

On the Grid: Leading from the Front 3/17/23

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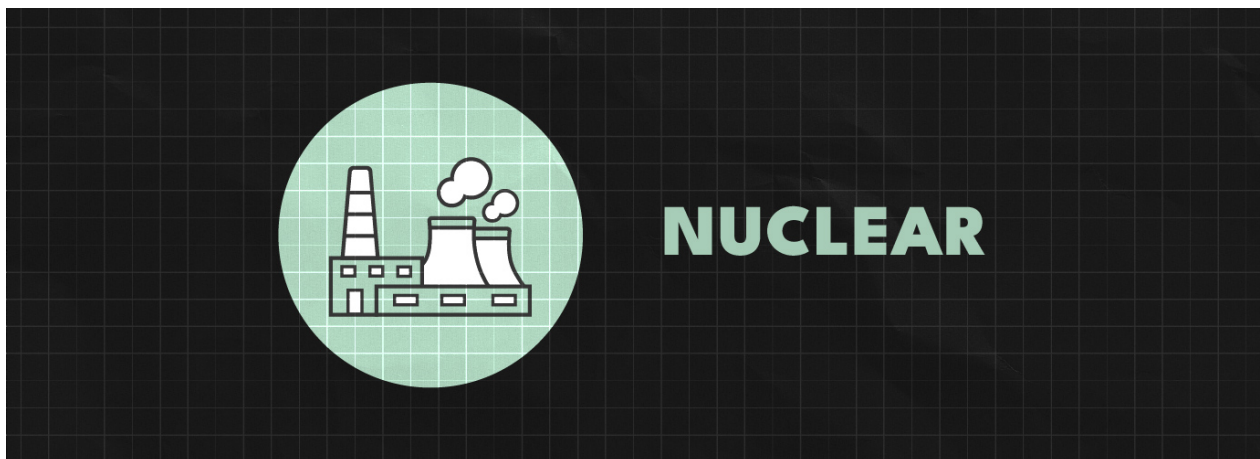
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Senator Joe Manchin has long stood out amongst his peers as one of the most unwavering champions of nuclear energy in Congress. His arc of legislation—from the Energy Act of 2020 to the Bipartisan Infrastructure Law to the Inflation Reduction Act, and now to the newly re-introduced International Nuclear Energy Act, is a testament to his long-standing commitment to strengthening our energy security while addressing climate change, with nuclear playing a critical role in this effort.

On March 16, Senator Manchin reaffirmed that commitment at a [Third Way-hosted briefing](#), discussing the urgent need for the US to re-establish itself as a global leader in civil nuclear energy. As Senator Manchin told a standing room audience of government and industry leaders, and advocates, *“to be the world’s superpower, we cannot afford to sit back and allow China and Russia to continue dominating the world’s nuclear energy supply chain.”*



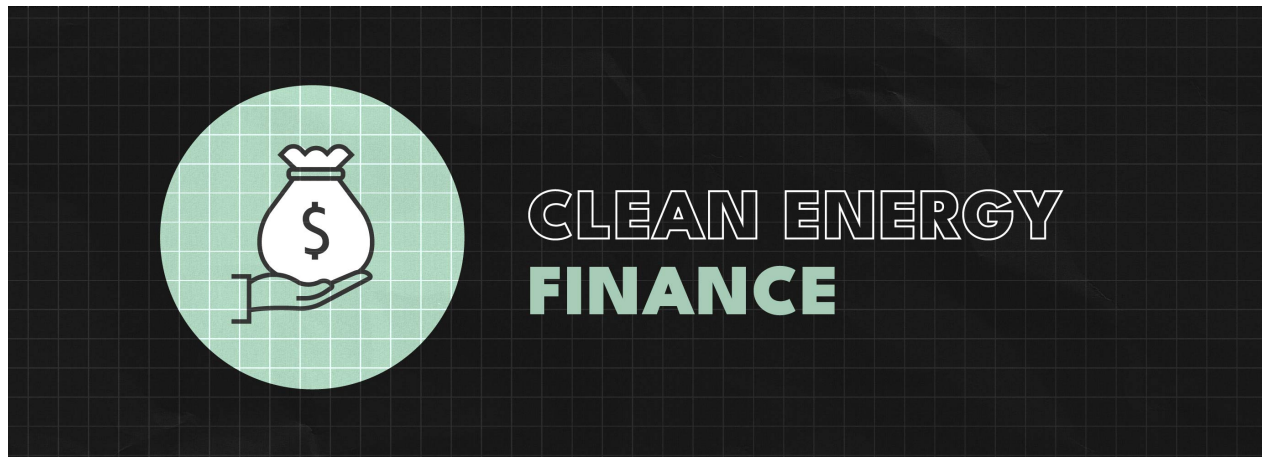
Left to Right: Senator Joe Manchin, Senior Fellow for Nuclear Energy at Third Way Alan Ahn, US Ambassador to the Vienna Office of the United Nations, Laura Holgate, and Director for the Nuclear Energy Policy Initiative at the Atlantic Council' Global Energy Center, Jennifer Gordon



This week, Senators Joe Manchin and Jim Risch re-introduced the [International Nuclear Energy Act](#) (INEA), legislation that will help give the American nuclear industry the jolt it needs to bolster export potential and gain a competitive edge over countries like Russia and China. You can read Third Way's [memo](#) that gives more insight into how the INEA will promote US civil nuclear technology and build a domestic supply chain for advanced nuclear fuel.

For far too long, the US has ceded control of the global nuclear marketplace to adversaries, allowing Russia and China to lock in century-long economic and geopolitical ties with other countries. This not only risks our national security, but hurts our bottom line, putting American companies and American workers behind.

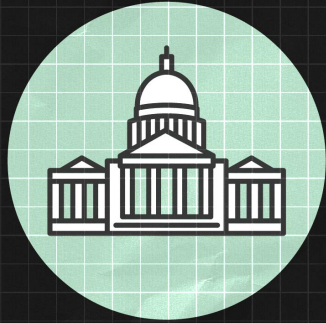
The re-introduced bipartisan bill will help the US offset Russian and Chinese influence by giving the American nuclear industry the tools to build strategic global partnerships, strengthen nuclear supply chains, and retake a leadership role in the global nuclear marketplace.



Last week, Silicon Valley Bank collapsed, setting off a set of financial shockwaves. The Biden Administration and US regulators stepped in to stem the economic chaos before it flowed out of control. But we're not out of this mess just yet, especially when it comes to clean energy financing.

Clean energy companies rely heavily on private financing to make investments in equipment and other parts of their vital supply chain. Now, as their investors and banks face an ongoing banking crisis and exercise more caution in their capital ventures, getting clean energy companies the early financing they need to succeed is going to become much harder and much more expensive.

There's still a lot of moving parts, but we know for certain that without the Inflation Reduction Act (IRA), and the funding it will provide for clean energy technologies, clean energy would be in a much tougher position. But with the added support from the IRA, private investors, and lenders are still stepping up and providing the necessary capital we need to grow and deploy clean energy.

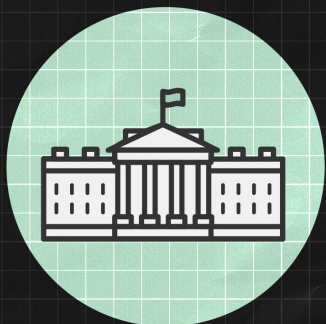


CONGRESS

House Republicans unveiled the Lower Energy Costs Act, their take on a comprehensive energy and permitting package, designated as H.R.1 to emphasize its significance as a major House GOP priority.

At first glance, H.R.1 is seemingly bipartisan, promoting American energy production and working to break down the regulatory hurdles keeping energy projects at a standstill. Upon closer inspection, it's abundantly clear that this is far from the kind of bipartisan, common-sense energy package like the Energy Act of 2020 or the Bipartisan Infrastructure Law that Congress has been able to move the past several years. To our disappointment, Speaker McCarthy chose instead to introduce a shortsighted and partisan messaging bill that tries to turn energy into a culture war issue. The package proposes repealing key elements of the Inflation Reduction Act, which will only undermine our energy security and economic leadership, and create market uncertainty.

While House Leadership plans to bring it to the floor by the end of March, Senate Majority Leader Chuck Schumer has been clear that the package is dead on arrival. Our hope is that once this bill loses steam, House Republicans show a willingness to work with Democrats in the Senate on energy issues, including permitting reform and clean energy security. This, however, is not a promising start.



ADMINISTRATION

This week, the Biden Administration gave the green light for ConocoPhillips's Willow Project, a large-scale oil and gas development in Alaska, garnering significant criticisms from both sides of the political spectrum.

ConocoPhillips' Willow Project in Alaska will have an impact on carbon pollution, and any uptick in emissions is certainly nothing to celebrate. But we cannot let this one project detract from the unprecedented progress that the Biden Administration has made in cutting emissions and building a cleaner and stronger economy. Nor can we conveniently forget that the US and the rest of the world will rely on oil from projects like this one for decades, even as we move to a carbon-free economy.

While President Biden is catching a lot of heat for the project's approval, it's important to point out that ConocoPhillips has held valid leases for this project for decades, predating the Biden Administration and certainly limiting their ability to block the project. Any roadblocks by the Biden Administration could easily be challenged, and lost, in court.

The Biden Administration didn't just roll over on this decision, either. It required ConocoPhillips to reduce the scale of the project and to surrender 68,000 acres from their lease to preserve critical migratory routes for caribou herds and limit any potential ecological damage. *If Willow produces at full capacity then it would increase annual US oil production by about 1.5%.* It's not insignificant, but it would still put the US below pre-pandemic production levels.

Like it or not, there is still demand for oil. Even as clean energy grows, the vast majority of America's energy still comes from fossil fuels. Stopping the Willow Project will not change that. This demand would still be met, just by oil produced in some other place. We can't win the fight against climate change with a "keep it in the ground" strategy. The only effective way to tame fossil fuels is to provide the world with better, cleaner, cost-competitive alternatives. And by this measure, President Biden's impact is unparalleled.

The Biden Administration had made the single-largest investment in climate and clean energy in US history, committing \$500 billion to cut our reliance on fossil fuels while creating millions of jobs. The emissions reductions from the Inflation Reduction Act *alone* will dwarf any upticks from the Willow Project, and that's not even counting the Bipartisan Infrastructure Law. These actions will have a far greater impact on reducing our use of fossil fuels than stopping the Willow Project ever would.



WHAT WE'RE READING & LISTENING TO

- Stephen Wilmont in the *Wall Street Journal*, outlines how prioritizing diplomatic ties with other countries, particularly those with big critical mineral industries, will be key to building supply chains outside of China.
- The Editors for *Bloomberg* underscore the importance of bipartisan permitting reform by highlighting the regulatory challenges that clean energy projects face.
- Ed Crooks, host of the *Energy Gang* podcast series, is joined by Dr. Melissa Lott, Director of Research at Columbia University's Center on Global Energy Policy and Emily Grubert, Associate Professor of Sustainable Energy Policy, at Notre Dame University, to discuss how permitting reform can make it easier to build clean energy infrastructure in the US and the impact on international energy markets and our national security.

ON SOCIAL

The Climate and Energy Program live-tweeted our Hill briefing on American Global Leadership in Nuclear, featuring Senator Joe Manchin and a panel of experts.



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.@Sen_JoeManchin as Keynote Speaker adds "I strongly believe in nuclear energy and the role it's going to play. To be the world super power we can not afford to sit down. The world depends on us."

Nuclear power is good for the economy and good for the world."

