Week in Regulation

A Cross-cutting Energy & Environment Week

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This past week saw a bit of a lull in regulatory activity – at least relative to the scale reached during some of the past few weeks. There were only nine rulemakings with a quantified economic impact. Of these, three rules had effects in the billions of dollars. All three focused on environmental and energy issues. One of these – a rule from the Department of Interior (DOI) on requirements for Outer Continental Shelf (OCS) leases – provided cost savings. Across all rulemakings, agencies published $1.6 billion in total costs and added 2.5 million annual paperwork burden hours.

REGULATORY TOPLINES

- Proposed Rules: 45
- Final Rules: 72
- 2024 Total Pages: 43,679
- 2024 Final Rule Costs: $1.19 trillion
- 2024 Proposed Rule Costs: $34.9 billion

NOTABLE REGULATORY ACTIONS

Perhaps the most significant rulemaking of the week was the aforementioned measure from DOI entitled "Renewable Energy Modernization Rule." The rule:

> *Eliminates unnecessary requirements for the deployment of meteorological (met) buoys; increases survey flexibility; improves the project design and installation*

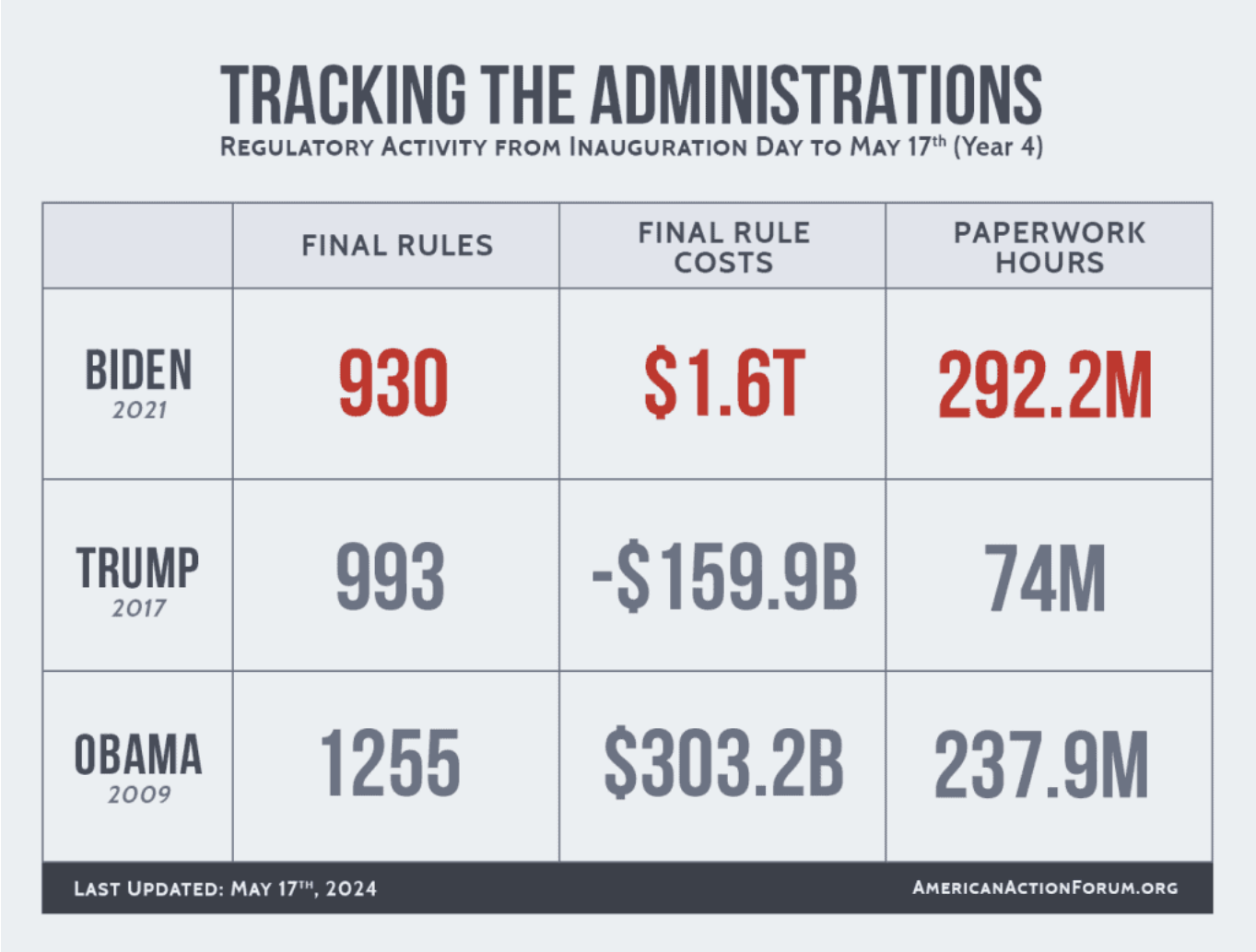
> *verification process; establishes a public Renewable Energy Leasing Schedule; reforms [Bureau of Ocean Energy Management] BOEM's renewable energy auction regulations; tailors financial assurance requirements and instruments; clarifies safety management system regulations; revises other provisions; and makes technical corrections.*

DOI estimates that the rule's various reforms will result in $127 million in annualized savings for affected entities, or more than $1.3 billion in present value across a 20-year period. The rule marks a welcome step in easing the regulatory impediments to the development of clean energy projects such as off-shore wind.

Despite the nominal cost savings from this DOI measure, however, a pair of Environmental Protection Agency (EPA) rules made sure that the week landed on the net-cost side of the ledger. The first was an updated set of emissions standards for "the [Synthetic Organic Chemical Manufacturing Industry] SOCMI (more commonly referred to as the Hazardous Organic NESHAP or HON) and Group I and II Polymers and Resins (P&R I and P&R II, respectively) Industries." The second was a rule "amending requirements that apply to the petroleum and natural gas systems source category of the Greenhouse Gas Reporting Rule." EPA estimates that these two rules combined will involve roughly $2.4 billion in total additional costs for the affected industries.

TRACKING THE ADMINISTRATIONS

As we have already seen from executive orders and memos, the Biden Administration will surely provide plenty of contrasts with the Trump Administration on the regulatory front. And while there is a general expectation that the current administration will seek to broadly restore Obama-esque regulatory actions, there will also be areas where it charts its own course. Since the AAF RegRodeo data extend back to 2005, it is possible to provide weekly updates on how the top-level trends of President Biden's regulatory record track with those of his two most recent predecessors. The following table provides the cumulative totals of final rules containing some quantified economic impact from each administration through this point in their respective terms.



With only a couple of relatively minor proposed rules in the mix last week, much of the action for the Biden Administration came from the final rules discussed above. Biden-era cost and paperwork totals increased by nearly $1.6 billion and 2.5 million hours, respectively. Of note, the other two administrations both saw net cuts in regulatory burdens across the board. Trump-era costs and paperwork decreased by nearly $567 million and 577,000 hours, respectively, with a Department of Health and Human Services (HHS) rule being the primary mover there. Meanwhile, Obama-era costs and paperwork decreased by roughly $6 billion and 900,000 hours, respectively. Two rules from HHS stemming from President Obama's executive order on retrospective review were the main reason for this shift.

TOTAL BURDENS

Since January 1, the federal government has published $1.22 trillion in total net costs (with $1.19 trillion in new costs from finalized rules) and 43.2 million hours of net annual paperwork burden increases (with 15 million hours coming from final rules).


Year
[Select All]
2024
2023
2022
2021
2020
2019
2018
2017
2016
2015
2014
2013
2012
2011
2010
2009
2008
2007
2006
2005
Total Number of Regulations Finalized
187
Total Finalized Cost
$1.2t
Paperwork Hours
14,961,437