



TCB Digest for Executives: The end of Chevron deference

July 9, 2024

Welcome to the 22nd edition of our Digest for Executives - a summary of key climate-related events, publications, and insights for cross-functional corporate leaders.

Since our last Digest, the Supreme Court ruling striking down the so-called Chevron doctrine has dominated the headlines. We've collected some noteworthy reactions to this ruling, which will constrain the ability of agencies like the EPA and DOE to interpret statutes on environmental regulation; judges will take on a greater role. We also invite you to read [our reaction to this ruling](#).

CohnReznick is [hosting a webinar this week](#) to explore how the non-profit sector can take advantage of the Inflation Reduction Act's energy tax credits. (TCB recently explored this topic, and we invite you to revisit our key takeaways: [Engaging with the IRA, one year on.](#))

Government & Regulatory Updates

- [What the Supreme Court Chevron Decision Means for Environmental Rules](#) (The Washington Post, June 28) - [The Supreme Court overturned its own 1984 decision in Chevron v. Natural Resources Defense Council](#). The "Chevron doctrine" had held that in a Congressional dispute, a court must defer to and uphold the relevant federal agency's reasonable interpretation of the law in question. From now on, it will be easier for courts to block certain regulations, including - but not limited to - rules on air pollution and protecting endangered species. The Washington Post anticipates an increase in lawsuits over actions by federal agencies; Republican lawmakers may intensify their oversight of the current administration's environmental rulemaking. [Tim Mohin writes](#) that: "Without the ability to apply scientific knowledge to interpret vague Congressional authorizations... EPA scientists' judgement will be second-guessed by judges who are unlikely to be experts in [the relevant areas]."
- [U.S. Senate Passes Bill to Support Advanced Nuclear Energy Deployment](#) (Reuters, June 20) - The U.S. Senate passed a bill to accelerate the permitting process and create incentives to advance nuclear reactor technologies. The nuclear industry in the U.S. has historically struggled to expand due to high costs and complex permitting requirements. The bill passed with overwhelming bipartisan support (88-2); both Democrats and Republicans view nuclear power as crucial for decarbonization, ensuring reliable electricity supply and creating jobs.
- [Canada Passes New Corporate Greenwashing Rules](#) (ESG Today, June 26) - The newly amended law prohibits businesses from asserting a product's environmental benefits

without adequate tests using "internationally recognized methodology." The law puts the onus of validation onto companies themselves, shifting the burden away from the Competition Bureau; firms will face significant financial penalties if they breach provisions on deceptive marketing. The law also applies to U.S. companies doing business in Canada, [prompting some businesses to remove content](#) from their platforms to ensure compliance.

Corporate & Disclosure Updates

- [Bloomberg Facilitates Access to CSRD Data for Financial Firms Ahead of Reporting Deadline](#) (Bloomberg, June 20) - Subscribers to Bloomberg's terminal and data feeds will be able to access corporates' [CSRD](#) disclosures (including historical data reported voluntarily or under different regulatory regimes) ahead of the new EU sustainability reporting requirements, which will impact over 50,000 companies. The solution integrates CSRD data into Bloomberg's existing ESG database and provides tools for data analysis and reporting.
- [TNFD and EFRAG Publish Correspondence Mapping](#) (TNFD, June 20) - The Taskforce on Nature-related Financial Disclosures ([TNFD](#)) and the European Financial Reporting Advisory Group ([EFRAG](#)) released a mapping of the correspondence between their recommended disclosures and metrics, demonstrating the high level of commonality between the two frameworks. This aims to support companies in efficiently meeting both frameworks; it also highlights the growing global importance of nature-related financial disclosures and sustainability reporting standards.
- [ISSB Delivers Further Harmonization of the Sustainability Disclosure Landscape as it Embarks on New Work Plan](#) (IFRS, June 24) - Since its creation, the International Sustainability Standards Board has recognized the need to address the proliferation of voluntary sustainability disclosure initiatives. In order to maintain high-quality information and allow companies to report efficiently, [TCFD](#) (the Task Force on Climate-related Financial Disclosures) was disbanded following the publication of ISSB's inaugural standards; the creation of ISSB involved the consolidation of multiple standards with the IFRS foundation. To further this mission and reduce reporting inconsistencies, ISSB has now announced a partnership with the [GHG Protocol](#) to ensure that "[ISSB is involved in future governance and engaged in any future decisions in the GHG Protocol Standards](#)"; it will also take over the responsibilities of the UK Transition Plan Task Force.

Climate Updates

- [Hurricane Beryl: Caribbean Leader Calls Out Rich Countries for Climate Failures as 'Horrendous' Storm Makes Landfall](#) (The Guardian, July 1) - The Prime Minister of St. Vincent and the Grenadines denounced the lack of political action against climate change in western Europe and the United States. Ralph Gonsalves called for making

more money available to small-island developing states and other vulnerable countries. Scientists have attributed the increasingly rapid intensification of hurricanes to human-caused climate change; Hurricane Beryl strengthened from a tropical depression to a major hurricane in less than two days, and became the earliest Category Five hurricane ever recorded at one point. At the time of TCB's Digest publication, Beryl was lashing the Houston area after [devastating Jamacia](#) and other Caribbean islands.

More Must-Reads

- Bloomberg Law, June 24 - [S&P 500 Firms Rarely Disclose Emissions to SEC as Rules Loom](#)
- Time, June 25 - [World's Most Sustainable Companies 2024](#)
- ESG Today, June 25 - [BlackRock, Temasek Decarbonization Fund Leads \\$69 Million Fundraise for Carbon Removal Startup Neustark](#)
- GreenBiz, June 25 - [ESG Can Make or Break a Merger: Here's What Dealmakers Are Looking For](#)
- Associated Press, June 25 - [A Big Boost for a Climate Solution: Electricity Made From the Heat of the Earth](#)
- The New York Times, June 29 - [A String of Supreme Court Decisions Hits Hard at Environmental Rules](#)
- Financial Times, July 3 - [Climate Change is Pushing Up Food Prices - and Worrying Central Banks](#)
- Reuters, July 3 - [EU Governments Hesitant on Chinese EV Tariffs as Trade Spat Escalates](#)
- Harvard Law School Forum on Corporate Governance, July 3 - [The Board's Role in AI and Sustainability](#)

Upcoming Events

- CohnReznick, July 11 - [The Inflation Reduction Act and Energy Tax Credits for Not-for-Profits](#)
- Verdantix, July 31 - [Scope 3 Measurement: Mastering Emissions Reduction Strategies for Net Zero Success](#)

**Thank you,
The TCB Team**

