



TCB Digest for Executives: Newsom's delay; a bipartisan "Prove It" act; renewables overtake nuclear; "sustainability" not "ESG"

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Welcome to the 23rd edition of our Digest for Executives – a summary of key climate-related events, publications, and insights for cross-functional corporate leaders.

Amid the increasingly unsettled political environment this summer, the US administrative, regulatory and judicial apparatus and state-level governments continue to address sustainability-related themes. California Governor Gavin Newsom proposed amendments to his signature climate legislation, the most far-reaching in the U.S.; a delay will allow regulators and businesses more time to prepare.

Legal minds continued to assess the implications of the end of the Supreme Court's "Chevron Doctrine." And congressmen from both parties proposed an act that could one day lead to carbon tariffs – a tax on imports from nations with weaker emissions standards.

Government & Regulatory Updates

- [Bipartisan Carbon Bill Unveiled in the House](#) (E&E News Politico, July 9) - The "PROVE IT" Act ("Providing Reliable, Objective, Verifiable Emissions Intensity and Transparency") calls for the Department of Energy to conduct a study on the carbon intensity of certain domestic industrial products. The information gathered from this study is expected to demonstrate that materials made in the U.S. have a lower emissions threshold than comparatives produced in foreign countries; the goal of the study would be to highlight this "carbon advantage" in trade relationships.
- [Delay Proposed for California Climate Laws](#) (ESG News, July 12) - Governor Gavin Newsom recently proposed amendments to California climate laws SB 253 and 261 that would delay their application by two years; this would give the California Air Resources Board more flexibility in developing implementation rules. These delays are not unexpected – Newsom expressed his concerns about the quick timeline when he signed the bills into law, and both laws have been undergoing [litigation](#) for months. The [Climate Corporate Data Accountability Act](#) and the [Climate-Related Financial Risk Act](#), are currently the most extensive emissions disclosure mandates in the U.S.; they were signed into law in [October of last year, as we discussed in a previous edition of the Digest](#).

Corporate & Disclosure Updates

- [Wall Street Starts Calling Time on ESG Labels After Backlash](#) (Bloomberg, July 17) - Financial firms are increasingly removing references to “ESG” from job titles, replacing the acronym with alternative terms such as “sustainability” to avoid controversy even as they continue to address climate-related issues. This shift is part of a broader trend of organizations distancing themselves from the “ESG” label due to political and market pressures.

Climate Updates

- [US Renewables Electricity Output Overtaking Nuclear](#) (Reuters, July 11) - During the first half of 2024, electricity generation from solar and wind surpassed that of nuclear plants for the first time in the U.S. The key driver of electricity generation potential is installed capacity, and renewables capacity has outpaced that of other power sources over the last five years. (Nuclear capacity, meanwhile, has been declining, and is likely to remain flat for the medium term.) Developers plan to add 34 GW of solar capacity in 2024.
- [Why the Era of China’s Soaring Carbon Emissions Might Be Ending](#) (The New York Times, July 18) - China has been the world’s biggest emitter of greenhouse gases for most of the past 20 years, but the country may be on the verge of a plateaued emissions curve, according to data from the Chinese government and energy analysts. Renewables are driving this trajectory: last year, China installed more solar panels than the U.S. has in its history, and most of the large wind and solar projects under construction in the world are in China. However, China is still the leader in newly operating coal plants. Ahead of COP29 in November, China is expected to unveil new emissions reductions commitments.

More Must-Reads

- Harvard Business Review, July 10 - [It's Time to Change How ESG is Measured](#)
- Bloomberg, July 10 - [Power-Guzzling AI to Drive ESG Debt Sales, Morgan Stanley Says](#)
- Axios, July 11 - [Climate Change Disrupting Housing Markets, Insurance Industry](#)
- ESG Today, July 11 - [KPMG Launches New Climate Reporting Resources Hub](#)
- Tim Mohin for ESG News, July 19 - [Actions by various US states are making climate reporting inevitable](#)
- Thomson Reuters Legal, July 17 - [What In-House Lawyers Should Know About the Overturned Chevron Doctrine](#)
- ESG News, July 22 - [AWS, Google, Meta, Microsoft and Others Call for Supplier Action to Decarbonize Digital Infrastructure Through Environmental Product Declarations](#)

- Columbia Law School, July 22 - [Understanding the Demise of the Chevron Doctrine](#)

Upcoming Events

- Verdantix, July 31 - [Scope 3 Measurement: Mastering Emissions Reduction Strategies for Net Zero Success](#)

**Thank you,
The TCB Team**