



WASHINGTON WIRE

May 4, 2022

Senator Manchin Urges Bipartisan Cooperation on Energy and Climate Policy

After months of inaction on Democrat’s reconciliation bill, Senator Joe Manchin (D-WV) has gathered a bipartisan group of lawmakers to work on a possible bipartisan bill to update climate and energy policy. While some Republican lawmakers are interested in advancing tax policy changes to help energy industries, including energy efficiency incentives important to electrical distributors, other participants see the bipartisan group as a way to further erode the chances of a reconciliation package from passing. Senator Manchin views this group as a path towards achieving a bipartisan bill similar to the infrastructure bill passed last year; he also says he is “committed to an energy-climate bill that makes sense for the United States of America.”

Senator Manchin is still interested in working with his fellow Democrats on a party-line bill that will focus on taxes and other social spending issues like healthcare and drug costs. There have not been publicly acknowledged talks between Senator Manchin and the White House after he stopped the Build Back Better Act from moving in the Senate by coming out against the plan. Recent reports have also highlighted Senator Kyrsten Sinema (D-AZ) as another roadblock to passage of the sweeping legislation sought by the party base.

DOE Reinstates Minimum Energy Efficiency Rule for Light Bulbs, Once Again Eliminating Incandescent Bulbs

The U.S. Department of Energy has updated the energy efficiency requirements for general service lamps sold to consumers. This efficiency rule re-instates the backstop requirement that was ignored in a 2019 update to the rule. This release lives up to President Biden’s promise to reinstate the Obama era rule that eliminated incandescent bulbs from the market. NAED expects this rule to have minimal impact on the market as nearly all manufacturers have turned to LED or other energy efficient technologies in producing new bulbs for the public.

First Quarter GDP Estimate Shows a Shrinking Economy, First Negative GDP Since COVID Lockdowns Slowed Growth in 2020

Supply chain issues, inflation, and a slowdown in post-holiday consumer spending has caused the US gross domestic product (GDP) to shrink by 1.4% in the first quarter of 2022. The Bureau of Economic Analysis (BEA), which tracks GDP and other economic indicators, released their “advance estimate” of the GDP last week. This is an early estimate of economic performance and will be adjusted when the agency releases its second and third estimate the last Thursday in May and June respectively. The shrinking economy was driven by rising imports to make up for supply chain disruptions in 2021. As wholesale inventories return to normal, imports will be less of a drag on the GDP — however, other risks to economic growth persist including inflation.

In response to growing inflation, the Federal Reserve increased interest rates by 50 basis points this week on top of a 25-basis-point increase in March. This rate increase and continuing supply chain issues could further limit economic growth in the second quarter. The Federal Reserve is attempting to slow inflation from its current 40 year high. BEA data on personal income and expenditures is still showing growing incomes but personal consumption grew at twice the rate of disposable income. The Fed’s interest rate change will almost certainly impact spending, which will impact GDP.

BEA will release its Q2 advance estimate of GDP in late July which will give an early indication if the U.S. has entered a technical recession (a technical recession is two or more consecutive quarters of negative GDP growth) but will not be confirmed until the later estimates are released in August and September.

Primary Season has Begun, Marking Next Phase in 2022 Election Cycle

Earlier this week Indiana and Ohio held their Congressional primary elections starting off the first wave of primary elections across the country (except Texas where the primary was held March 1). Most states hold their primaries during one of two nine-week periods, May through June and late-July through mid-September Congressional primaries are important in shaping the political ideology of Congress as fewer and fewer Congressional seats are considered competitive between the parties.

Upcoming primaries in June:

June 7: California, Iowa, Mississippi, Montana, New Jersey, New Mexico, South Dakota

June 14: Maine, Nevada, North Dakota, South Carolina

June 21: Arkansas, Georgia (Runoff), Virginia

June 28: Colorado, Illinois, Mississippi (Runoff), New York, Oklahoma, South Carolina, Utah

For more information:

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