

On the Grid: Pushing Back 4/28/23



Mary Sagatlova

Communications and Content Advisor

[@MarySagatlova](https://twitter.com/MarySagatlova)



Jared DeWese

Former Deputy Director of Communications,
Climate and Energy Program

[@jareddewese](https://twitter.com/jareddewese)

Click [HERE](#) to subscribe to this weekly newsletter.

This week, House GOP passed the *Limit, Save, Grow Act of 2023*, a bill that would raise the debt ceiling but require a level of budget austerity that could significantly damage the economy and roll back key clean energy provisions in the Inflation Reduction Act (IRA). With Democrats controlling the Senate, this bill is dead on arrival in the upper chamber. It has also drawn broad opposition not just from the advocacy community but also from clean energy manufacturers and even the US Chamber of Commerce. It's really perverse that House Republicans are targeting investments that some European leaders believe give an unfair advantage to US businesses (and workers, security, and the economy).



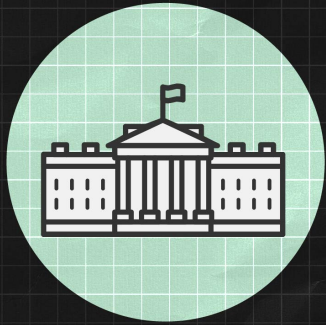
US ECONOMY

Yesterday, US National Security Advisor, Jake Sullivan, spoke at Brookings, outlining a bold, renewed industrial and innovation strategy for the US to better compete globally. Sullivan highlighted the main challenges facing the United States—everything from our hollowed-out industrial base to a shifting geopolitical landscape where competition is now defined by politics and security interests just much as it is by the economy.

And to combat these challenges and build resilience, both against climate change and volatile markets, he outlined a roadmap for the United States to regain and maintain economic leadership, in partnership with our democratic allies. The trifecta of recent clean energy legislation is giving us some solid footing to expand and strengthen domestic supply chains, which, as Sullivan notes, has caught flack in the international community. He observed, however, that for several decades now, the United States had failed to acknowledge, let alone protect, domestic industries and manufacturing capacity that was critical to our national and economic security.

Sullivan made sure to reassure our friends around the world that the US has no intention of getting into a subsidy race or trade war. Partnerships are central to an affordable, reliable, secure, and clean energy future. The United States must move past traditional trade deals into more innovative and inclusive economic partnerships that will cultivate resilient global supply chains, mobilize public and private investment, and create good-paying jobs. And yes, that means in the meantime, working with, not against, China wherever they are also willing to collaborate fairly with us.

Watch the full speech [here](#) or read it [here](#).



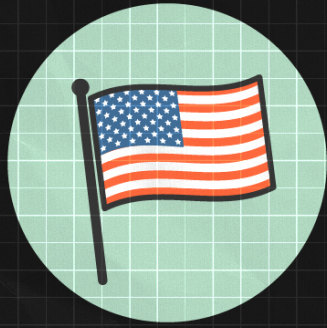
ADMINISTRATION

The Environmental Protection Agency (EPA) is expected to soon release a new set of regulations that would limit greenhouse gas emissions from new and existing power plants. It is reported that the rules would encourage, *but not require*, coal and natural gas plants to deploy carbon capture technology to meet these levels.

These regulations complement and take the same all-of-the-above clean energy approach as the investments from IRA and Infrastructure Law in new power plants. We do anticipate pushback on the adoption of carbon capture technologies, which face opposition from some environmentalist groups.

Here's what we're likely to see on the airwaves next week:

- ***“Carbon capture technology is not effective at reducing carbon emissions and won’t make a significant difference for climate change.”*** This is entirely untrue. Carbon capture technologies help draw down legacy emissions that have been circulating in the atmosphere for decades, all while staving off new emissions. What’s more, the Bipartisan Infrastructure Law and Inflation Reduction Act provide the tax credits, funding, and policy support needed to bring the technology to scale.
- ***“Carbon capture technologies are a scam, they will only increase fossil fuel use.”*** Again, this is untrue. While carbon capture technologies do help to curb emissions from operating fossil fuel facilities, they aren’t going to result in more fossil fuel on the electricity grid. The EPA’s upcoming regulations, for example, do encourage plants to use carbon capture to cut emissions, but it does not dictate it. In fact, the regulations are more likely to accelerate the retirement of older fossil fuel plants because of the cost of retrofitting their outdated equipment.
- ***“Carbon capture is not a silver bullet, how does the EPA expect this to reasonably work?”*** Carbon capture is not a one-size-fits-all solution and nor does the EPA treat it as one. The upcoming regulations are designed to be flexible, giving plants less stringent benchmarks if they burn coal and natural gas less frequently or turn to hydrogen energy or heat-rate upgrades to cut emissions.

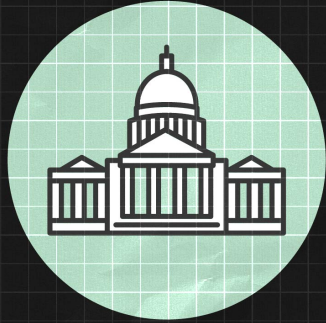


POLITICS

In his first two years in office, President Joe Biden has implemented a pragmatic, mainstream clean energy agenda that leverages over \$500 billion in clean energy investment to both revitalize the American economy in places that need it most and drive deep decarbonization.

And yet, we continue to see far too many claims in the press that either give far-left-leaning groups misplaced credit for creating and passing the landmark Inflation Reduction Act. The result? It is wrongly being characterized as a radical policy, filled with provisions akin to the Green New Deal. For many reasons, neither of these claims are an accurate portrayal of the Inflation Reduction Act. We can start with the dollar figure. Politicians and groups on the Left demanded *trillions* of dollars in “green” spending limited to renewables only, aggressive regulations banning gas-powered vehicles, fossil fuel power plants, and oil and gas production (to say nothing of the guaranteed government jobs for all). Instead, we got a historic (but much more prudent) \$500 billion investment in *everything* clean, including nuclear, carbon capture, carbon removal, hydrogen and hydrogen pipelines, and on and on, and none of the bans.

The left’s aversion to an expanded clean energy portfolio is out of touch with Americans and the economic reality. Not only does new polling show record-high support for nuclear energy, but news emerging about steel producer Cleveland-Cliffs’ intent to pursue funding for carbon capture and hydrogen technology through the Inflation Reduction Act, it’s clear that a technology-inclusive clean energy agenda has tangible benefits. For clean steel production alone, embracing technologies like carbon capture gives the US a chance to compete for a \$5.4 trillion global market and create 30,000 jobs. If the left had their way, as many claim they did, we would not see these huge wins emerge.



CONGRESS

This week, the Republican-led House Energy and Commerce Subcommittee on Environment, Manufacturing, and Critical Materials held [a hearing](#) on the Biden Administration's shift to clean energy. The hearing focused almost entirely on the potential risks associated with the now-increasing demand for clean energy technologies that are putting pressure on critical minerals. GOP members raised concerns, especially around our reliance on Chinese supply chains and the associated economic and national security risks.

Some of these concerns are valid, particularly anxieties around relying on supply chains associated with severe human rights abuses. We need to do more to develop and secure supply chains that respect workers' fundamental rights and freedoms and are not dominated by authoritarian states. The suite of recent climate legislation makes investments that will help address these concerns, onshore domestic electric vehicle supply chains, and "friend-shoring" them for our partners. We also need to accelerate regulatory and permitting reform so that more of these resources can be developed in the United States.

That being said, collaboration with China will likely continue. As [Jake Sullivan](#) noted this week, with record-breaking bilateral trade between the United States and China last year, we are not seeking to engage in a confrontation or shakedown. "We're looking to manage competition responsibly and seeking to work together with China where we can", said Sullivan. In the meantime, we will continue to bolster domestic supply chains, invest in innovation, and strengthen strategic partnerships to build security for ourselves and our allies.



WHAT WE'RE READING & LISTENING TO

- [Jessica Lovering and Judi Greenwald](#) in *Utility Drive* highlight how the nuclear energy advocacy community could be used as a model for others on how to navigate permitting constraints and advocate for more streamlined siting and permitting processes.
- [Gernot Wagner and Danny Cullenward](#) in *The Washington Post* called on the IRS to establish strategic clean hydrogen tax credits and the benefits the US could see if they get it right.
- [David Roberts](#) on the *Volts* podcast sits down with political science professor, Dr. Hahrie Han and David Beckman, co-founder of Mosaic and the current president of the Pisces Foundation to discuss the failure of the climate movement to build significant momentum around the Inflation Reduction Act and the vast amount of investments rocketing toward clean energy.

ON SOCIAL

[Third Way's Climate and Energy Program](#) highlights the increasing opposition to Republicans' staunch position on repealing key elements of the Inflation Reduction Act.



Third Way Climate & Energy
@ThirdWayEnergy



Excellent move by the [@USChamber](#) on protecting US-led clean energy, jobs, and American global competitiveness.



Joshua Siegel @SiegelScribe · Apr 26

At @EPWCmte hearing on permitting, the @USChamber 's top energy official says the business group opposes the House GOP debt ceiling bill repealing Inflation Reduction Act clean energy tax credits.