large-scale storage systems that can supply electricity when demand spikes or renewable generation declines.

That could give at least a rhetorical boost to President Joe Biden's plans for a "historic investment" in the nation's electric grid, including better transmission systems and battery storage that would make the system more resilient amid extreme weather spurred by climate change. The investments broadly touted by Biden could help satisfy his 2035 goal of an emissions-free power system and help meet increased demand nationwide as more electric vehicles hit the roads and more buildings rely on power instead of natural gas for heat.

The administration is set to unveil a blueprint for infrastructure spending, including investments in the nation's electrical grid, within weeks.

The nation's grid evolved from a patchwork of local power systems that weren't meant to serve distant customers. "So cities and even some times neighborhoods have their own systems," Rhodes said.

The downside of that approach became apparent in Texas as temperatures plunged into single digits. Regional power sources weren't able to meet the demand as residents cranked up thermostats, straining supplies of electricity in the state known as the energy capital of the U.S. Grid operators were forced to implement rolling blackouts as wind turbines in West Texas froze up and natural gas, coal and nuclear power plants went offline.

Regulators to Open Inquiry Into Grid's Performance: The Federal Energy Regulatory Commission and the North American Electric Reliability Corporation will open a joint inquiry into operations of the bulk-power system, FERC said in a statement, Simon Casey reports.

Lawmakers Launch Wildfire Caucus, Push Response Bills

Marc Heller, E&E News reporter Published: Wednesday, February 17, 2021

Two House lawmakers have launched a bipartisan wildfire-related caucus, kicking off the effort with legislation to help communities recovering from fires.

Reps. Joe Neguse (D-Colo.) and John Curtis (R-Utah) are starting the Bipartisan Wildfire Caucus, which they said will raise awareness and attempt to build consensus around wildfire management and preparation.

Eight other House members have joined, they said, and membership is required to be equal for Democrats and Republicans.

Citing the creation of the caucus, the co-chairmen reintroduced a bill aimed at helping communities hit hard by wildfires last year.

The measure, called the "Wildfire Recovery Act" (H.R. 1066), would allow for federal cost shares greater than the 75% currently outlined in regulations for the Federal Emergency Management Agency. That would ease the cost for communities already dealing with the aftermath of such disasters, a spokesperson for Neguse told E&E News.

The bill is a reintroduction of H.R. 8945 from the end of last year, which hadn't yet attracted co-sponsors.

The caucus so far comprises Reps. Peter DeFazio (D-Ore.), [Ann Kirkpatrick \(D-Ariz.\)](#), Doug LaMalfa (R-Calif.), [Tom O'Halleran \(D-Ariz.\)](#), Blake Moore (R-Utah), Kurt Schrader (D-Ore.), Mike Simpson (R-Idaho) and Chris Stewart (R-Utah).

Wildfire legislation is starting to pile up for the new Congress. LaMalfa has introduced a pair of bills to prevent environmental reviews from hampering mitigation efforts (E&E Daily, Feb. 10). Sen. Dianne Feinstein (D-Calif.) has a bill to scrap certain firefighter pay caps.

Fight Over Klamath River Dam Removal Project Goes To Federal Regulators

Updated: Feb 16, 2021 Posted By: Jamie Parfitt

KLAMATH FALLS, Ore. — A renewed push to remove a series of hydroelectric dams along the Klamath River is now in the hands of federal regulators, but some local lawmakers are lobbying in opposition to the project.

The proposal to remove four PacifiCorp dams on the Klamath River has been years in the making, with stakeholders represented by the nonprofit Klamath River Renewal Corporation (KRRC) arguing that it would help native fish populations to rebound.

In July of 2020, the Federal Energy Regulatory Commission (FERC) [issued a rebuttal to the original proposal](#) — stipulating that PacifiCorp, which wished to be completely excised from the process after transferring ownership, must remain a co-licensee in order to aid in covering any major liability. The decision threatened to scuttle the dam removal project.

Grijalva Fills Out Natural Resources Committee Leadership Positions

By Anthony Adragna 02/17/2021

The House Natural Resources Committee on Wednesday elevated Rep. Joe Neguse (D-Colo.), fresh off his high profile role in the trial of former President Donald Trump, to lead its public lands subcommittee and Rep. Katie Porter (D-Calif.) to lead its oversight subpanel.

More picks: Freshman Rep. Teresa Leger Fernandez (D-N.M.) will lead the Indigenous Peoples Subcommittee, while Rep. Chuy García (D-Ill.) will be vice chair of the full committee. Rep. Jared Huffman (D-Calif.) remains chair of the Water, Oceans and Wildlife Subcommittee and Rep. Alan Lowenthal (D-Calif.) sticks with Energy and Mineral Resources Subcommittee.

Garcia replaces Rep. Deb Haaland (D-N.M.), President Joe Biden's nominee to lead the Interior Department, as vice chair of the committee.

"The American people can expect to see a major push from us to create good jobs, hold polluters accountable, and establish federal environmental justice standards with real teeth," Chair Raúl Grijalva (D-Ariz.) said in a statement.

Republican moves: Most notable among the GOP lawmakers named ranking members on Wednesday is Rep. Paul Gosar (R-Ariz.), who will lead Republicans on the Oversight and Investigations Subcommittee, despite ongoing scrutiny for his role in promoting the challenge to the Electoral College results that helped spark the Jan. 6 Capitol riots.

Rep. Pete Stauber (R-Minn.) will be ranking member of the Energy and Mineral Resources Subcommittee. Former committee Chair Rep. Don Young (R-Alaska) will lead Republicans on the Indigenous Peoples Subcommittee, while Rep. Russ Fulcher (R-Idaho) will lead the GOP on the National Parks, Forests and Public Lands Subcommittee.

Freshman Rep. Cliff Bentz (R-Ore.) is ranking member of the Water, Oceans and Wildlife Subcommittee, while Rep. Louie Gohmert (R-Texas) will be vice chair of the full committee.

Interior approves first lease for ocean wave energy test project

By Ben Lefebvre 02/16/2021

In this July 26, 2016 photo, a model of a wave energy test site at Kaneohe Bay on Oahu in Hawaii shows undersea cables that hold machinery in place. By some estimates, the ocean's endless motion packs enough power to meet a quarter of America's energy needs and dramatically reduce the nation's reliance on oil, gas and coal.

The Interior Department said on Tuesday it approved a lease for an experimental offshore energy research project that would use ocean waves to generate electricity.

Details: The PacWave South test project proposed by Oregon State University would generate up to 20 megawatts of power, Interior's Bureau of Ocean Energy Management said. The project, to be located about six nautical miles off the coast of Newport, Ore., would use floating or underwater devices moored to the seafloor to capture energy from the moving waves. It would be the first ocean wave energy project to win a federal lease, BOEM said.

FERC Moves Could Shift Biden's Clean Energy Plan, Texas Grid

Arianna Skibell, E&E News reporter Published: February 19, 2021

Federal Energy Regulatory Commission Chairman Richard Glick announced a series of decisions yesterday that could significantly alter Texas' grid and boost President Biden's zero-carbon and environmental justice goals.

The influential panel moved to revise its natural gas pipeline reviews to account for impacts to disadvantaged communities, break down market barriers to renewable energy deployment and shutter a Trump-era inquiry into grid resilience, among other actions.

Meanwhile, the commission along with the North American Electric Reliability Corp. is investigating the devastating Texas power outages that left millions without heat and more than 30 people dead during severe winter weather.

"I am prepared, if necessary, to support the imposition of new mandatory standards to make sure electric generators and others are better prepared when weather strikes the next time," Glick, a Democrat, said during yesterday's monthly FERC meeting, his first as chair. "And there will be a next time."

Glick's focus on climate risks marked a stark departure from the panel's policy priorities under the Trump administration.

Biden has issued a string of executive orders aimed at fighting climate change, and he has ordered 40% of the benefits from federal climate action to flow into marginalized communities. The Biden administration aims to fully decarbonize the power sector by 2035, a goal that would require a dramatic clean energy overhaul of the U.S. grid.

Biden Admin Seeks To Put NEPA Litigation On Ice

Maxine Joselow, E&E News reporter. Published: Thursday, February 18, 2021

The Biden administration today urged a federal court to pause litigation over former President Trump's controversial overhaul of National Environmental Policy Act rules.

Top attorneys at the Department of Justice asked the U.S. District Court for the Western District of Virginia to freeze the lawsuit over the NEPA changes for 60 days while they consider their next steps.

The request comes after President Biden issued a Jan. 20 [executive order](#) directing the heads of federal agencies to review — and potentially rescind — all environmental rules finalized under Trump.

The NEPA overhaul "has been identified by the White House as an agency action that will be reviewed in accordance with the Executive Order," Bubar and Williams wrote.

The federal court in West Virginia is likely to grant the Biden administration's request to freeze the NEPA lawsuit, just as courts have done for a host of other environmental litigation targeting Trump-era actions.

NEPA, enacted 50 years ago, requires agencies to examine how projects will affect communities and consider alternatives. The bedrock environmental law has been an important tool for low-income neighborhoods and communities of color seeking to push back on proposed projects including highways, power plants and pipelines.

Trump unveiled the rewrite of the NEPA rules last year. Proponents said at the time that Trump's move would cut red tape, create jobs and speed up environmental reviews of major infrastructure projects. But critics said the changes would diminish the consideration of projects' potential contribution to climate change, among other things.

More than 20 states sued the White House Council on Environmental Quality over the changes, as did a number of environmental groups. Today's request concerns the lawsuit filed by local green groups including Wild Virginia, the Virginia Wilderness Committee and Cape Fear River Watch.

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Granholm's DOE: What's Coming On Climate, Clean Power

Lesley Clark, E&E News reporter Published: February 26, 2021

Jennifer Granholm was sworn in as the nation's 16th secretary of Energy last night, giving her a pivotal role in President Biden's aggressive plans to decarbonize the power sector, even as she is likely to be constrained by the limited powers of the massive agency.

Granholm, a former two-term Michigan governor who embraced clean energy as a way of reviving her Rust Belt state during a staggering recession, took office after being confirmed 64-35 in the Senate yesterday afternoon.

Granholm will be only the second woman to head the Energy Department, and in a video and blog post after the swearing-in, she pledged that DOE will be a central player in Biden's bid to tackle climate change by putting into "hyperdrive" its efforts to boost alternative energy.

"President Biden has tasked the department, his in-house solutions powerhouse, with delivering a cornerstone of his bold plan: the goal of achieving net-zero carbon emissions by 2050," she wrote. "For DOE, that means developing and deploying the technologies that will deliver a clean energy revolution."

In addition to overseeing the department's 17 national labs, a nuclear arsenal and Cold War-era cleanup sites, the secretary oversees a multibillion-dollar loan guarantee program that proved a lightning rod under the last Democratic president, along with various offices focused on fossil fuels, renewables, energy efficiency, research into battery storage, and efforts to both modernize and protect the electricity grid.

"Her biggest challenges will be the same two challenges that everyone who runs DOE encounters: trying to manage the labs and trying not to let the actual function of the department — making and cleaning up from the making of nuclear weapons — absorb all of her time and attention," said Michael McKenna, a former Trump energy adviser who briefly led the president's transition team at DOE.

Spencer Abraham, a former Republican senator from Michigan who led DOE under former President George W. Bush, said he expects Granholm, who was Michigan attorney general when he was in the Senate, to be a "strong leader and strong advocate" for Biden's energy plans.

Abraham said he and Granholm have already discussed the rigors of the job. "We've talked about the fact DOE was cobbled together from lots of different places or agencies and brought under one roof, and almost every day, you've got a new area that you've got to focus on," said Abraham. "That's a challenge for anyone who takes the job."

Abraham added that the week he took office in 2001, there were rolling blackouts in California. "We were in a crisis from day one, and in some ways, she will face that challenge with Texas," he said of the winter weather outages that left millions without power. "You may go in with your focus on a particular issue, but something like that happens, and it shifts attention."

Though most of Texas is not on the national electricity grid, the secretary is likely to work with DOE's Office of Electricity and other energy offices on steps the federal government can take to increase the resilience of the grid, said Jeff Navin, who served both as DOE's deputy chief of staff and as chief of staff during the Obama administration.

Before the Senate vote, Granholm emphasized grid improvements in response to last week's blackout crisis in Texas.

"One thing is certain: America's electricity grid is simply not able to handle extreme weather events," she said in a tweet. "Whether it's wildfires in California or snowstorms in Texas, we need to upgrade our grid infrastructure ASAP."

Congressional mandates

Granholm will have no shortage of tasks to undertake upon her arrival, but Congress has already provided a road map for mandates it wants to see done on clean energy technology research and development.

Lawmakers in a pandemic relief package last December included the first major update to the nation's energy policies in over a decade. The package directed the agency to produce a host of reports and clean energy demonstration projects across DOE research areas.

The energy bill requires demonstration projects across more than a dozen technologies, including two advanced nuclear reactors and four energy storage projects that demonstrate grid-scale storage over longer durations, among others.

Granholm has already committed to following through on congressionally mandated reports on critical mineral supplies during her confirmation hearing. She said she was "enthusiastically supportive" of DOE's role in critical minerals "for both jobs and energy security and supply chain security in the United States."

The energy legislation also called for enhanced work on grid infrastructure research and development. The grid improvement is likely to include an increased focus on the grid's resilience to extreme weather that causes prolonged blackouts like those in Texas and California in recent months.

DOE loans and Michigan record

Environmentalists welcomed Granholm's arrival, saying that her recent comments and record in Michigan indicate she would be an effective champion for Biden's clean energy priorities.

As governor, she championed tax incentives and state grants as a way of creating jobs and boosting sustainable energy innovation. She became such an evangelist for the program that she delivered a speech resembling a TED Talk at DOE headquarters in 2013, pitching a program to encourage states to compete for clean energy grants.

DOE's loan program has drawn Republican critics, partly because of support during the Obama administration for Solyndra, a solar company that later went bankrupt. Supporters of the program maintain that it has had a successful track record (Energywire, Jan. 26).

The Michigan-based Mackinac Center for Public Policy, a free-market think tank, contends that most of the projects Granholm pursued in Michigan failed to deliver on the promises of creating jobs.

Granholm defended her record at her confirmation hearing after Wyoming Sen. John Barrasso, the top Republican on the Senate Energy and Natural Resources Committee, asked her to explain why taxpayers should trust that she would "invest U.S. taxpayer dollars wisely."

Biden Hikes Cost Of Carbon, Easing Path For New Climate Rules

By Lorraine Woellert, Zack Colman *02/26/2021*

President Joe Biden on Friday restored an Obama-era calculation on the economic cost of greenhouse gases, a step that will make it easier for his agencies to approve aggressive actions to confront climate change.

But the administration stopped short, for now, of boosting the cost figure to higher levels that economists and climate scientists say are justified by new research.

The interim figure — \$51 for every ton of carbon released into the atmosphere — is well above the \$8 cost used under former President Donald Trump, who declined to factor the global impacts of climate pollution into his calculation. It's on par with a price based on analyses undertaken between 2010 and 2016 under former President Barack Obama, whose administration was first to calculate the figure known as the social cost of carbon.

The price point is temporary. A new Interagency Working Group on the Social Cost of Greenhouse Gases is required to issue a final number by January.

The social cost of carbon is an effort to quantify the economic and societal damage from greenhouse gas emissions in the coming decades. The figure will be baked into the administration's number-crunching on the costs and benefits of a wide array of regulations.

Friday's notice, posted on the Office of Management and Budget website, fulfills a promise Biden made on Inauguration Day when he signed an executive order on climate change that called for a recalculation of the social cost of carbon, which the Trump administration had sharply reduced.

The new price per ton is accompanied by discount rates of 2.5 percent, 3 percent and 5 percent, numbers that express the weight of future benefits against immediate ones. A higher discount rate suggests society cares less about long-term consequences than present-day effects. Environmental activists and economists had urged Biden to lower the 3 percent discount rate set by Obama.

Trump had bumped the discount rate up to 7 percent. When the Obama team modeled its estimates in 2016, a 3 percent discount rate carried a \$42 per ton price. A 2.5 percent discount rate pushed the cost to \$62 per ton.

Under the figures released Friday, the social cost of carbon will be \$51 with the 3 percent discount rate applied. A discount rate of 5 percent would push the price per ton to \$14.

Calculating the social cost of carbon is a complex endeavor that represents economists' attempt to quantify the long-term effects of greenhouse gases on society, for example, rising health costs caused by climate change, property damage from flooding and business losses due to extreme weather.

Economists and environmentalists had pushed the Biden administration to fundamentally change the climate modeling that's used to calculate social costs in ways that would increase the figure and thereby make federal approval of fossil fuel projects harder to justify.

But experts have long disagreed on what the precise figure should be, citing uncertainties over how much damage climate change will inflict. Conservatives and regulated industries say social costs overestimate the risks and thus inflate regulatory benefits of restricting carbon emissions.

During the Trump administration, then-chair of the Federal Energy Regulatory Commission Neil Chatterjee and other Republicans called the social cost of carbon “speculative” and refused to use it.

The social cost of carbon is different from congressional proposals to put a tax or fee on the burning of fossil fuels with the aim of encouraging a shift toward cleaner sources. Rather, it's an economic estimate meant to gauge the benefits of avoiding those emissions altogether.

Still, the high price point set by Biden could give Democrats ammunition to fight for taxes or other fees to curb climate change.

And while the administration's social cost of carbon has no immediate effect on corporations, it is likely to influence business activity across industries, including oil, aviation, construction, forestry and manufacturing. States, municipalities and other governing bodies also could incorporate the federal number into their decision-making.

Bipartisan Bill Would Allow Credit For Energy Storage

Jeremy Dillon, E&E News reporter Published: March 10, 2021

Sens. Susan Collins (R-Maine) and Martin Heinrich (D-N.M.) reintroduced legislation yesterday that would extend the investment tax credit to energy storage technologies.

Long hailed as the "holy grail" of energy, storage technologies — like grid-scale batteries and pumped hydropower — have the potential to unleash more renewable energy onto the grid.

"The deployment of energy storage needs to be at the center of our ongoing effort to move toward a cleaner and more reliable electrical grid," Heinrich said in a statement.

"This bipartisan bill will make it easier and more affordable to utilize energy storage technologies that will strengthen the renewable energy sector and support the thousands of clean energy jobs in New Mexico," he said.

A companion bill was introduced in the House by Reps. Earl Blumenauer (D-Ore.), Mike Doyle (D-Pa.) and Vern Buchanan (R-Fla.).

Congress included provisions dedicated to expanding Department of Energy research and deployment authorizations for the storage as part of the year end pandemic relief and spending bill.

Largely based on Collins' legislation, that package included mandates for at least four demonstration projects over the next decade.

All energy storage technologies would qualify under the new bill, including batteries, pumped hydropower, thermal storage and hydrogen storage, the Energy Storage Association said.

The Ways and Means Committee included the credit as part of its green energy tax package. That bill was introduced last month and is expected to play a large role in upcoming infrastructure negotiations (Greenwire, Feb. 5).

Texas Bans Natural Gas Firms From Taking Fuel Out Of State

Joe Carroll, Bloomberg News

(Bloomberg) -- Texas is banning natural gas companies from exporting the fuel to anywhere outside of the state as it tries to restore electricity supplies after an unprecedented energy crisis.

Texas Governor Greg Abbott said during a media briefing Wednesday that he issued an order forbidding Texas gas producers from selling to power producers outside of its borders through Feb. 21.

Dan Woodfin, senior director of system operations at Texas grid operator Ercot, said earlier in an interview that a lack of gas supply is one of the reasons why it's having trouble getting power plants back online.

Abbott said he and other state governors had expressed concern on a conference call with President Joe Biden about the severe spikes in natural gas prices amid the crisis. Spot prices in neighboring Oklahoma rocketed to over \$1,000 per million British thermal units Wednesday, increasing more than 100-fold from a week earlier.

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Bill To Give Lawmakers Say On Energy Policy Likely Dead

By: Julia Shumway and Dillon Rosenblatt March 11, 2021

A controversial bill to prohibit Arizona's utility regulators from setting state energy policy appears dead after a Republican senator decided he cannot support it.

Sen. Paul Boyer, R-Glendale, told the *Arizona Capitol Times* on Thursday that he still has too many outstanding questions about SB1175, which would allow only the Legislature to set energy policy. The House and Senate just don't have the same expertise as the Arizona Corporation Commission, Boyer said.

"They have 200 staffers devoted just to energy policy at Corp Comm," Boyer said. "We have two, one in the House and one in the Senate. So, I'm hesitant to have this major shift."

Because all legislative Democrats oppose SB1175 — and an identical bill, HB2248, that passed the state House on a party-line vote last week — a single Republican's concerns spell defeat for the bill. Boyer said he told Senate sponsor Sine Kerr, R-Buckeye, that he would not vote for her bill if she brought it to the floor. Kerr did not immediately return a phone call.

The bill's death is a rebuke to Gov. Doug Ducey, who has pushed for the Legislature to take control of energy policy. On Jan. 15, just a few days into the legislative session, Ducey signaled his support during a public interview at the Arizona Chamber of Commerce.

"I want to see the corporation commission setting rates and the Legislature setting energy policy and I hope that will be straightened out in this session," Ducey said.

Both the governor and Republican lawmakers opposed the more stringent clean energy rules the Corporation Commission adopted in November. The rules, approved by three Republican commissioners and one Democrat, included a mandate that electric utilities be emission-free by 2050.

In response, Kerr and Rep. Gail Griffin, R-Hereford, filed their twin bills to retroactively prohibit the Arizona Corporation Commission from regulating electricity generation retroactive to June 30, 2020 — shortly before the commission created its draft rules.

Kerr, Griffin, House Speaker Rusty Bowers and Senate President Karen Fann sent the corporation commission a letter in February decrying the new rules as "rushed" and "based on personal legacies and political agendas."

Burns said it's good news the bills, which he believes to be unconstitutional, won't make their way to Ducey's desk. He previously wrote a scathing response to the letter from Fann, Bowers, Griffin and Kerr.

"It is almost beyond belief that you as members of the Legislature, who have introduced and are moving blatantly unconstitutional bills, would accuse the commission of some misbehavior," Burns wrote.

Essentially, Burns told lawmakers to stay in their lane, and argued that if lawmakers start getting involved in Corporation Commission business such as determining energy companies' portfolios, Arizona Public Service would simply buy lawmakers as it has tried to buy commissioners when it poured more than \$10 million into the 2014 campaigns of former commissioners Tom Forese and Doug Little.

Burns argued that the commission is the appropriate venue to decide these issues, not only because that's what the commission is constitutionally charged with doing, but also because commissioners are full-time professional regulators who are laser focused on utility issues — "no 100-day session, no distraction of hundreds of other important issues."

APS, after pressure from Democratic Commissioner Anna Tovar, came out in opposition to the legislation on March 9. Burns said the Commission can now vote uninterrupted on the final plan next month, when it's expected to pass 3-2.

Sandy Bahr, chapter director for the Grand Canyon Chapter of the Sierra Club, was lobbying against the two measures and welcomed the news that Boyer opposed the bills.

"These bills are bad public policy, not to mention have constitutional issues," she said. "We appreciate that Senator Boyer recognizes the problems with them. They're bad for the economy, bad for clean energy — which is a key part of our economy — and obviously will affect the work at the Corporation Commission to try to reduce carbon emissions and really make our state a leader in this area."

Sen. Kirsten Engel, the Tucson Democrat who has led opposition in the Senate, agreed with Boyer that the Legislature lacks the expertise or attention to handle energy policy.

“We’re balancing too many different issues at the same time. Education, tax policy, insurance measures, just about everything,” she said. “I don’t trust the legislature to do an adequate job on this. It’s complicated, and we have too much on our plates.”

Engel said she was grateful to hear the bills are likely dead, but she won’t fully relax until the legislative session is over and she’s sure they’re really dead.

“At the Arizona Legislature, you always have to be worried that some of these bills might come back, that they might pop up in the budget or some other way,” she said.