

On the Grid: Getting In Gear 4/14/23



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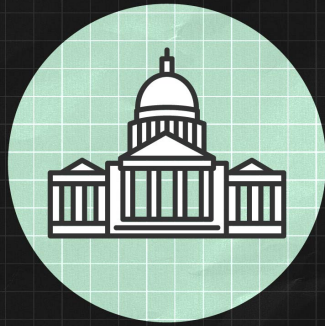


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This week, General Motors reported a new \$50 million investment in the Texas-based lithium startup, EnergyX, expanding its domestic foothold in critical minerals as the automaker pivots to electric vehicle manufacturing. GM's announcement is part of a larger trend in private sector investment in clean energy technology. The wave of recent legislation is sending a signal to American businesses and workers that the federal government is serious about clean energy, creating more confidence for private sector investment.

As you'll read in *On the Grid* this week, government is an essential partner to private investment, providing the regulatory and legislative framework needed to accelerate clean energy deployment. This partnership can help leverage the power of markets to build a more affordable, reliable, secure, and clean energy system in the US and export it to the world.



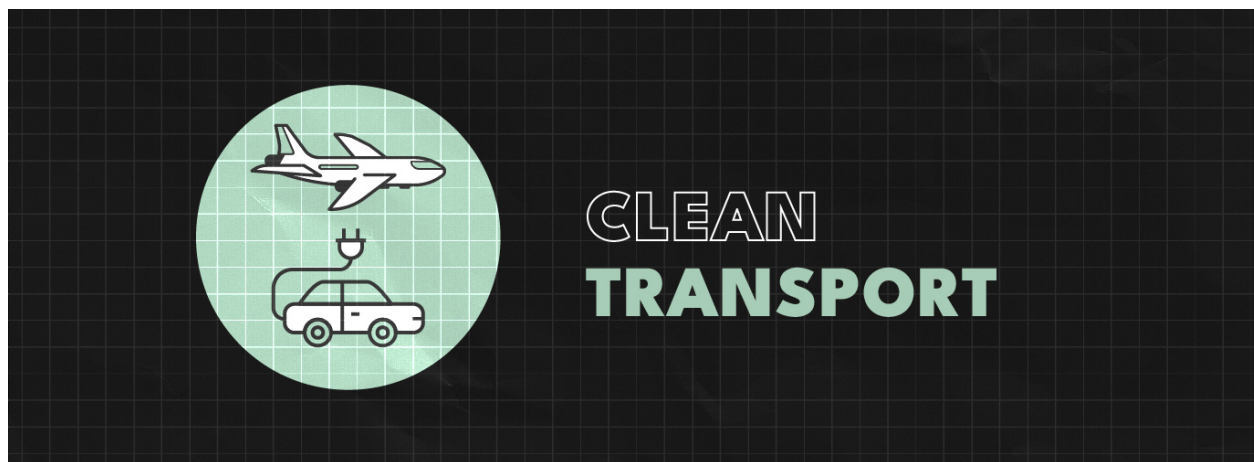
FEDERAL POLICY

The clean energy incentives and investments in the Inflation Reduction, Bipartisan Infrastructure, and CHIPS and Science laws are creating confidence in the marketplace, projected to unleash nearly \$1 trillion in private sector investment within the decade.

A set of new assessments from Boston Consulting Group breaks down just how the federal investments and policies are catalyzing the private sector and building long-term endurance for clean energy. It's not just about expanding markets, it's about cutting costs, creating good-paying jobs, building livelihoods, and a system that ensures the US economy is leading, not following, in the global marketplace. Here are some fast facts:

- Working, middle-class Americans are poised to win the most from the Inflation Reduction Act and Bipartisan Infrastructure Law, projected to see a 40% increase in annual job growth.
- Strategic investments in clean energy technologies are delivering good-paying jobs, with average salaries ranging from \$75,000 a year to \$110,000 a year.
- The trifecta of climate legislation, alongside the Energy Act of 2020, is slashing the cost of clean energy by nearly 60%, meaning we can build and deploy clean energy much faster and at a much larger scale.

Third Way's new [blog](#) outlines how these kinds of strategic investments are helping pull private capital into key clean energy and supply chain sectors, and why that's good for the American economy and workers.

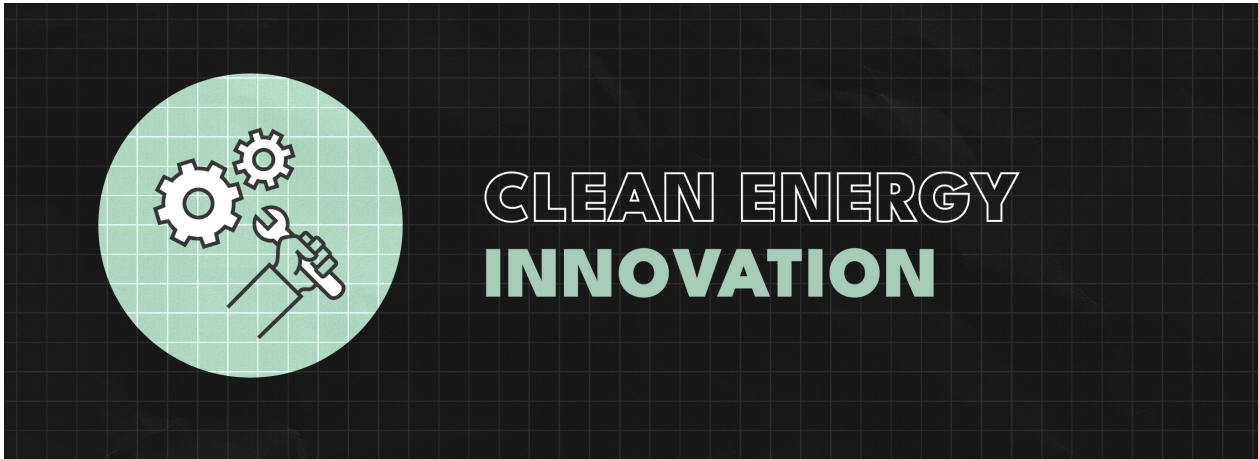


This week, the Environmental Protection Agency (EPA) proposed its most stringent tailpipe emissions guidelines to date. The proposed rule will effectively shift the sector toward electrification and ensure that nearly 60% of all new cars sold in the US by 2030 are electric. And while a wide set of automakers have long been headed down this road, the EPA's new rule will help accelerate access to EVs by encouraging automakers to manufacture a wider set of more affordable models.

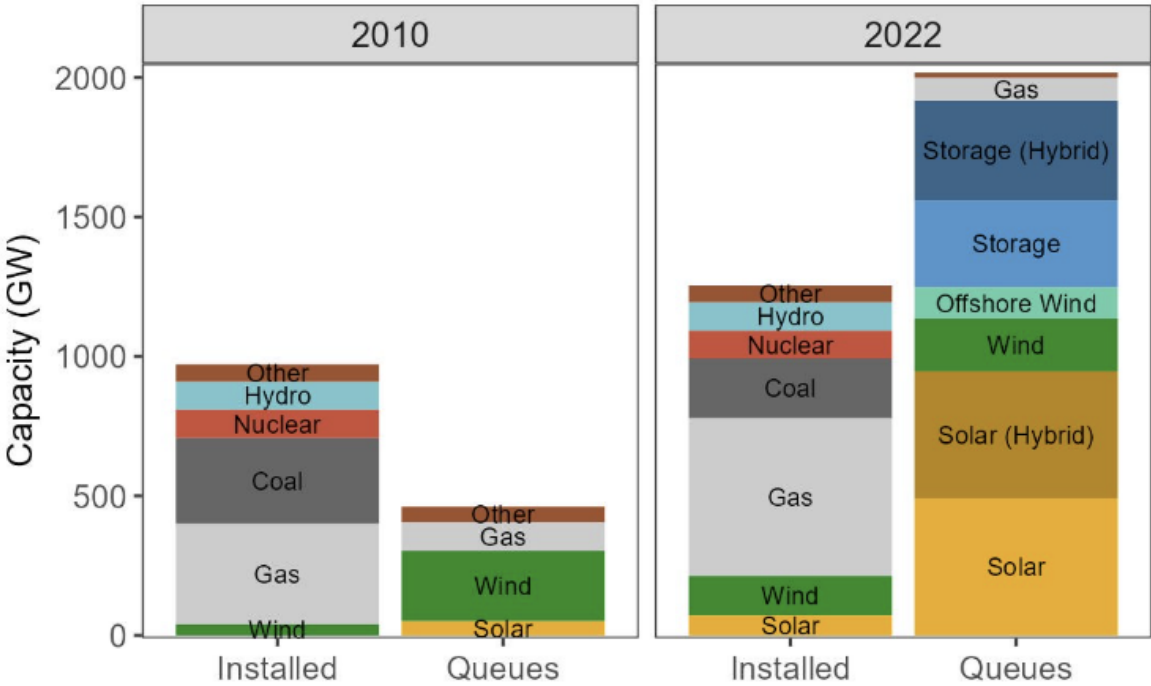
Two cautionary notes we are watching closely:

- We know that a transition to EVs will create hundreds of thousands of jobs and drive long-term economic growth, but the quick sprint proposed by the EPA has the potential to leave some workers behind.
- As we have already seen, the costs of retooling facilities, building out domestic supply chains, and investing in new technologies already put a high initial price tag on our electric fleet. Without government support, the proposed standards could add even more financial strain.

A shift to EVs requires close coordination between government and industry, with each bringing its own strengths and resources to the table. Washington has an important role to play in ensuring automakers can transition fairly, but as polling shows us, the vast majority of Americans still remain hesitant about EVs, citing concerns about price, range, and battery life. As such, automakers must produce the diverse set of EVs, at volume and at cost, that American consumers want.



Last week, Lawrence Berkeley National Lab released a new report showing a staggering surge in the transmission interconnection queue backlog. Growing 40% in 2022, there is now over 2,000 GW of new generation and storage waiting to hook up to the electrical grid, 95% of which is from clean sources like wind and solar.



Existing U.S. capacity (2010 and 2022) compared to interconnection queue capacity (2010 and 2022).

Outdated transmission infrastructure, an arduous permitting process, and a complicated and costly application process have created the gridlock that is slowing our transition to more reliable, secure, and affordable clean energy.

With the vast majority of our waiting list packed with clean energy projects, it's clear that the private sector is committed and eager to transition to cleaner energy. The onus is now on

government and agencies like the Federal Energy Regulatory Commission (FERC) to cut through regulatory red tape and streamline processes that clear the queue congestion and integrate cleaner sources of energy into our electrical grid.

As [Shane Londagin](#), Third Way's Policy Advisor for Clean Energy Innovation, says, "If even half of what's in the queue gets cleared, constructed, and brought online today, we would be well on our way to achieving our climate targets. Potential upcoming votes from FERC on their proposed interconnection queue rule could be a game-changer in bringing new projects online. As we rapidly deploy a diverse suite of clean energy technologies, we have to make sure we're building the wires that connect it all together."



- [Jason Bordoff and Meghan L. O'Sullivan](#) in *Foreign Affairs*, discuss energy insecurity and the importance of building a clean energy system that is resistant to global shocks while carefully outlining the geopolitical issues that make this particularly challenging.
- [Shannon Osaka](#) in *The Washington Post* highlights the gaps in building charging infrastructure and the challenge this poses to our targets for electric vehicle deployment.
- [David Roberts](#) sits down with Lissa Lynch, head of the Federal Legal Group at the NRDC's Climate and Clean Energy Program, on the *Volts* Podcast to discuss the EPA's anticipated ruling set to impose carbon standards on new and existing power plants.



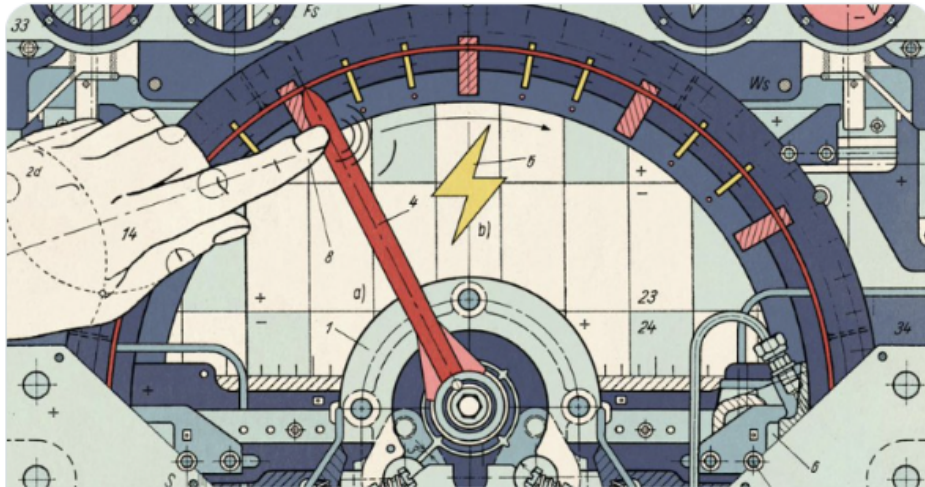
Josh Freed, Senior Vice President for Third Way's Climate and Energy Program, uplifts Jason Bordoff and Meghan L. O'Sullivan's newest essay, highlighting the geopolitical implications of our energy dependence.



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Ton of important issues raised by @JasonBordoff and @OSullivanMeghan on our coming age of energy uncertainty.
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The Age of Energy Insecurity

How the fight for resources is upending geopolitics.