

# On the Grid: Permission to Win the Climate Fight?

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Senator Joe Manchin's new permitting reform legislation has the Capitol buzzing. There's heated disagreement on tactics in the Manchin bill, but there is no denying that the status quo for environmental reviews is not serving America's interests. If we don't get better at permitting and building clean energy projects, we're in big trouble.

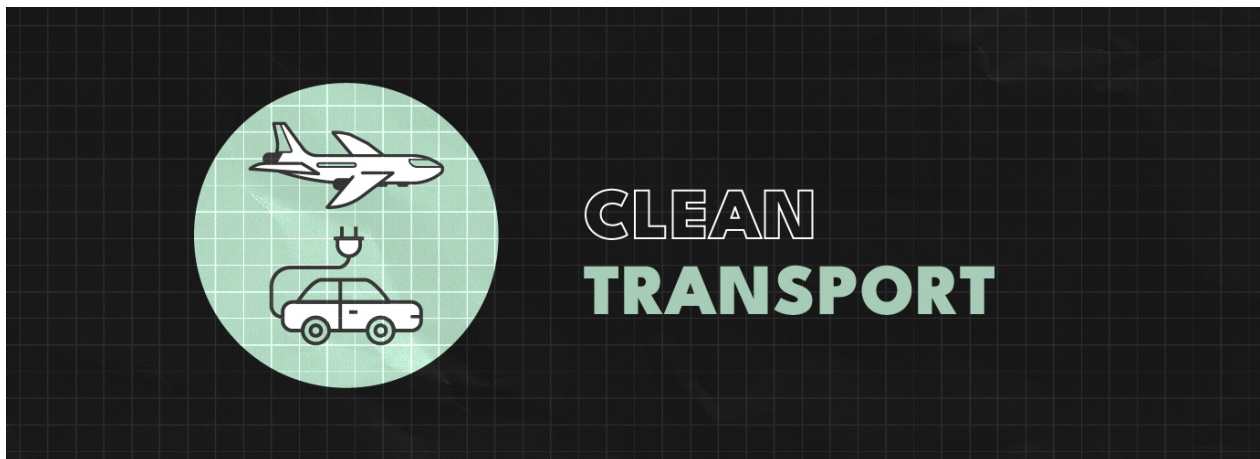
Our recent study, in collaboration with Boston Consulting Group (BCG) and Breakthrough Energy, shows how smart industrial strategy can help the US lead the global market in key industry segments within six clean technologies. These industries will have a combined market of \$2 trillion per year by 2050. If we want a large piece of this global prize, the study shows we must start deploying these technologies here at home as quickly as possible.

A trifecta of recently-passed bills gives the US a leg-up on the competition by delivering the innovation, investment, and incentives we need to deploy American clean energy technology. But

we won't be able to take full advantage of them to build our global leadership, or hit our mid-century emissions targets, if we don't figure out how to build projects faster in this country.

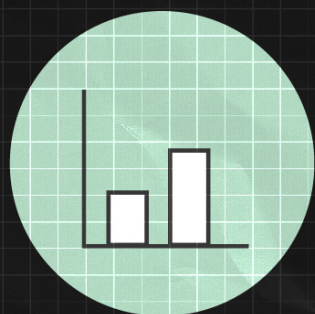
The United States is notoriously slow at building, but to reach our climate goals and meet the growing energy demand, we need to speed up projects like transmission lines. In fact, we need to more than double the pace of our transmission buildout and deploy clean energy projects at a rate 50% higher than we've achieved historically.

Sen. Majority Leader Chuck Schumer has vowed to attach Manchin's bill to a short-term funding measure that has to pass next week to keep the government running. It's hard to see 60 votes coming together in time, but if it doesn't catch a ride on this bill, expect intense negotiations aimed at putting some version of Manchin's plan on the next funding bill later this year. This week, we're highlighting key investments and financing opportunities in the clean energy space at home and by our friends abroad.



In the weeks since passage of the historic Inflation Reduction Act, a steady stream of good news from automakers has turned into a flood. Manufacturers in this sector are announcing intentions to build everything from mineral processing plants to battery production facilities, putting our electric vehicle (EV) future in high gear.

Among the latest announcements: GM agreed to sell 175,000 EVs to Hertz Global through 2027. This is in addition to the 100,000 electric vehicles that Hertz agreed to purchase from Tesla last year. GM will supply Hertz with EVs like the new Chevrolet Bolt and Bolt EUV starting next year, and with additional models as the company scales up production. As one of the largest rental car companies in the world, Hertz's intention to electrify 25% of its fleet by the end of 2024 will give a lot more Americans the chance to get familiar with EVs. It's a monumental step in the right direction.



## PUBLIC OPINION

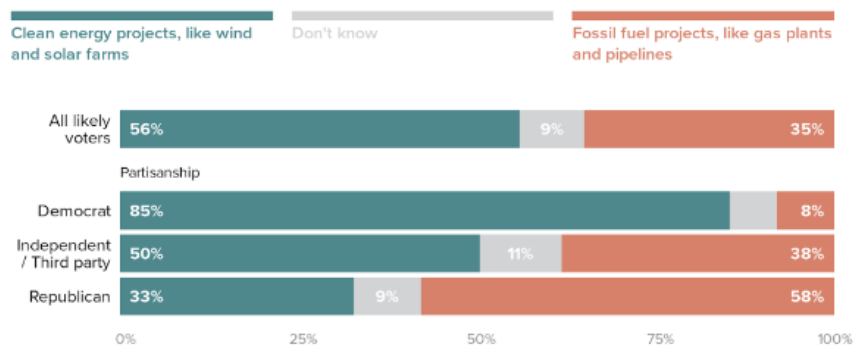
This week, Senator Joe Manchin released the [Energy Independence and Security Act of 2022](#), a much-anticipated bill aimed at reforming the permitting process for energy infrastructure. Manchin’s bill proposes, among other things, to streamline and accelerate the environmental review process, give additional authorities to site major electricity transmission lines, and have the government identify 25 energy infrastructure projects of national importance, across both fossil fuels and clean energy, for expedited review. So far, the bill has drawn opposition and cheers from both sides of the aisle.

But, let’s step away from Congress for a second—how are everyday Americans thinking about permitting reforms? When it comes to prioritizing energy projects, new polling from [Data for Progress and We Act for Change](#) found that a majority of likely voters (56%) prefer clean energy to fossil fuels. A larger share (65%) wants Congress to prioritize feedback from the communities that would be impacted most by the projects and less so from industry-associated groups like the American Petroleum Institute.

### A Majority of Voters Think President Biden Should Prioritize Building Out Clean Energy Over Fossil Fuels

Lawmakers in Congress are developing a plan to shorten the federal permitting approval process to build new energy infrastructure projects, like gas plants and solar farms. This plan would direct President Biden to choose 25 high-priority energy infrastructure projects and prioritize permitting for these projects.

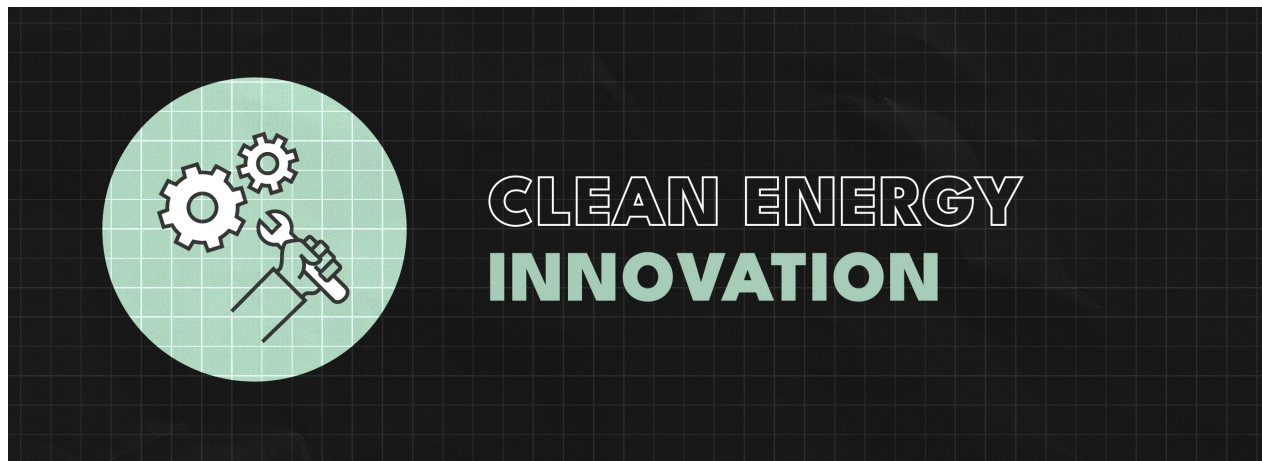
Which of the following project types do you think President Biden should prioritize **more**?



August 26–28, 2022 survey of 1,244 likely voters

WE ACT 4 Change

DATA FOR PROGRESS



To scale-up the innovative technologies we need to rapidly cut emissions, the Biden-Harris Administration is using a surge of new funding to push promising technologies out of the “valley of death”, the funding gap between research and commercial viability. When it comes to large-scale, complex innovations like advanced nuclear reactors, for example, the capital demands are often too big and the risk of failure too high for private companies to comfortably invest in these technologies.

By appropriating nearly \$25 billion for demonstration projects in the past year alone, the federal government is assuming that risk and helping clean energy innovations traverse the “valley of death.” Not only does this help get vital clean energy innovations off the ground but it also encourages the private sector to continue high-risk research and to adopt emerging technologies.

This is a good start but we have a long way to go: the International Energy Agency’s (IEA) Net Zero Emissions by 2050 scenario outlines nearly \$90 billion in global investment needed for large-scale demonstration projects by the end of the decade. Because of the timelines from laboratory research to pilot programs, to demonstration, and to commercial adoption, more funding is needed to catalyze innovation and prepare clean energy technologies to diffuse across global markets earlier.

In a new blog, Dr. Nick Montoni from Third Way’s Climate and Energy program teams up with Prof. David Hart and Hannah Byles from the Information Technology and Innovation Foundation to outline progress the United States has made on this front, along with nations in Europe, Asia, Latin America, and Africa.



## INTERNATIONAL NEWS

When the EU said they were going to take every step necessary to loosen Russia's stranglehold on Europe's energy supplies, they weren't kidding. This week, the European Commission successfully approved €5.2 billion for 35 hydrogen infrastructure projects, collectively known as "IPCEI Hy2Use", across 13 Member states. This comes after the Commission already allocated €5.4 billion for 41 projects across 15 Member states, officially called "IPCEI Hy2Tech", in early July.

Both initiatives are working to build out different segments of the hydrogen value chain in Europe. Everything from hydrogen generation, storage, transport, and distribution. With over €10 billion in collective public funding, these moves are expected to unlock billions *more* in private financing as public investments help companies overcome their hesitancy around investing in emerging clean energy technology.

Above all else, these initiatives are a testament to the strength of European partnership. While Russian dictator Vladimir Putin lays thinly veiled threats of nuclear war at their feet, European nations are coordinating to build out clean energy at a massive scale and cut their reliance on Russia's fossil fuels entirely.

In other international news this week, Isabelle Chan, policy advisor for Third Way's Climate and Energy program, sat in on conversations at a US-Icelandic-led clean energy summit. Representatives from around the world discussed climate, clean energy, and national security problems on the global scale and ways in which the US, and the world, can learn from Iceland's journey to successfully reach 100% renewable energy. Across a myriad of discussions, one message rang loud and clear: the passage of the Inflation Reduction Act is sending ripples through the international community and makes it clear that the United States is back at the negotiating table as climate talks continue.





## WHAT WE'RE READING & LISTENING TO

- Robinson Meyer, in the *Atlantic*, spells out the importance of building out transmission lines in order to expand renewable energy usage.
- Shannon Osaka, in the *Washington Post*, walks us through the EV charging process and points to growing concerns about the impact of expanding EV usage on our already fragile electrical grid.

Ezra Klein, in his podcast series The Ezra Klein Show, sat down with Jesse Jenkins, an assistant professor at Princeton University and lead on Princeton's Zero Lab project. The pair discussed how the nearly \$500 billion in climate investments are putting us on the path to decarbonizing the economy and reaching net-zero by 2050.

## ON SOCIAL

Josh Freed, Senior Vice President for Third Way's Climate and Energy Program, comprehensively outlines why we shouldn't give up on nuclear energy just yet.



Josh Freed   
@jsfreed

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Latest @fmanjoo oped makes the case against nuclear. I get it. It would be much easier if the future was certain and we could say “let’s use my favored solution and be done with it!” ...but it aint. And we shouldn’t risk the planet on any one bet.

[nytimes.com/2022/09/16/opi...](https://nytimes.com/2022/09/16/opi...) 1/

 The New York Times

**Opinion | Nuclear Power Still Doesn’t Make Much Sense**

 [nytimes.com](https://nytimes.com)

