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Energy & Sustainability Washington Update — November 2023

November 02, 2023 | Blog | By **R. Neal Martin**

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House Reopens Business with Fiscal Year 2024 Energy & Water Spending Bill

Following the historic ouster of Speaker Kevin McCarthy (R-CA) on October 3 and more than three weeks without a speaker, the House of Representatives elected Rep. Mike Johnson (R-LA) speaker on October 25, allowing the chamber to return to legislative business and the new speaker pledging to quickly advance the long-stalled Fiscal Year 2024 spending process. One of the first bills passed under the new speaker was the Fiscal Year 2024 Energy and Water Development spending bill, which the House **approved** on October 26. The bill cuts funding for the Office of Energy Efficiency and Renewable Energy and the Office of Clean Energy Demonstrations at the US Department of Energy (DOE) and retracts $150 million in Fiscal Year 2023 funding for DOE's Loan Programs Office. The bill faces many hurdles to enactment into law, with the Democratic-controlled Senate highly unlikely to adopt the spending cuts approved by the House and the White House issuing a **Statement of Administration Policy** indicating that if presented to President Biden, he will veto the measure as approved by the House of Representatives.

Hydrogen Hub Finalists Advance to Negotiation Phase with Energy Department

The White House and DOE recently **announced** seven regional clean hydrogen hubs selected to participate in the **Regional Clean Hydrogen Hubs (H2Hubs)** negotiation to accelerate the commercial-scale deployment of low-cost, clean hydrogen across the nation. As part of President Biden's Investing in America Agenda, $7 billion in funding will be provided to the final selected projects, which will be met with the H2Hubs selectees' cost share of more than $40 billion. Selection for award negotiations is not a commitment by DOE to issue an award or provide funding. Before funding is issued, DOE and the applicants will undergo a negotiation process, and DOE may cancel negotiations and rescind the selection for any reason during that time. The projects selected to move forward in negotiation with DOE are the: 1) Appalachian Hydrogen Hub (Virginia, Ohio, Pennsylvania); 2) California Hydrogen Hub; 3) Gulf Coast Hydrogen Hub (Texas); 4) Heartland Hydrogen Hub (Minnesota, North Dakota, South Dakota); 5) Mid-Atlantic Hydrogen Hub (Pennsylvania, Delaware, New Jersey); 6) Midwest Hydrogen Hub (Illinois, Indiana, Michigan); and 7) Pacific Northwest Hydrogen Hub (Washington, Oregon, Montana).

DOE Announces Three New Interregional Transmission Lines

Funded by the Bipartisan Infrastructure Law, DOE recently **announced** it is awarding up to $1.3 billion for the construction of three new transmission lines spanning six states. The projects are funded through DOE's Transmission Facilitation Program and include the 1) Cross-Tie 500kV Transmission Line Project (Nevada, Utah); 2) Southline Transmission Project (Arizona, New Mexico); and 3) Twin States Clean Energy Link (New Hampshire, Vermont).

Bill to Modernize American Manufacturing Reintroduced in House and Senate

The **Job Creation through Energy-Efficient Manufacturing Act** was reintroduced last month by Rep. Matt Cartwright (D-PA) and Sen. Jeff Merkley (D-OR). If enacted, the bill would authorize as much as $600 million to establish a Financing Energy Efficient Manufacturing Program at DOE to support small- to medium-sized manufacturers with energy-efficient upgrades. This could include sustainability retrofits, onsite clean energy generation, power facilities that recycle and reuse waste energy, and smart micro-grid systems. While the Senate bill, as of now, has no cosponsors, the House version is cosponsored by Reps. Nikki Budzinski (D-NJ), Andre Carson (D-IN), Steve Cohen (D-TN), Christopher Deluzio (D-PA), Jared Huffman (D-CA), Jamie Raskin (D-MD), and Paul Tonko (D-NY).

Biden Administration Approves Nation's Largest Offshore Wind Farm

On October 31, the US Department of the Interior **approved** the **Coastal Virginia Offshore Wind Project**, the nation's largest offshore wind project that will power 900,000 homes and create 2,600 megawatts of energy. According to the Bureau of Ocean Energy Management, the US is on track to complete reviews of at least sixteen offshore wind energy project plans by 2025, representing more than 27 gigawatts of clean energy.

President Biden's AI Executive Order on Artificial Intelligence and Impact for Energy Sector

On October 30, President Biden issued an **Executive Order (EO)** focused on the impact of artificial intelligence (AI). The EO requires that:

Within 180 days of the date of this order, to support the goal of strengthening our nation's resilience against climate change impacts and building an equitable clean energy economy for the future, the Secretary of Energy, in consultation with the Chair of the Federal Energy Regulatory Commission, the Director of OSTP, the Chair of the Council on Environmental Quality, the Assistant to the President and National Climate Advisor, and the heads of other relevant agencies as the Secretary of Energy may deem appropriate, shall:

- Issue a public report describing the potential for AI to improve planning, permitting, investment, and operations for electric grid infrastructure and to enable the provision of clean, affordable, reliable, resilient, and secure electric power to all Americans.
- Develop tools that facilitate building foundation models useful for basic and applied science, including models that streamline permitting and environmental reviews while improving environmental and social outcomes.
- Collaborate, as appropriate, with private sector organizations and members of academia to support the development of AI tools to mitigate climate change risks.
- Take steps to expand partnerships with industry, academia, other agencies, and international allies and partners to utilize the Department of Energy's computing capabilities and AI testbeds to build foundation models that support new applications in science and energy, and for national security, including partnerships that increase community preparedness for climate-related risks, enable clean-energy deployment (including addressing delays in permitting reviews), and enhance grid reliability and resilience.
- Establish an office to coordinate the development of AI and other critical and emerging technologies across Department of Energy programs and the 17 National Laboratories.

Bipartisan Infrastructure Law & Inflation Reduction Act Opportunities

Visit our **Energy Funding Matrix** for a roundup of various federal clean energy funding and financing opportunities. We update the matrix on a biweekly basis and welcome any inquiries about how the Bipartisan Infrastructure Law and Inflation Reduction Act, along with other relevant federal opportunities, may impact your business or organization.

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.