

Energy and Environment

With Republicans taking control of the House while Democrats retain control of the Senate, organizations interested in energy, climate and sustainability policy need to prepare for the realities of divided government, narrow majorities and changes in leadership. GOP “messaging bills” will no doubt come out of the House, particularly on energy independence – including the use of reserves and nuclear energy reliability towards a sustainable energy future. But they are unlikely to advance in a Democratic Senate. Conflicting approaches to oversight, focusing solely on profit versus a “profit, planet and people” approach may leave regulators and the business community walking a tight rope, trying to balance between the priorities and expectations of the two parties. At the same time, a handful of related issues could be areas for the two parties to reach a compromise on bipartisan legislation.

AREAS OF POTENTIAL BIPARTISANSHIP

- Hydroelectric power expansion
- Expanded nuclear energy and increased reactor counts
- Renewable energy generation on federal lands
- Developments in cleaner coal and emission capture technology
- Continue or lessen U.S. fossil fuel energy exports
- Expand domestic rare earth mineral mining
- Power grid modernization

LIKELIHOOD OF POTENTIAL LEGISLATIVE AND REGULATORY ACTIONS

Developed based on National Journal’s industry impact summaries, the outlook for a number of high-profile actions under a Republican-controlled House and Democrat-controlled Senate is as follows:

Clean Energy Actions

- Modernize and extend hydropower licensing programs and dam construction: **Very Likely**
- Increase renewable energy production on and offshore federal land: **Very Likely**
- Expand Nuclear Capacity: **Very Likely**
- Modernize the grid: **Possible**
- Adopt clean energy and carbon capture tax credits and incentives: **Possible**

Resource Extraction

- Increase oil and gas production on federal lands: **Possible**
- Increase coal production: **Unlikely**
- Increase critical mineral mining: **Likely**
- Reform the Mining Law of 1872: **Likely**

COMMITTEE LEADERSHIP

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Chair:

Joe Manchin III (D-W.Va.)

Ranking Member:

John Barrasso (R-Wyo.)

SENATE ENVIRONMENT AND PUBLIC WORKS

Chair:

Tom Carper (D-Del.)

Ranking Member:

Shelly Moore Capito (R-W.Va.)

HOUSE ENERGY AND COMMERCE

Chair:

Cathy McMorris Rodgers (R-Wash.)

Ranking Member:

Frank Pallone (D-N.J.)

HOUSE OVERSIGHT AND REFORM

Chair:

James Comer (R-Ky.)

Ranking Member:

TBD

HOUSE NATURAL RESOURCES

Chair:

Bruce Westerman (R-Ark.)

Ranking Member:

Raul Grijalva (D-Ariz.)

CONSIDERATIONS FOR ORGANIZATIONS

Organizations following energy policy should have the following considerations in mind as they prepare to engage on these issues during the 118th Congress:

- **Look for expanded support for new nuclear power generation facilities and an expansion of domestic precision metals and mineral mining.** Congress will want to support local projects that lend efficiencies across energy types and how they are delivered to Americans. If there is a nexus to the infrastructure, policy and projects, there will be more buy in.

- **Brace for the expansion of investments around hydroelectric, carbon capture technology and extensions of renewable energy production.** The tax provisions in the Inflation Reduction Act are likely to stand, though the Republican House will no doubt attempt to roll them back. Republicans, while distancing themselves from the collective business community, aren't likely to join forces with Democrats on any further corporate tax increases, least of all given economic uncertainty.

- **Prepare for the need to underscore more developments into cleaner mixed fossil fuel energy sources like crushed coal and biofuels.** There will be an inherent need for companies and industries to have a broad view of building an energy supply for the next generation of citizens. This should include a variety of energy sources and resources that allow for serving more citizens as the population continues to grow.

- **Set your organization's positions on areas of conflicting congressional oversight - such as environment, social and governance (ESG) issues - in accordance with your values.** Don't fall victim to the competing political pressures and clearly and transparently communicate your position to members of Congress and the relevant committees, as well as to internal and external stakeholders.

- **Consider building in equity and accessibility to climate initiatives.** With the Biden Administration's focus on equity and inclusion, agencies and Democrats will continue to look to help disadvantaged communities that are marginalized, underserved and overburdened by pollution. There will be a continued drumbeat around incorporating inclusion into overarching initiatives such as climate and sustainability work to tangibly bring equitable solutions to climate issues.

- **Be prepared to engage with members of Congress on the issues of bipartisan interest,** starting with introductory education - such as if your organization has a stake in the hydro, fossil fuels or clean mixed energy - and speak to how new technology and energy regulations might impact your organization.