

# Energy & Sustainability Washington Updates - July 2021

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## VIEWPOINT TOPICS

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### **Bipartisan Infrastructure Framework**

When President Biden first released his \$2 trillion infrastructure plan there was immediate pushback from Republicans who claimed the president's proposal, the *American Jobs Plan*, was too expansive in scope and would be too great of a financial burden. There has been significant back-and-forth as the two sides have sought a compromise – with Republicans making a counter-proposal that was rejected by the White House which in turn lowered its sights and indicated a smaller package was possible. After much negotiation, the President announced on June 26 that he and a bipartisan group of 21 senators had reached agreement on a \$1.2 trillion *Bipartisan Infrastructure Framework*.

As of this writing, the Framework is being developed into legislative text so many details remain to be seen. However, the Framework will make a significant investment in public transit and passenger rail as a means to reduce greenhouse gas emissions; fund the repair and rebuilding of roads and bridges with a focus on climate change mitigation, resilience, equity, and safety; build a nationwide network of 500,000 electric vehicle (EV) charging stations; electrify thousands of school and transit buses; upgrade power infrastructure with thousands of miles of new, resilient transmission lines; and create an Infrastructure Financing Authority to support clean transportation and clean energy.

Again, we haven't seen the details, but the Framework is to be financed through a combination of closing the tax gap, redirecting unspent emergency relief funds, targeted corporate user fees, and the macroeconomic impact of infrastructure investment.

Senate Majority Leader Schumer (D-NY) has announced he will seek a vote to advance the Framework the week of July 19 in an effort to get to final passage before Congress leaves Washington for the annual August recess. Although, there is a strong possibility that Congress will work into August to finalize the infrastructure legislation, which is a top priority for Democrats on Capitol Hill and the Administration.

Click [HERE](#) to read more about the *Bipartisan Infrastructure Framework*.

### **Senate Committee Advances Energy Legislation**

The Senate Committee on Energy & Natural Resources recently approved the bipartisan *Energy Infrastructure Act*, addressing energy, water, and public lands. The legislation provides more than \$100 billion for a range of issues including electric grid and expanded transmission capabilities, critical energy technologies, domestic supply chains for clean energy technologies, water infrastructure, ecosystem restoration, wildfire mitigation, cleanup of abandoned energy infrastructure and mines. The bill would also fund the *Energy Act of 2020*. The *Energy Infrastructure Act* will serve as the legislative text for key portions of the *Bipartisan Infrastructure Framework*. Read more on the *Energy Infrastructure Act* by clicking [HERE](#).

### **Senate Democrats Prepare for Reconciliation Package**

In tandem with the *Bipartisan Infrastructure Framework*, Senate Democrats will seek to move an additional bill through the budget reconciliation process which does not require the typical 60-vote threshold to advance legislation, but instead allows for the measure (limited to tax and revenue) to advance with 51 votes. The evenly split Senate makes this a significant challenge for Democrats – and President Biden whose policies would be enacted through the reconciliation measure. If all 48 Democrats and the two Independents who caucus with them stay on board, Vice President Harris will almost certainly cast a tie-breaking vote in the face of expected unity among Republicans in opposition. On July 13 Senate Democrats announced they had reached agreement on a cap of \$3.5 trillion for the reconciliation measure, far below what progressives were seeking and more than what more conservative to moderate Democrats were hoping for. Details are still being worked through, but we expect the final reconciliation package to include a number of energy and sustainability provisions from the president's *American Jobs Plan*, such as a clean energy standard to achieve 80 percent clean energy by 2030, programs to reduce greenhouse gas emissions by 50 percent by 2030, funding for electric vehicle (EV) and EV charging infrastructure, a new federal clean energy accelerator, creation of a Civilian Climate Corps, and building efficiency measures.

A transcript of the reconciliation announcement by Sens. Schumer, Sanders (I-VT), and Warner (D-VA) can be found [HERE](#).

### **Solar Energy Manufacturing for America Act**

Sen. Ossoff (D-GA) was joined by Sens. Warnock (D-GA), Bennet (D-CO), and Stabenow (D-MI) to introduce the *Solar Energy Manufacturing for America Act* which would provide tax credits for American manufacturers at every stage of the solar manufacturing supply chain, from production of polysilicon to solar cells to fully assembled solar modules. Find a fact sheet on the legislation by clicking [HERE](#). Read the bill text [HERE](#).

### **Zero-Emission Nuclear Power Production Credit Act**

Sens. Carper (D-DE), Cardin (D-MD), Manchin (D-WV), Whitehouse (D-RI), and Booker (D-NJ) recently introduced the *Zero-Emission Nuclear Power Plant Production Credit Act* which would make existing merchant nuclear power owners/operators eligible for the same 1.5 cent/kilowatt hour credit (\$15/megawatt hour) proposed for wind operators. The bill was introduced on a bipartisan basis in the House of Representatives by Reps. Pascrell (D-NJ), Suozzi (D-NY), Katko (R-NY), Davis (D-IL), Brown (D-MD), Ruppersberger (D-MD), Bustos (D-IL), Doyle (D-PA), Fitzpatrick (R-PA), Rush (D-IL), and Lamb (D-PA).

According to a press release, "Current tax law provides a production tax credit for eligible nuclear power facilities only during the first eight years of operations. There is no tax credit for older nuclear power plants, many of which are retiring before the end of their useful life due to a drop in energy prices. The proposed credit would phase out if market revenues reach 2.5 cents/kilowatt hour (\$25/megawatt hour), if Greenhouse Gas Emissions (GHG) drop 50 percent from 2020 levels, or after 10 years."

Read an industry and stakeholder letter of support by clicking [HERE](#).

### **DOE Sets New Goal for Long-Duration Energy Storage**

As part of the Department of Energy's (DOE) *Energy Earthshot Initiative*, the agency has announced a new goal to reduce the cost of grid-scale, long duration energy storage by 90% within the decade. Titled the "Long Duration Storage Shot", the initiative will consider all types of technologies – whether electrochemical, mechanical, thermal, chemical carriers, or any combination that has the potential to meet the necessary duration and cost targets for grid flexibility. Learn more by clicking [HERE](#).

## **Authors**



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Neal Martin brings more than two decades of experience in government and federal relations to his work, helping clients navigate a wide range of issues. He provides strategic guidance to organizations seeking to advance their legislative priorities and enhance their visibility before Congress and federal agencies.