



“Back to the Future” Oil & Gas Environmental Regulatory Agenda in the Biden Administration – Part 2

April 21, 2021

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Haynes and Boone, LLP – Energy Practice Group

Our Energy Practice Group includes more than 100 lawyers and professional landmen with diverse backgrounds, experiences and skill sets specific to the energy industry. Our clients call us for their most critical matters requiring sophisticated and practical advice. With 50 years of energy experience, we serve clients from offices located in key energy-related and financial hubs, such as Houston, London, Mexico City, New York, Denver, Dallas, and Washington, D.C. Our lawyers regularly represent clients in connection with transactions, regulatory issues, disputes and restructurings. We are organized by teams or “working groups” covering the following areas:

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Offshore Oil and Gas
Dispute Resolution

Energy Finance

Liquefied Natural
Gas (LNG)

Oil and Gas

Energy Litigation

Mexico Energy Reform

Oil and Gas Litigation

Energy Investment
Funds and MLPs

Midstream

Oilfield Services

Energy Private Equity

Mining and Metals

Power and Renewables

Energy Regulatory

Offshore Oil and Gas

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U.S. News - 2020
**Ranked in National
Tier 1 in Oil & Gas Law
and Energy Law.**



Oil and Gas ESG Tracker

- HB and EnerCom are tracking the publicly disclosed ESG policies of 30 US-listed middle market onshore oil and gas producers with a market cap greater than \$100 million.
- The Tracker reports if and how oil and gas companies are responding to growing pressure to support and communicate ESG policies and report their progress implementing those policies.
 - Companies are disclosing ESG policies in a variety of places, including on company websites, corporate social responsibility reports, in proxy statements and other SEC filings.
 - The scope and extent of the disclosures, if any, varies widely among producers.
- The inaugural tracker was released in March 2021 and is available here on our website: https://www.haynesboone.com/-/media/files/energy_bankruptcy_reports/2019/oil-and-gas-esg-tracker---march-2021.ashx?la=en&hash=D3E7B947FC6BE0D7312A595179ECFBB7A13DE6A7.
 - The ESG Tracker will be updated periodically as HB and EnerCom continue to monitor mid-sized onshore oil and gas operators' SEC filings and other disclosures to help the market better understand the companies' evolving ESG policies and spot industry trends. The latest version of the ESG Tracker is available here on our website: <https://www.haynesboone.com/experience/trending-issues/energy-roundup>.

Introduction & Speakers



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Appointments Updates

Confirmed/confirmation not required:

**White House Council on
Environmental Quality:
Brenda Mallory**

**SEC Chair:
Gary Gensler**

**Army Corps of Engineers
Principal Deputy Assistant
Secretary for Civil Works:
Jaime Pinkham**

**Treasury – Climate
Counselor:
John Morton**

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Confirmation pending (EPA):

**Deputy Administrator:
Janet McCabe**

**Assistant Administrator –
Office of Water:
Radhika Fox**

**Assistant Administrator –
Office of Chemical Safety and
Pollution Prevention:
Michal Freedhoff**

Appointments Updates

Confirmation pending (DOI):

Deputy Secretary:
Tommy Beaudreau

**Assistant Secretary of Policy,
Management, and Budget:**
Winnie Stachelberg

**Assistant Secretary of
Fish and Wildlife:**
Shannon Estenoz

**Assistant Secretary for
Water and Science:**
Tanya Trujillo

Nomination pending:

BLM Director:
Tracy Stone-Manning

American Jobs Plan

- Biden Administration Infrastructure Bill
 - Issued March 31, 2021
 - “Overhaul and Upgrade” the Nation’s Infrastructure
 - “Transformational Effort” to create the “Most, Resilient, Innovative Economy in the World”
 - “The Largest American Jobs Investment since World War II”
 - Approximately \$2 Trillion
 - 8 Year Spending Plan
 - If passed alongside the Made in America corporate tax plan, it will be fully paid for within the next 15 years

American Jobs Plan

- Purpose
 - Create Millions of Jobs
 - Environmental Justice
 - Hasten shift to “Cleaner Energy Sources”
- Revenue Generation – Accompanying Made in America Tax Plan
 - Corporate Tax Rate Increase
 - 21% to 28%
 - “Minimum Tax” on Global Income of Multinational Corporations
 - “Elimination of Tax Preference for Fossil Fuel Producers”

American Jobs Plan

- \$180 Billion for Research and Development
- \$115 Billion for Roads and Bridges
- \$85 Billion for Public Transit
- \$80 Billion for Rail (Freight and Passenger)
- \$42 Billion for Ports and Airports
- \$100 Billion for Broadband
- \$111 Billion for Water Infrastructure
- \$16 Billion for “Transition of Fossil Fuel Workers to New Work”
- \$10 Billion for “Civilian Climate Change Corps”

Climate, Climate Everywhere...

- Treasury –
 - First “Climate Counselor” – John Morton
 - Mobilizing financial resources for climate-friendly investment and expedited transition of high-emitting sectors
 - Using economic and tax policies to support climate-resilient infrastructure and transition to net-zero decarbonized economy
 - Centrally featuring environmental justice in programs, policies and activities
- DOI –
 - Climate Task Force
 - NEPA, climate change, and Tribal and environmental justice factors
 - Trump-era Orders revoked

Corporations Going Net-Zero

- Corporations in many different sectors are announcing plans to achieve net-zero.
- Most aim for net-zero by 2050

International Climate Change Policies Affecting Transportation

- EU: Year of Rail
- Bail-Out Packages:
 - AirFrance-KLM
 - Deutsche Lufthansa AG
- Bill in French National Assembly
 - Air Travel forbidden when train alternative is less than 2.5hrs

Climate and the Proposed Preliminary Budget

- EPA – proposed \$11.1 billion, up 21.3% over FY2021
 - \$936 million to new EJ initiative at EPA
 - \$100 million to new community air quality monitoring and notification program
 - \$550 million to remediation of abandoned oil and gas wells (triple current funding)
- Department of Energy – Proposed \$46 billion, up 10.2%
 - \$1.9 billion to launch clean energy and workforce initiative
- Other proposed spending:
 - \$600 million for electric vehicles and charging infrastructure across agencies
 - \$1.7 billion in energy saving retrofits to homes, schools and federal buildings
 - \$1.6 billion across agencies for a broad range of research on understanding the changing climate and adaptation and resilience measures
 - \$1.2 billion to the Green Climate Fund to help developing countries reduce emissions and adapt to climate change and another \$1.3 billion for other climate programs including at USAID
 - \$6.9 billion to NOAA to include expanding climate observation and forecasting work

Pending Proposals for Comment and Notable Policies

- SEC request for public input on climate disclosures - comments due by June 14
- April 7 EPA “Actions to Advance Environmental Justice”
- Focus on criminal actions
- E15 and UST proposed changes

The Week Ahead

- Earth Day “Leaders to Leaders Summit on Climate”, April 22-23
- Republican advance summit

Questions?



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