



## BREAKING NEWS

# Rheem Government Affairs

July 1, 2022

### Key Policy Update

In an expected, but nonetheless blockbuster ruling, the Supreme Court held in the matter of *WV v. EPA* that the U.S. Environmental Protection Agency lacks authority through the Clean Air Act to establish regulations limiting greenhouse gas emissions from fossil-fuel fired power plants. With the Biden Administration and national environmental organizations characterizing the ruling as “shocking” and a “setback”, the court ruling could also impact future efforts by the EPA to regulate greenhouse gas emissions in the industrial and transportation sector.

The immediate effect on Rheem is muted. The regulatory programs establishing efficiency standards for covered appliances and HFC refrigerants used in HVAC-R applications are rooted in separate and specific statutory authorities.

The effect of the ruling to the Biden Administration’s pledge to achieve a 50-52 percent reduction from 2005 levels in economy-wide net greenhouse gas emissions in 2030 is sizeable as the expected emission reductions from power plants constitute a large share of the total.

Rheem Government Affairs will continue to closely monitor and engage stakeholders in the days and weeks to come as the Administration plots a response to the Court ruling.

### Key Takeaways

No effects on the Department of Energy implementation of energy conservation standards for HVACR + WH, or U.S. EPA phase-down of HFC refrigerants used in HVACR applications.

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Congressional Democrats and Biden Administration under increased pressure to secure compromise agreement on package of federal clean energy tax credits and consumer electrification incentives.

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State climate action will accelerate in New York and California, among other states, as political leaders in those states fill the policy and regulatory gap from a lack of national action.

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