

# Energy & Sustainability Washington Update — January 2025

December 23, 2024 | Article | By [John Lushetsky](#), [R. Neal Martin](#), [Myria Garcia](#)

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- Energy & Sustainability

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As we step into the new year, the energy and sustainability landscape continues to shape up. Building on [our December analysis](#), this month we highlight congressional leadership assignments, new legislative initiatives, and updates on the LNG export pause by the US Department of Energy's (DOE), Inflation Reduction Act tax credit guidance, and emerging funding opportunities.

## Decided Congressional Committee Leadership Assignments

Rep. Brett Guthrie (R-KY) was named as Chair of the House Energy and Commerce (E&C) Committee. A member of the Conservative Climate Caucus, Guthrie has always championed an “all-of-the-above” energy strategy that emphasizes using fossil fuels to keep the electric grid reliable and consumer electricity costs low. He is particularly outspoken about the following issues:

- **Critical Materials:** Guthrie constantly emphasizes American energy dominance over China and he is supportive of critical minerals/ materials initiatives, such as reshoring domestic critical material processing facilities through [his bill](#) the [Securing America's Midstream Critical Materials Processing of 2024](#).
- **EVs:** Guthrie has [spoken against electric vehicles](#), criticizing their limitations in mountainous regions and susceptibility to severe weather. He recently [voted in favor](#) of a [resolution that would repeal the Environment Protection Agency's \(EPA\) tailpipe emissions rule](#) which would require two-thirds of all new cars sold in the US to be electric by 2032.
- **Permitting Reform:** [Guthrie has advanced the Lower Energy Costs Act](#) as the nation's solution to permitting reform. While the Machin-Barrasso permitting bill was technology-neutral, this all-Republican bill streamlines the National Environmental Policy Act (NEPA) review process more broadly to reduce delays in approving fossil fuel energy projects, strongly emphasize mining operations, and accelerate the construction of pipelines, liquefied natural gas (LNG) export facilities, nuclear energy sites, and transmission lines.
- **Pollutant Standards:** Guthrie has indicated his [intention to revise the EPA's “Once In, Always In” hazard air pollutants rule](#) so as to ease strict adherence to Maximum Achievable Control Technology (MACT) emissions standards. He is also [seeking to overturn the EPA's limit on allowable discharges for power generation facilities that utilize coal](#), claiming these standards make regulatory compliance so expensive that coal plants are forced to shut down.

Additionally, ten new Republicans will be joining House E&C — listed [here](#). On the Democratic side, Rep. Frank Pallone (D-NJ) will serve as ranking member. Subcommittee leadership assignments will be released in January. The House E&C Committee is likely to play a big role in drafting next year's big GOP reconciliation packages.

On the House Natural Resources Committee, Rep. Bruce Westerman (R-AK) will serve as Chair while Rep. Jared Huffman (D-CA) will serve as ranking member, having fended off a challenge from Rep. Melanie Stansbury (D-NM) who was endorsed by former Committee Ranking Member Rep. Raul Grijalva (D-AZ). Following the announcement, Huffman said, “I am ready to do the work to protect our treasured natural resources, lift up tribal and frontline communities, and lead a team to effectively fight against Trump's Project 2025 agenda.”

Sens. Mike Lee (R-UT) and Martin Heinrich (D-NM) will lead the Senate Energy and Natural Resources Committee. Lee most recently reintroduced the [UNSHACKLE Act](#) which would reform NEPA to scale back environmental reviews for federal projects. As we mentioned in December, Sens. Shelly Moore Capito (R-WV) and Sheldon Whitehouse (D-RI) will lead the Senate Environment and Public Works Committee.

# New Year, New Initiatives on Critical Minerals and Cross-Border Carbon Tariff

On December 12, Sens. Bill Cassidy (R-LA) and Lindsey Graham (R-SC) [released a discussion draft seeking input from stakeholders on how to structure their Foreign Pollution Fee Act](#), an idea they floated back in November 2023. The fee would require China and other countries to pay a pollution fee on certain products — including aluminum, fertilizer, cement, iron, and steel imported to the United States. As tariffs dominate presidential politics and Congress eyes a tax overhaul, the idea of making countries pay for US imports that increase pollution is an idea that is gaining momentum. The draft bill would not levy a fee on domestic manufacturers or put a carbon price on US production and could be waived or decreased under certain circumstances, including national security needs or domestic sourcing constraints. The senators are accepting public comment on the idea until January 17, 2025.

Also on December 12, Reps. Rob Wittman (R-VA) and Carlos Gimenez (R-FL) proposed the [Securing Essential and Critical U.S. Resources and Elements \(SECURE\) Minerals Act of 2024](#). The bill, if implemented, would set aside \$2.5 billion to establish a permanent federal organization dedicated to supporting domestic and allied production of critical minerals and materials. A seven-member board, appointed by the president and confirmed by the Senate, would collect and analyze market information to determine when market intervention is necessary, offering support to no more than five private producers. These companies would use loans to buy “at-risk” minerals and materials or subsidize their production. The reserve would author a list of such commodities annually in collaboration with DOE and the US Geological Survey. This effort is coupled with three bipartisan bills aimed at addressing critical minerals supply chain vulnerabilities, recently [unveiled by Rep. Wittman and Rep. Kathy Castor \(D-FL\)](#), who co-chair the Critical Mineral Policy Working Group. They were joined by Reps. John Moolenaar (R-MI) and Raja Krishnamoorthi (D-IL), who co-chair the House Select Committee on the Chinese Communist Party.

- The Earth Sciences and Cooperation Enhancement Act of 2024 would authorize and appropriate \$3 million for the Secretary of the Interior to directly enter Memoranda of Understanding (MOUs) with foreign governments to facilitate collaboration on earth sciences and critical mineral supply chains. These agreements must encourage cooperation with foreign government and private sector entities and advance geologic mapping, mineral resource assessment, data analysis, and training in environmental and workplace standards.
- The amendment to the Export Reform Control Act of 2018 would implement export controls on black mass (recycled lithium-ion battery material) and swarf (magnet manufacturing byproducts) to prevent exploitation by foreign adversaries and related entities.
- The Critical Minerals Workforce Enhancement Act introduces a national interest waiver under the Immigration and Nationality Act to allow foreign engineers specializing in critical minerals to work full-time in the US for businesses or government agencies. Additionally, the bill amends the Mutual Educational and Cultural Exchange Act of 1961 to promote international educational exchanges focused on critical minerals while providing funding for scholarships, fellowships, and grants to support professional development in critical minerals sectors globally.

## DOE Releases LNG Export Study

On December 17, 2024, the DOE [released its long-awaited assessment of liquified natural gas \(LNG\) exports](#), concluding that “unfettered” shipments of the fuel would make domestic prices rise but stopping short of declaring additional LNG export approvals as against public interest. The analysis follows DOE’s pause on all pending LNG export decisions to non-Free Trade Agreement Countries until the study process is complete. The study process assessed the impacts of varying levels of US LNG exports on the domestic economy, global energy markets, greenhouse gas emissions, and local communities, emphasizing the dramatic increase in LNG exports since the first DOE-authorized LNG exports became operational in 2016. The study will have a 60-day comment period that begins after publication in the Federal Register. We anticipate that the report will be challenged by the LNG industry and the incoming administration.

## Inflation Reduction Act (IRA) Tax Credit Updates

On December 4, 2024, the US Department of the Treasury and the [Internal Revenue Service released the final rules for the Section 48 Energy Credit](#) — also known as the Investment Tax Credit (ITC). The IRA extended the ITC — as well as the closely related Production Tax Credit (PTC) — until 2025, at which point the ITC and PTC will switch to a tech-neutral approach with credits that will be available in full for projects beginning construction at least through 2033. The final rules clarify general rules for the ITC and its definitions of property eligible for the credit, clarifying qualifications for offshore wind, geothermal heat pumps, biogas, energy projects, co-located energy storage, and hydrogen storage.

As debate swirls around the fate of the IRA, industry groups continue to urge the incoming president and Congress to maintain IRA tax credits. The Solar Energy Industries Association (SEIA), the industry’s largest trade association, wrote that IRA solar tax credits are part of the “all-of-above” energy approach and critical to US dominance over China. The National Rural Electric Cooperative Association (NRECA),

which overwhelmingly serves Republican districts, also voiced that components of the IRA have made important investments in rural America, urging Congress to take the “scalpel, not a hatchet” approach to the IRA.

## Funding Opportunity Announcements (FOAs)

### **OCED Announces \$1.3 Billion in New Funding to Bolster Carbon, Capture, Utilization, and Storage Technologies** (12/17/2024)

DOE's Office of Clean Energy Demonstrations (OCED) opened applications for up to \$1.3 billion to catalyze investments in carbon capture, utilization, and storage (CCUS) technologies. This funding — provided by OCED's **Carbon Capture Demonstration Projects Program** and the **Carbon Capture Large-Scale Pilot Projects Program** — will fund up to 11 projects across three main topic areas: carbon capture demonstration projects, carbon capture large-scale pilot projects, and carbon capture demonstration projects for infrastructure planning and design.

- All types of domestic entities are eligible for this opportunity.
- Concept papers are due by March 1, 2025, by 5:00 pm, ET, and full applications are due by July 1, 2025, by 5:00 pm, ET. The full NOFO can be found [here](#).
- OCED is planning to host an informational webinar on January 15, 2025 to discuss the funding announcement. Register for the webinar [here](#).

### **Opening — DoD Office of Strategic Capital Loan Program to Scale Critical Technologies** (1/2/2025)

As we highlighted in an earlier [article](#), the Department of Defense's (DoD) Office of Strategic Capital (OSC) announced its first-ever Notice of Funding Availability (NOFA) to provide loans for technologies that are critical to US national and economic security. OSC loans can be provided for the construction, expansion, or modernization of commercial facilities that create products supporting the 31 covered technology categories. For the initial round, OSC expects to make loans in the range of \$10 million — \$150 million to approximately 10 successful applicants. OSC is using a two-step process for companies to apply to the NOFA.

- Individuals, corporations, joint ventures, and public-private partnerships are eligible to apply.
- Opening on January 2, 2024, the submission deadline for Part 1 of the application is February 3, 2025, at 5:00 pm. The NOFO can be found [here](#).

### **DOE Announces \$8 Million in New Grid Modernization Funding Opportunity** (12/12/2024)

The DOE's Office of Electricity (OE) and Wind Energy Technologies Office (WETO) announced a new funding opportunity (REIMAGINE BREAKERS) for R&D around high-voltage direct current power circuit breakers (HV DCCBs). These are crucial to efficiently move large amounts of renewable energy over long distances with minimal power loss. The opportunity seeks to develop technical standards and explore innovative methods to make HV DCCBs more cost-effective and efficient.

- All types of domestic entities are eligible for this opportunity. Foreign entities are ineligible without a waiver.
- The submission deadline for the Final Application (FA) is February 28, 2025, at 5: pm. The FedConnect information for this opportunity can be found [here](#).

### **Notice of Funding Opportunity: DOE Announces \$20 Million to Improve the Recycling of Wind Energy Technologies** (12/11/2024)

The DOE's Wind Energy Technologies Office announced an FOA to help develop solutions to improve the recyclability of wind energy technology, especially for “tough-to-recycle” materials (e.g. fiber-reinforced composites and rare earth element magnets). Most of the mass of wind turbine materials (90%) can be economically recycled today, except for a few components. The FOA will (1) help create more easily recyclable designs, (2) address technological and supply chain challenges that limit current recycling capacity, and (3) advance qualification and certification processes for new and recycled materials.

- The DOE is compiling a Teaming Partner List to facilitate the formation of projects for this NOFO. All types of domestic entities are eligible for this opportunity.
- The submission deadline for the Final Application is February 11, 2025, at 5:00 pm. The EERE eXCHANGE information for this opportunity can be found [here](#).

### **Energy Department Launches 2nd Round of Energy Storage Innovations Prize** (11/25/2024)

The DOE Office of Electricity announced the opening of submissions for Round 2 of its Energy Storage Innovations Prize. The round is focused on less conventional use cases, such as remote and/or underserved communities and less mature storage technology solutions. Up to five storage innovators will receive a \$50,000 prize and up to five additional innovators will receive a \$10,000 prize.

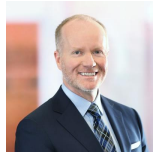
- Eligible applicants include “individuals, academia, non-federal government entities, small businesses, start-ups, entrepreneurs, and other inventors in the U.S.”
- The submission deadline for this prize is April 20, 2025. More information on this prize can be found [here](#).

## Authors



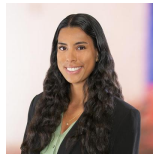
**John Lushetsky**, Senior Vice President

John Lushetsky draws on over 30 years of experience in government and industry to help clients identify strategic opportunities, secure federal funding, and position innovative technologies for success within evolving energy and infrastructure policy landscapes. He has successfully helped clients navigate complex issues through a variety of federal agencies.



**R. Neal Martin**, Senior Director of Government Relations

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.



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Myria Garcia supports clients in achieving their policy objectives through legislative and regulatory engagement. She utilizes her experience working with congressional offices, government affairs teams, and advocacy organizations to pursue effective engagement strategies and has experience advising clients on federal financing applications.