Climate Institute

CLIMATE ALERT

Energy & Climate Policy Developments: Summer 2026

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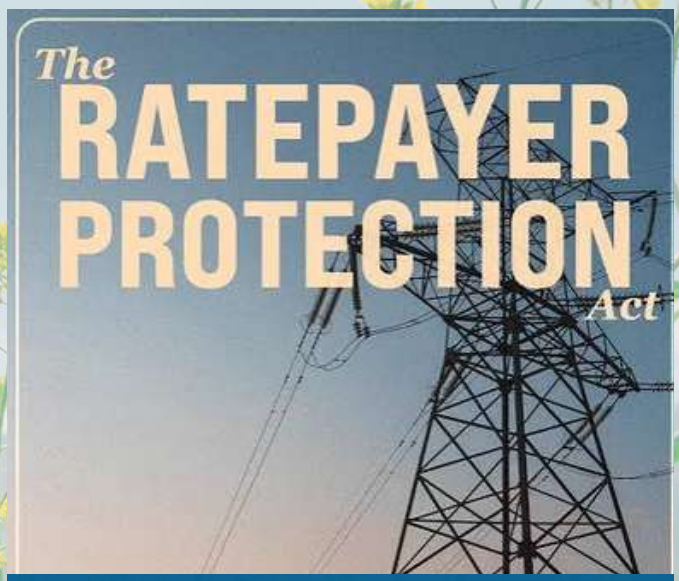
CONGRESSIONAL WATCH

Grid Access and Ratepayer Protection

1. **Grid Connection and Congestion Management Act (S. 5008):** This Act would require regional grid operators to offer an "energy-only" interconnection option, allowing new generators to connect to the grid without paying for upgrades needed to guarantee power delivery during constrained periods. The proposal could accelerate interconnection, although participating generators could face curtailment when the grid is congested.



2. **Ratepayer Justice and Commercial Power Accountability Act (H.R. 9700):** This act would create a federal fund to reimburse customers whose utility rates increased because of corruption or misconduct. Inspired by Ohio's FirstEnergy scandal, it would also provide affected communities with grants and prioritized federal support for grid modernization and clean energy.

Nuclear Advancements

1. **Nuclear REFUEL:** Streamlining NRC licensing for facilities that recycle spent nuclear fuel
2. **Efficient Nuclear Licensing Hearings Act:** Modifying the NRC hearing requirements to accelerate facility licensing decisions
3. **Nuclear Advisory Committee Act:** Reorganizing the NRC Advisory Committee on Reactor Safeguards and narrowing it's ability to perform safety reviews for proposed commercial nuclear power plants
4. **NRC Staff Pay Alignment Act:** Providing the NRC greater flexibility to increase specialized staff pay
5. **Department of Energy Nuclear Transparency Act:** Expanding DOE reporting on nuclear deployment and supply chains
6. **American Enrichment Deployment Act:** Directing DOE to support expanded domestic uranium-enrichment capacity

Geothermal Maintains Momentum

1. **Next-Generation Geothermal Research and Development Act (H.R. 8790):** H.R. 8790 was sent to the Senate Energy and Natural Resources Committee for consideration. This act would expand federal geothermal mapping, testing, research, and workforce development, including establishing a new "Next-Generation Geothermal Systems Center of Excellence" to support the spread of the technology.
2. **Geo POWER Act (H.R. 8473):** Passed by the House Committee on Science, Space, and Technology, this act would direct the DOE to support at least three next-generation geothermal demonstration projects using milestone-based financing. Although geothermal currently generates less than 1% of U.S. electricity, new drilling and subsurface technologies alongside possible further bipartisan support could allow it to be available across far more of the country.

Congress Continues Responding to Data Center Strain

1. **Protecting Ratepayers Act (H.R. 9777):** H.R. 9777 would require new and existing data centers exceeding *5MW* to obtain all electricity and water from sources separate from public systems. Additionally, it would give the Ratepayer Protection Pledge the force of law.
2. **Data Center Tax Accountability and Disclosure Act (s. 5054):** S. 5054 would require large AI data centers to disclose their energy use, water consumption, emissions, and backup generation while conditioning federal bonus depreciation on meeting efficiency and sustainability standards.

These bills reflect growing pressure on Congress to prevent AI development from increasing utility costs or straining communities' local resources

National Water Resilience Planning

1. **The Water Security and Drought Resilience Act (S. 3732):** S. 3732 would support smaller surface water and groundwater-storage projects through increased federal investment
2. **MORE WATER Act (S. 3738):** S. 3738 would reauthorize federal water-recycling programs and create a new program to revive aging canals and other water conveyance systems
3. **Cooperative Watershed Management Program Reauthorization Act (S. 4041):** This bipartisan-backed bill would continue federal support for local watershed planning to help communities improve drought resilience and replenish aquifers

This batch of legislation represents a growing focus on the stability of our water resources as summer heat, droughts, and concerns of data center water usage come into the public eye.

Preventing Emissions & Pollution

1. ***The Tracking Plastic Act (S. 5182):*** S. 5182 would establish a federal working group tasked with developing standards for measuring and verifying recycled-plastic content in products
2. ***S. 5145:*** A bill to clarify the use of certain existing grants under the Clean Air Act to purchase air sensors that would enable the use of existing CAA grants for local air monitoring sensors
3. ***S. J. Res 187:*** Joint resolution expressing Congress's dissatisfaction with an EPA ruling delaying requirements to report PFAS usage in manufacturing to the federal government

Signed Into Law

1. ***The Emergency Conservation Program Improvement Act (S. 629):*** S. 629 made it easier for farmers and private forest owners to access upfront federal aid for land conservation and restoration after disasters

Recent Bills

- **Critical Minerals**
  - Earth MRI Reauthorization Act of 2026
  - Quantum-Enhanced Critical Minerals Mapping Act of 2026
  - Critical Minerals Innovation Partnership
- **Conservation and Resilience**
  - Wildfire Emissions Prevention Act of 2026
  - National Wildlife Refuge System Invasive Species Strike Team Act of 2025
  - Whale CHARTS Act of 2026
- **Public Lands and Parks**
  - National Park System Long-Term Lease Investment Act
  - Route 66 National Historic Trail Designation Act
  - North Rim Restoration Act
- **Carbon Removal**
  - Carbon Dioxide Removal Leadership Act of 2026
  - A Bill to Require the Secretary of Energy to remove carbon dioxide directly from ambient air or seawater

IN THE ADMINISTRATION

DOE Intervenes as Heat Strains the Grid

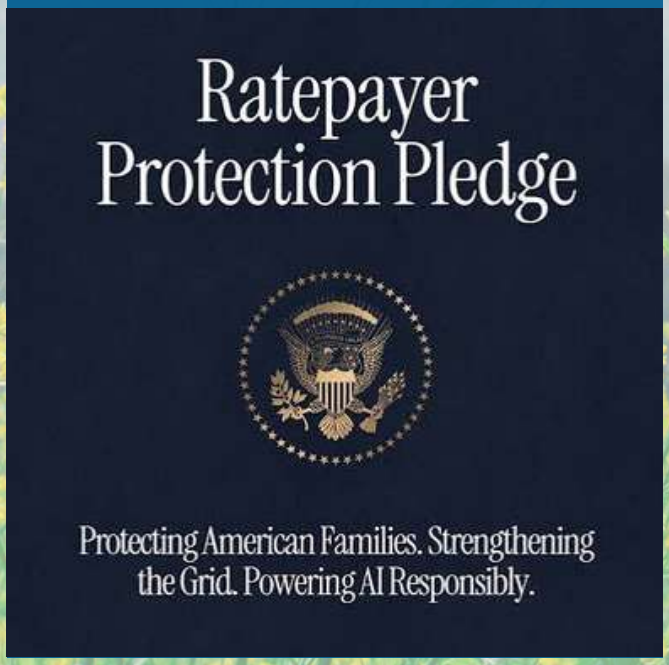
On July 14, the DOE issued an emergency order directing PJM (the largest power grid operator in the United States) to operate backup generation at data centers and other large-load customers as needed as a last resort from July 14 -21 amid extreme heat and concerns about mid-Atlantic grid reliability. PJM, which serves approximately 67 million people, subsequently issued warnings over heavy demand, low voltage, and transmission congestion (particularly around northern Virginia's concentration of data centers, 'Data Center Alley').

EPA Exemptions for Chemical Manufactrurers

President Donald Trump granted certain chemical manufacturers two-year exemptions from Biden-era EPA air-pollution requirements. The administration argued that some required pollution-control technologies were not commercially available and that the affected chemicals were important to semiconductor manufacturing, medical sterilization, defense, and other industries.

Ratepayer Protection Pledge Expands

On July 23, the Trump administration announced that more than 200 utilities, data center developers, cooperatives, and states had joined its Ratepayer Protection Pledge. Participants pledge that data center operators, rather than ratepayers, will cover the generation and grid infrastructure required by data centers. The administration says the agreement now covers companies delivering approximately 80% of U.S. electricity. However, the pledge remains entirely voluntary, and its effects will depend on individual utility agreements and decisions by state regulators.



DOE Funds Oil and Gas Innovation

The DOE announced $65.5 million in cost-shared funding for projects intended to improve U.S. oil and natural gas production and infrastructure. The program will support technologies that convert stranded or underused resources into marketable products, strengthen pipelines and other equipment, and use digital tools to improve safety and efficiency.

EPA Allows "Islanded" Power Plants to Sidestep Acid Rain Program

On July 16, the EPA issued a memorandum explaining that the Clean Air Act Acid Rain Program does not apply to "islanded" power plants that exclusively serve facilities, such as data centers, without connecting to the public energy grid. This move will allow data centers to build out primary or backup generation facilities without concern for the Acid Rain Program's emissions and reporting requirements. This statement comes as increasing numbers of data centers are moving to these "islanded" power plants and are being forced to use backup generators during peak grid usage.

Battery Recycling Moves Forward

On July 28, the DOE selected eight teams as winners of its Lithium-ion Battery Recycling Prize Breakthrough Contest. Each team is either developing technology or business models facilitating the collection, sorting, transportation, and processing of used lithium-ion batteries. These teams will now receive non-cash technical and financial support from the DOE to test whether their proposals can operate at scale before competing for final prizes. This contest, spurred by increasing use of lithium and other critical minerals in electric vehicles, batteries and electronics, is designed to keep these valuable materials in the U.S. for reuse as a method to reduce dependence on international lithium and other critical minerals.

IN THE NEWS

A Fragile Clean-Energy Connection

The Champlain Hudson Power Express energy transmission line, which became operational in May, went offline for the second time in July after another cable problem. The $6 billion, 1,250-megawatt transmission line has the capacity to supply up to roughly 20% of New York City's electricity using clean Canadian hydropower. Its failure during extreme heat increased reliance on older fossil-fuel generation, although New York's grid continued meeting demand.

States Continue to Target Affordability and Data Centers

New York imposed a one-year pause on state permitting for new hyperscale data centers exceeding 50 megawatts while regulators develop standards addressing electricity costs for ratepayers, water usage, and environmental impacts. Nearby, Connecticut enacted legislation intended to make solar and battery programs more accessible to renters, homeowners, and business owners, placing greater emphasis on ratepayer affordability.

Extreme Weather Across the U.S.

Extreme weather affected much of the country this summer, with 68 large wildfires burning across 15 states, smoke spreading through the eastern United States, and widespread flooding sadly taking the lives of two individuals in Texas.

Clean Tech That's Here to Stay

As reported by Grist, a new study by the Decarbonization Coalition shows that heat pump technology is on the rise and likely to stay here in America. Heat pumps use electricity to extract heat from outside air, no matter how cold, and move it indoors. They are generally more efficient than conventional heating systems, cutting households' indirect emissions. These appliances are not only more efficient but also often lower household utility bills and can even provide air conditioning in the summer.

The World Adapts to the Hormuz Closure

More than four months after the Strait of Hormuz first closed, the global oil market has largely avoided the severe shortages and economic crisis initially predicted by many. A 400-million-barrel emergency reserve release from over 30 countries, expanded production, and conservation measures across more than 100 countries helped offset the disruption. However, many countries' stockpiles are close to depleted, leaving concerns that the world will have a much smaller buffer if the closure continues.

States Challenge Wind Permitting Freeze

A coalition of 18 states and Washington, D.C., has moved to join an offshore wind industry lawsuit challenging the Department of Defense's freeze on approvals for new onshore wind projects. According to the American Clean Power Association, the freeze has prevented more than 155 projects from moving forward over the past year. The states argue that continued delays threaten grid reliability, energy affordability, climate goals, and jobs, while the administration maintains that the reviews are necessary to address national security concerns.

Green Steel on Minnesota's Iron Range

Mesabi Metallics is nearing completion of a $2.5 billion iron ore mine and processing facility in Nashwauk, Minnesota. Likely to be the first new mine in roughly 50 years in Minnesota's Iron Range, the facility could eventually produce seven million tons of direct-reduction-grade iron pellets annually. These pellets can supply electric-arc furnaces, which emit substantially fewer carbon emissions than coal-fired blast furnaces and could eventually operate using clean hydrogen.

New Tech Helps Protect Climate-Strained Whales

As reported by Inside Climate News, scientists and mariners in San Francisco Bay are using thermal cameras alongside artificial intelligence to protect gray whales from ship strikes. The WhaleSpotter system identifies the heat signature of a whale's breath and sends verified sightings to an online tracker used by mariners and the U.S. Coast Guard. The system has already recorded more than 16,900 detections by early July. As climate change disrupts Arctic food supplies and pushes more gray whales into the bay, the technology could help vessels avoid whales, although scientists warn that it should complement rather than replace existing speed restrictions.

Thermal Batteries at Industrial Scale

Thermal energy storage company Antora Energy closed a $550 million funding round on July 30 to expand production of its carbon-based thermal batteries, which store energy as heat within carbon blocks for eventual conversion into electricity or steam to be used in industry, like in factories and data centers. As reported by Canary Media, Antora booted up its first industrial-scale system in May 2026 — a 5 gigawatt-hour battery in Big Stone City, South Dakota to help an ethanol plant decarbonize —and is planning to scale, using the capital from this latest funding round to expand production of its technology.

Fight Continues Over Partisan Funding of Clean Energy Projects

The Trump Administration officially acknowledged in court filings in July that it canceled $7.6 billion in grants for clean energy projects based upon whether the projects receiving money were located in "blue states." That admission is bolstering demands by lawmakers for funding to be restored. Nonetheless, the administration has defended its position since the cuts began, with government lawyers arguing that "consideration of partisan politics is constitutionally permissible, including because it can serve as a proxy for legitimate policy considerations," as reported by the Honolulu Civil Beat.

Western Rivers Become Too Hot to Fish

As the Western United States experiences record-high heat, drought, and low water levels, many river temperatures have climbed to dangerous levels for trout and other cold-water fish species. Wildlife officials, in turn, have imposed temporary fishing bans across many stretches of Western rivers in an attempt to reduce stress on vulnerable populations. These restrictions have become increasingly common. As reported by the Associated Press, declining snowpack levels and warmer summers in the West produce river heat waves like these, threatening river ecosystems.

Pay-As-You-Go Solar Expands in Africa

As recently highlighted by the Associated Press, two new financing deals could assist in bringing off-grid solar to more African households, without requiring that residents pay the full upfront cost of a solar system. Off-grid solar company d.light recently issued a $50 million green bond, while its rival Sun King raised $286 million in 2025 by packaging future customer payments into securities that were then sold to investors. The rivals both allow customers to purchase solar panels, batteries, and appliances through small incremental payments, often payable through mobile devices.

Climate Institute

40 Years of Global Climate Leadership

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