THIRD WAY

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On the Grid: A Window of Opportunity 3/24/23

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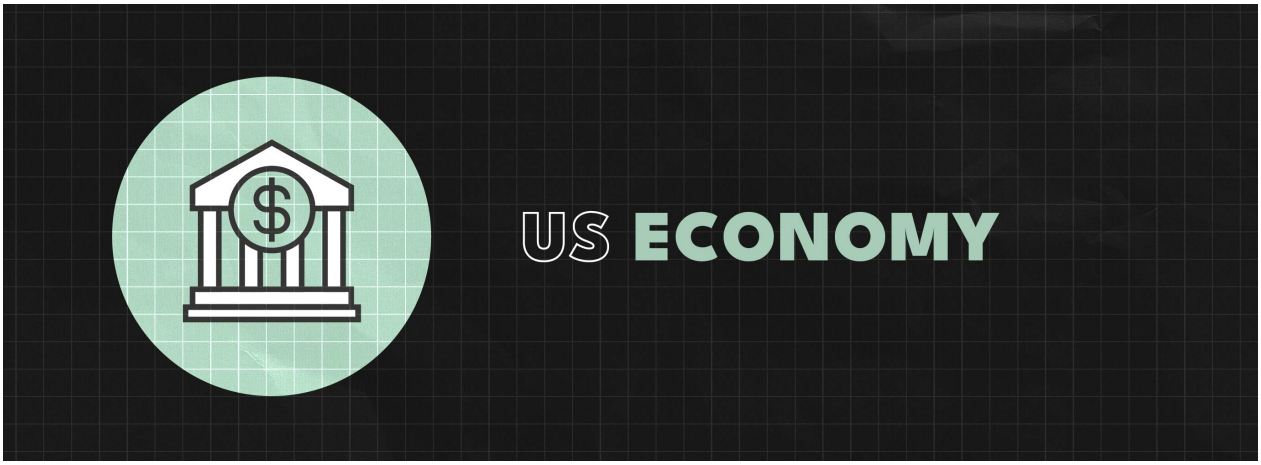
This week, the latest report from the Intergovernmental Panel on Climate Change (IPCC) made one thing very clear: when it comes to mitigating climate change, we're doing damage control. Our window of opportunity to limit warming to 1.5°C is shrinking faster than we can commercialize and deploy clean energy technology. And with the red tape and permitting restraints we are currently facing, we're making it even more difficult than it should be to scale the clean energy technologies we need to meet that target. This means we need to push to develop, demonstrate, and deploy every clean energy technology we have, *and don't have yet,* to cut carbon emissions as quickly as possible.

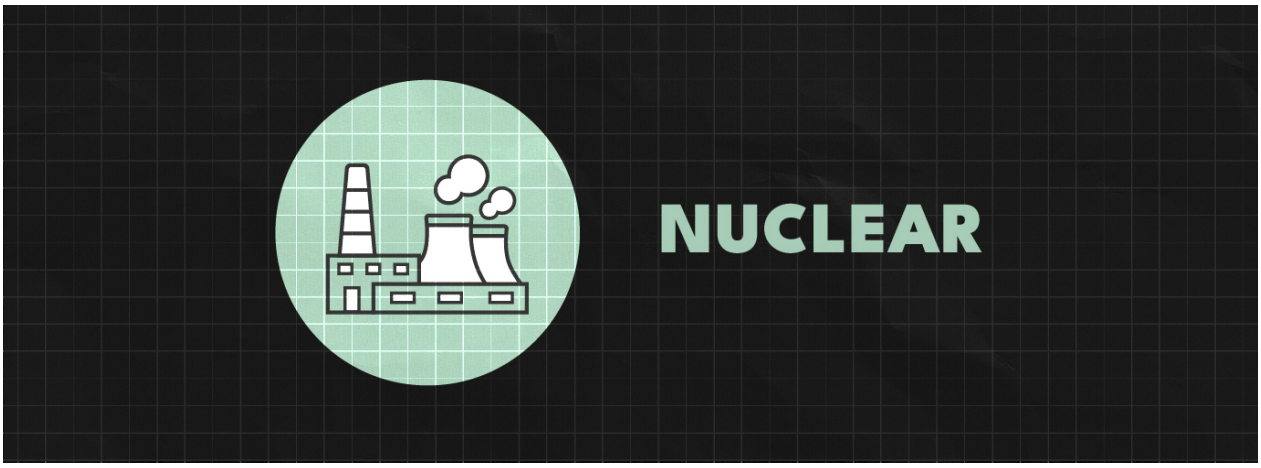
The IPCC won't release another report until 2030, giving us time to lay the groundwork for an affordable, reliable, secure, and clean energy landscape. But if we want the next report to celebrate the progress we've made, then we have a lot of work ahead of us.



Among other things, the IPCC report highlighted how we can drive down industry emissions by cutting carbon across every point of our industrial value chains. That makes analyses like Boston Consulting Group's (BCG) groundbreaking assessment of clean energy value chains even more critical.

A second installment of a report commissioned by Third Way and Breakthrough Energy, BCG's newest analysis identified opportunities for the US to gain a durable competitive advantage across four technologies–geothermal, carbon capture utilization and storage, offshore wind, and solar. These technologies, in addition to six identified in an earlier installment, will generate a cumulative global market worth **$130 trillion** between now and 2050, and with the right policies, investments, and strategies in place, the US has the opportunity to capture a significant piece.

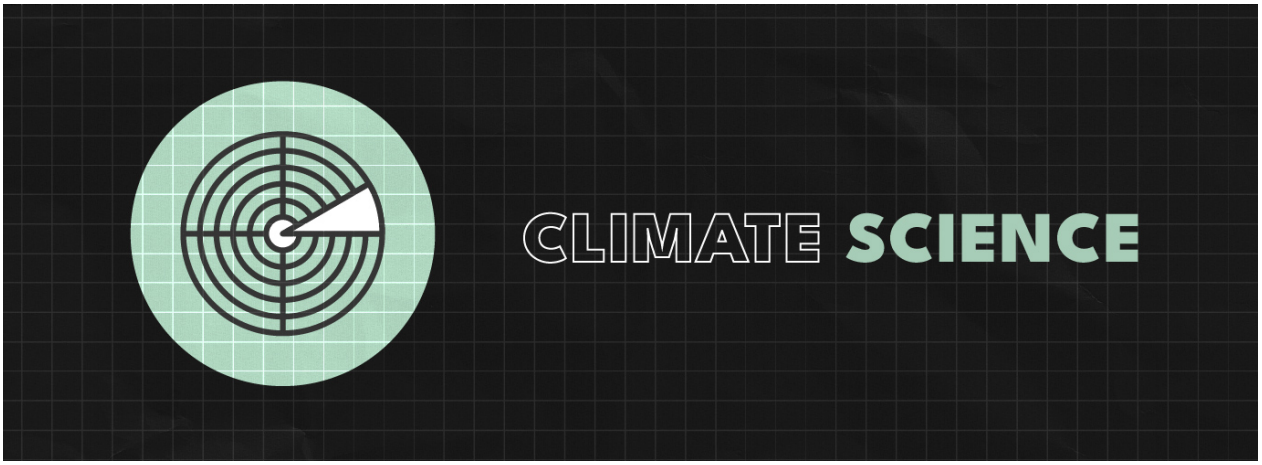
This is a *huge* opportunity to strengthen our economy, create millions of jobs, *and* cut carbon across every point in our clean energy value chains. Stay tuned as we deliver more policy recommendations from this final installment. You can also explore the series page here.



Russian and Chinese state-owned nuclear industries aren't just outpacing the American civil nuclear industry, they're running laps around us. China is building 21 reactors, more than any other country, while Russia is supplying the technology for 20 reactors, 17 of which are being exported to countries like China, India, Turkey, and Iran. And now, with Rosatom's recent declaration to build

29 new nuclear reactors in Russia by 2045, we need to get the American nuclear industry into fighting shape.

Third Way's new memo outlines the case for a White House Director for Nuclear Energy Policy, a position that can help coordinate a whole-of-government approach to ensure that American nuclear technology is competitive on the world stage. Nuclear energy exports forge *century-long* diplomatic and economic ties with nations, and we've let our adversaries get ahead for far too long. By appointing a Civil Nuclear Director, we can focus our export efforts and minimize the authoritarian influence in the clean energy marketplace.



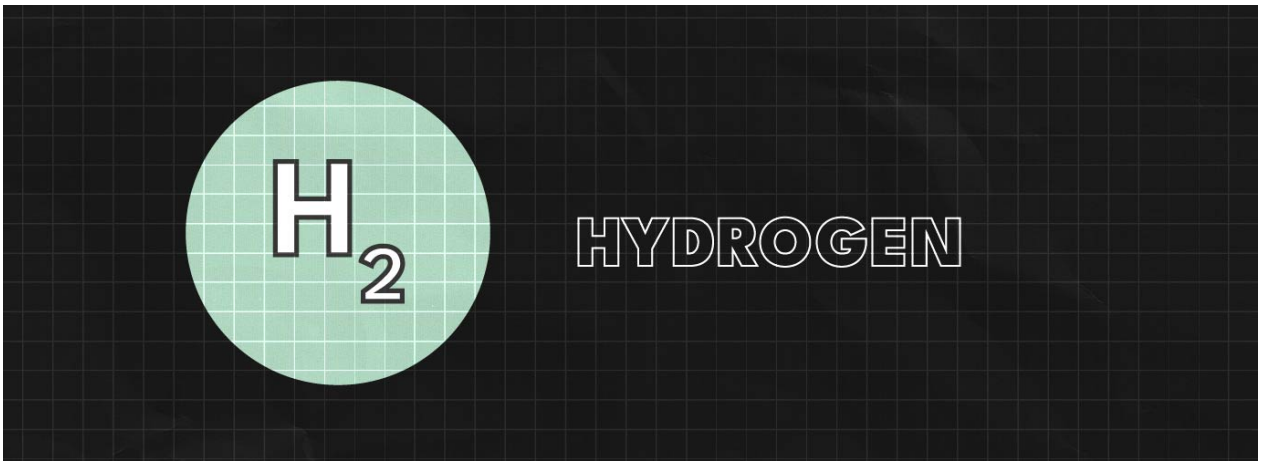
Buried under a sea of technical and policy jargon, the IPCC report can be difficult to grasp, let alone convey the main ideas and important next steps.

To help contextualize the results, we put together a few talking points based on the report to effectively communicate some of the most important messages. Keep an eye out for more materials from us.

- Last year alone, extreme weather events cost the US nearly $170 billion. The farther we move away from the 1.5°C threshold, the more commonplace these costly extreme weather events will become.

- Tightening the gap is not just an environmental imperative, but an economic one. We know that we need to use every available, and emerging, clean energy technology to meet this moment, and doing so will create millions of jobs in the process.

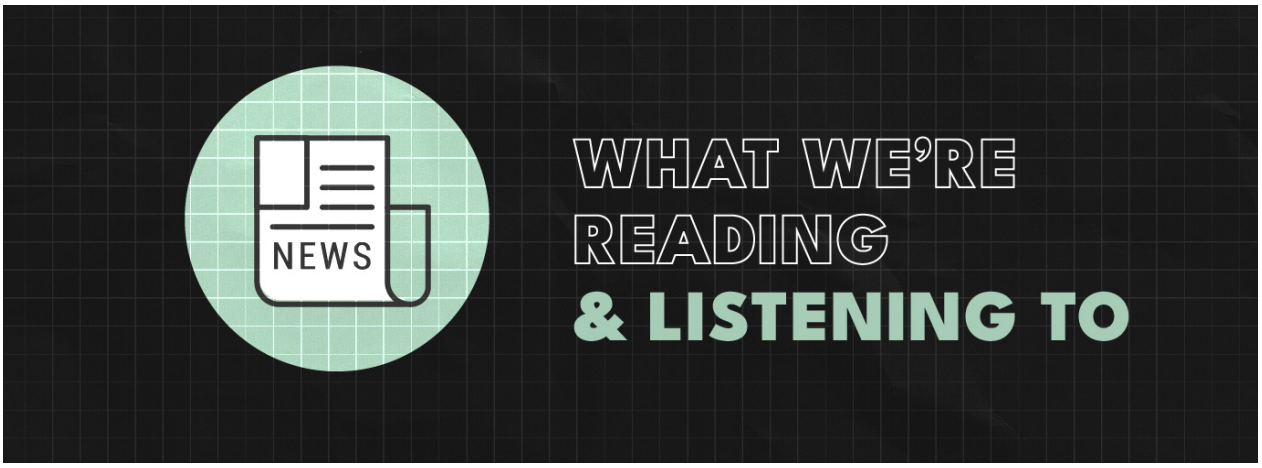
- Our window of opportunity to stave off the devastating impacts of climate change is rapidly closing, but it's not shut yet. We can't give credence to climate fatalism. We have to take advantage of this window of opportunity–however slim.



Low-carbon hydrogen, a versatile and relatively abundant next-generation fuel, will play a key role in decarbonizing some of our most carbon-intensive industries, from transportation to heavy industry. But it's not just a clean fuel—it can also be a powerful geopolitical tool.

Analysis from Boston Consulting Group (BCG), commissioned by Third Way and Breakthrough Energy, shows that global demand will create a market for low-carbon hydrogen worth over $3 trillion through the next 30 years. Becoming leaders in this emerging market can offer the US a geopolitical advantage in a global market, particularly in Europe, that is increasingly turning its back to fossil fuels. The good news is that we're well-positioned to vie for this leadership seat and create half a million jobs in the process.

Third Way's newest memo outlines a series of policy recommendations based on the results of BCG's study to help the US build a durable competitive advantage, including key incentives and strategic investments to ensure the safe and effective production, transport, and storage of hydrogen.



- Robinson Meyer in *Heatmap,* details how the Department of Energy's newest "Pathways to Commercial Liftoff" series is outlining the path for the Biden Administration to carry out the directive laid out in the Bipartisan Infrastructure Law and Inflation Reduction Act.

- Matt Yglesias in *Slow Boring,* presents an argument for scaling up abundant sources of clean energy, outlining the benefits this can have on various persistent environmental problems.

- Stephen Lacey in the *Carbon Copy* podcast series, sits down with two early entrepreneurs, Maria Intscher-Owrang and Bryan Guido Hassin, with funds locked into Silicon Valley Bank, to discuss what the bank's crash means for clean energy startups.

Senior Resident Fellow Dr. Ellen Hughes-Cromwick adds some helpful context to our newest competitiveness report, drawing the link between clean energy investments and economic growth.