THIRD WAY

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On the Grid: Clean, Affordable, Reliable, and Secure 10/21/22

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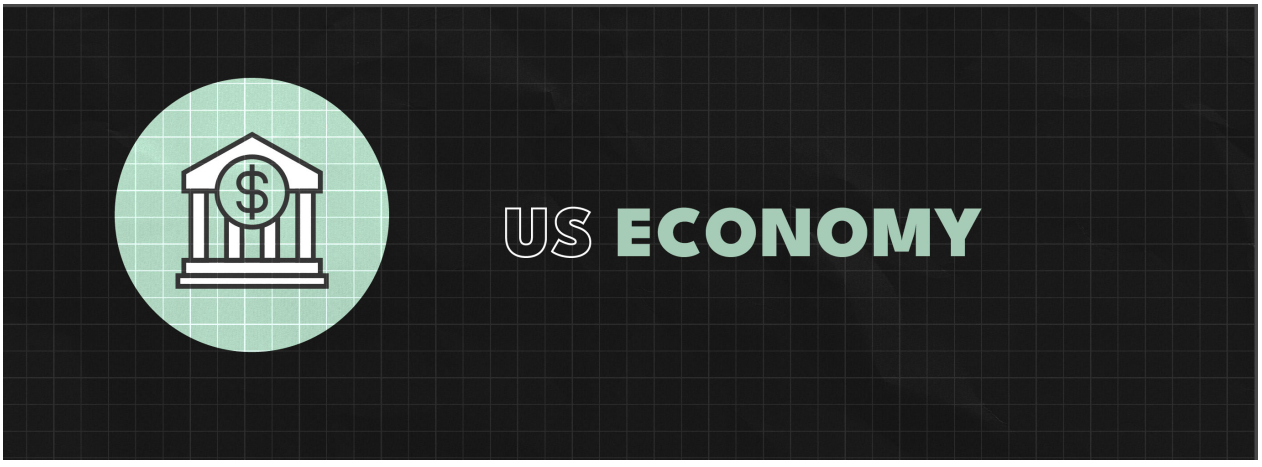
This week, in celebration of Nuclear Science Week, Third Way was honored alongside ClearPath and Good Energy Collective with the 2022 Nuclear Science Week Visionary Award in recognition of our collective policy leadership in building government support for nuclear energy. Ryan Fitzpatrick, Director of the Climate and Energy Program, accepted the award from Todd Allen, Chair of the University of Michigan's Nuclear Engineering and Radiological Sciences Department. You can watch the various expert-led conversations on nuclear science here.

Third Way has spent over a decade advocating for a national policy that uses *every* zero-carbon technology, including existing and advanced nuclear, to make American energy clean, affordable, reliable, and secure.

The recent study from Boston Consulting Group, commissioned by Third Way and Breakthrough Energy, identified the potential for clean energy technologies—including advanced nuclear reactors—to generate a combined global market of *$2 trillion a year*. The US has the capacity to capture huge portions of this market value but to get there we need expanded and sustained investment in nuclear reactor demonstration, deployment, and fuel.

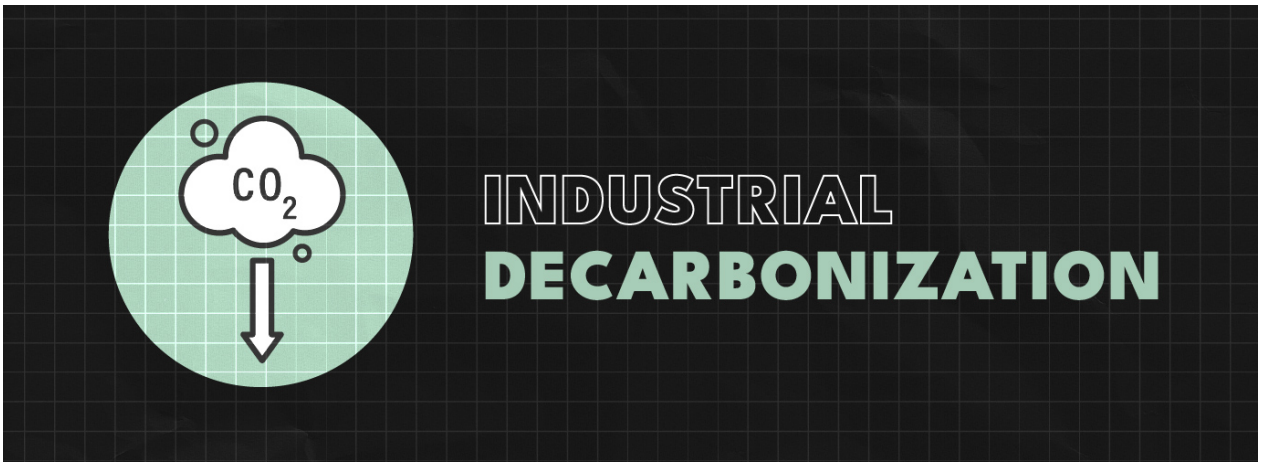


This week, President Biden authorized the release of 15 million barrels of oil from the Strategic Petroleum Reserve (SPR) to counter actions by OPEC+. These 15 million barrels are part of a larger, 180-million barrel drawdown announced in March during the onset of Russia's attack on Ukraine.

As global commodities, oil and gas are subject to the extreme price shocks we've seen resulting from Putin's Price Hike. Releasing oil reserves is one of the fastest ways to alleviate pressures in the market and lower prices at the pump.

To guard against future volatility, President Biden also announced the Administration's intent to restock the Reserve by repurchasing oil when prices are at or below $67-$72. Additionally, the Administration is working with the Department of Energy, which manages the SPR, to develop competitive fixed-price contracts for future oil purchases. This will send strong signals to the oil industry to ramp up stagnated production, given stable future demand. This strategy, along with the clean energy provisions included in the Inflation Reduction Act will help make energy more abundant, affordable, reliable, secure, and clean.

Dr. Ellen Hughes-Cromwick, Senior Resident Fellow and economist on the Climate and Energy team, released the following statement in response to yesterday's announcement.



This week, the Environmental Protection Agency (EPA) released new greenhouse gas emissions data. Accurate emissions data is critical for policymakers to make informed mitigation decisions, and the Greenhouse Gas Reporting Program is a valuable tool.

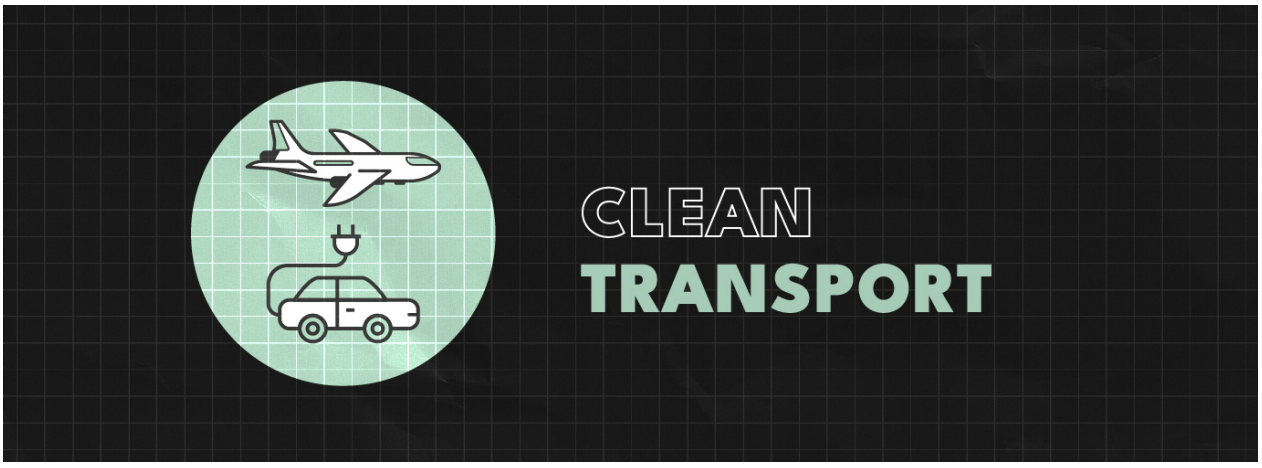
Heavy industry already comprises nearly a quarter of our greenhouse gas (GHG) emissions, and new data from EPA shows an uptick in industrial emissions in 2021, likely a rebound from pandemic-related lulls. Carbon emissions rose by 6.3% from power plants, 7.1% from chemical manufacturing, and 6.6% from iron and steel production in 2021.

Decarbonizing these industries is essential, but the highly specific and energy-intensive production processes mean this won't be an easy feat. Here are a few initiatives offering low-carbon solutions for industrial emissions to keep an eye on:

- The Federal Highway Administration (FHWA) announced $7.1 million in grant funding for sustainable construction materials in highway projects.
- The Department of Energy launched the Industrial Heat Shot, an initiative to develop cost-competitive solutions for energy-intensive industrial processes, with a minimum 85% emissions reduction, by 2035.

- The Department of Energy partnered with private industry to develop the Better Climate Challenge, providing a consortium of organizations an opportunity to leverage federal resources to reduce emissions, improve energy efficiency, and learn from colleagues' successes.
- The Environmental Protection Agency engineered the ENERGY STAR energy performance score to help manufacturers gauge the energy efficiency of their processes, potentially earning them a certification that can be used as a metric for clean procurement.
- The Biden Administration launched the Industrial Decarbonization Roadmap last month, outlining four strategies to cut industrial emissions, including boosting energy efficiency, electrifying industrial processes, substituting low-carbon fuels, feedstocks, and energy sources into industrial processes, and deploying carbon capture, utilization, and storage.
- The Department of Energy announced a $104 million funding opportunity for the high-impact, applied research, development, and deployment of technology needed to increase energy efficiency across industrial sectors and cut GHG emissions.
- Six of the world's top steel sector financiers signed the Sustainable STEEL Principles, a Climate-Aligned Finance agreement that devotes a $23 billion loan portfolio to decarbonizing the steel sector.
- Electra, a Colorado-based green iron company, raised $85 million from top investors, including Bill Gates's Breakthrough Energy Ventures, to produce low-temperature iron using their novel oxygen-decoupled electrolysis process, which offers a zero-carbon alternative to production processes.

Cleaner industrial practices are poised to create a global market worth trillions of dollars



LanzaJet, a Chicago-based clean aviation startup, was awarded the first round of grant funding through Breakthrough Energy's Catalyst program, a conglomeration of private sector investors seeking to drive down the green premium of emerging clean energy technologies. The $50 million award will be used for LanzaJet's Freedom Pines Fuels project in Soperton, Georgia, the world's first

commercial-scale venture to convert alcohol to aviation fuel. The funding will ensure plant build-out remains on schedule and reaches operational levels by 2023, by which it is expected to produce nine million gallons of SAF and one million gallons of renewable diesel fuel *EVERY YEAR*.

As demand veers towards low-carbon alternatives to conventional aviation fuel, demand for SAF is expected to skyrocket. Private sector investment will play an important part in helping sustainable fuels overcome financial hurdles and reach the scale needed. Airline companies like JetBlue and Virgin Airlines are among several companies, including the US Air Force, to sign multi-year agreements with Air Company to purchase their AIRMADE™ SAF.

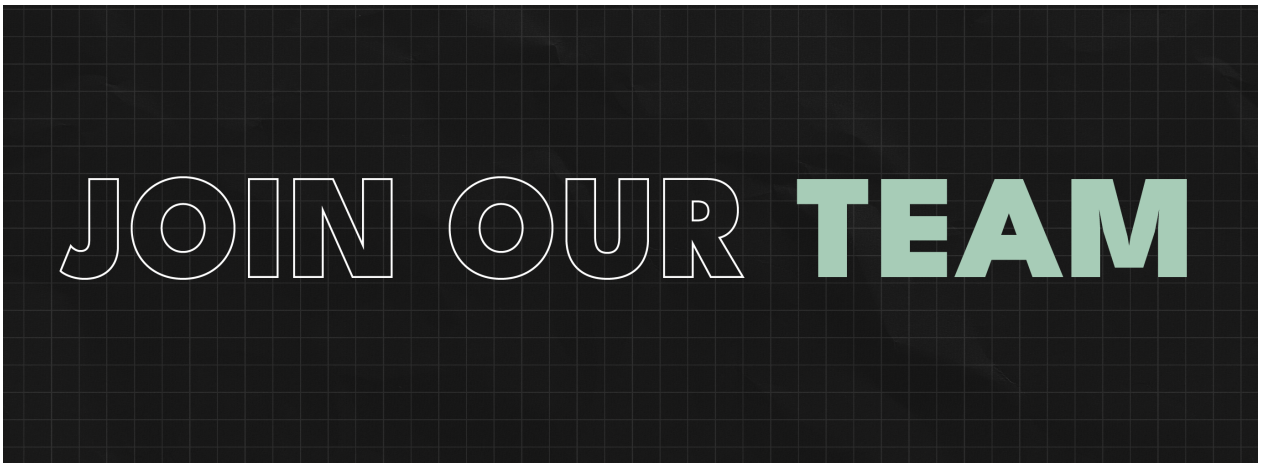
If you want to learn more about SAF and the road to a cleaner aviation sector, read Third Way's recent blog on how the Inflation Reduction Act is paving the way forward, or watch discussions from a recent virtual event hosted by Third Way on net-zero aviation initiatives.

To say that now-former UK Prime Minister, Liz Truss's record-breaking short stint in office was tumultuous would be an understatement. Elected on the premise of reviving the British economy, the "Trussonomics" fleet of tax cuts relied heavily on the concept of retrograde trickle-down economics to stimulate economic growth. Instead, Truss's approach has plummeted the value of the British pound, and Finance Minister Jeremy Hunt's subsequent U-turn on Truss's financial policy unleashed an even worse economic crisis. With Russia's ongoing assault on Ukraine pinching energy prices, Hunt's announcement that the £2,500 energy price guarantee will end in April has left UK residents, and the energy market, in a whirlwind.

Coalitions within the British government have long-disavowed Conservative measures and called for an entirely different form of economic policy–green investment. The Leader of The Labour Party, Sir Keir Starmer, revealed an £8b investment in clean energy technology last month, funding new battery projects, clean steel plants, renewable-energy ports, net-zero clusters, and a hydrogen electrolyzer plant. Starmer's plan addresses the core of Britain's ongoing, and overlapping, economic and energy crises–an overreliance on volatile fossil fuels. Rapid industrial decarbonization, through public and private investment, will help the UK create jobs, and meet energy demand.

Third Way and Carbon Free Europe's recent memo outlines steps for the UK to reach that potential.

- Jerusalem Demsas, in *The Atlantic,* makes a case for permitting reform by elaborating on how green groups are hijacking the community input processes to block the buildout of clean energy technology on principle, harming the very communities they are trying to protect.
- Eric Levitz, in the *New Yorker*, discusses extreme climate activism, like the recent demonstration from Just Stop Oil in the UK, and the inverse impact it has on driving support for climate action.
- David Roberts, on the *Volts* podcast series, talks with WeaveGrid's Amanda Myers Wisser and Smriti Mishra on how the rapid expansion of electric vehicles will impact electricity demand and our electrical grid.



The clean energy policy conversation is expanding…and so are we! The Climate and Energy Program is looking for people with talent and a passion for climate solutions to fill two new roles on our team. If you've got anyone in your mental Rolodex who you think might be a fit, please send them our way. And if you wanted to circulate these job postings more broadly with your networks, we wouldn't mind that either!

Deputy Director: This person will directly supervise 3-4 policy experts working in fields that could include clean energy innovation, industrial decarbonization, and carbon management. They'll guide

these direct reports in developing policy and advocacy strategies that ensure US energy is clean, reliable, affordable, and secure. This person will contribute to program-wide strategy and represent Third Way in public events, coalitions, and high-level meetings. *Our ideal candidate will have 5+ years of energy policy experience and experience managing staff.*

Policy Advisor for Innovation: This team member will take the lead on our cross-cutting efforts in clean energy innovation. That includes working on implementation of demonstration, financing, and other DOE programs; developing recommendations to advance energy innovation across federal agencies; and building support for RD&D funding priorities. *Our ideal candidate will have 3+ years of experience in a relevant field. Job responsibilities can be scaled for candidates with exceptional qualifications.*

Senior Policy Advisor for Nuclear Exports: We're seeking a candidate who can conduct analysis and develop and advocate for policies that accelerate the safe exporting of advanced civilian nuclear power plants, particularly from the United States to Europe, as a key tool to expand clean, secure, affordable, reliable energy resources on both sides of the Atlantic. Issues covered include export financing, non-proliferation, national and nuclear security, and economic opportunities for both the US and our partners. *The ideal candidate will have 5+ years of experience in nuclear exports, trade, or another relevant field.*

Multimedia Designer: As part of the communications team, the Multimedia Designer will manage the program's visual brand and amplify the program's initiatives by delivering compelling designs and data visualizations for reports, events, social media, videos, and presentations. *The ideal candidate will have 3+ years of experience in graphic or multimedia design.*

Executive Coordinator: This individual will support Climate and Energy Program directors with administrative and logistical tasks and occasionally with communications, light research, proofreading, and coordinating product distribution. *The ideal candidate would have at least 1 year of work experience, including relevant internships.*

Dr. Ellen Hughes-Cromwick, Senior Resident Fellow and economist on the Climate and Energy team, offers an economic perspective on oil prices.

Ell Hughes-Cromwick
@EllenHughesCrom

#EconTwitter The onset of oil price volatility coincided with creation of the OPEC cartel. Competition always helps to mitigate price pressures. OPEC carefully plots how they can extract as much money from our energy demand. Up and down, up and down. Destabilizing, disruptive.