

On the Grid: Raising the Banner 5/26/23



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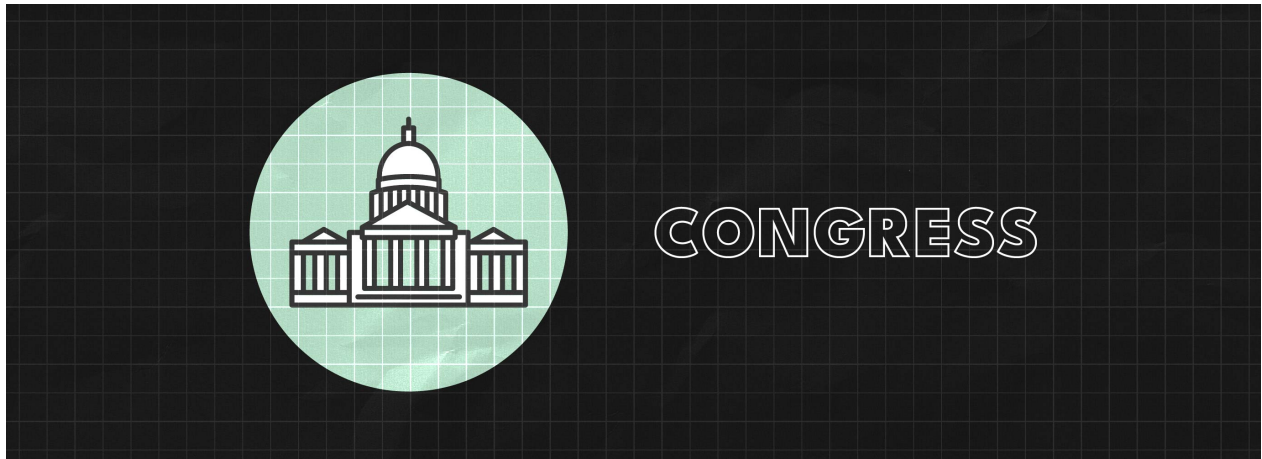
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As of this email, it looks like the chances for a deal on the debt ceiling remain alive. But a lot has to happen to ensure the US avoids default. We've warned that House Republicans are gambling with the economic fate of every American by risking default, as everyone would pay the price in the form of higher energy bills, skyrocketing mortgage rates, jobs lost, and more. From our parochial energy perspective, we're watching permitting reform and a possible rollback on crucial clean energy investments. We've made the case for why this is a catastrophically bad idea. Not only does it threaten billions of dollars and thousands of good-paying jobs, but it puts our energy security and global competitiveness at risk.

*Work in comms? Want a reprieve from debt limit talks? Come by after work for **Third Way's Communications Happy Hour on Thursday, June 8th**. We'll be at **Coastline Oyster Co.**, where you can join*

us for drinks, small bites, and conversation with your peers in the comms space. Space is limited so RSVP now!



This week, the House Energy and Commerce Subcommittee on Oversight and Investigations convened a hearing on the expansion of our domestic energy sector supply chains and manufacturing base.

Third Way's resident economist and genius behind our series of work on American competitiveness, Dr. Ellen Hughes-Cromwick, defended clean energy investments in front of the subcommittee, testifying about the crucial role they are playing in onshoring domestic supply chains and providing market stability to various industries.



Third Way Senior Resident Fellow, Dr. Ellen Hughes-Cromwick

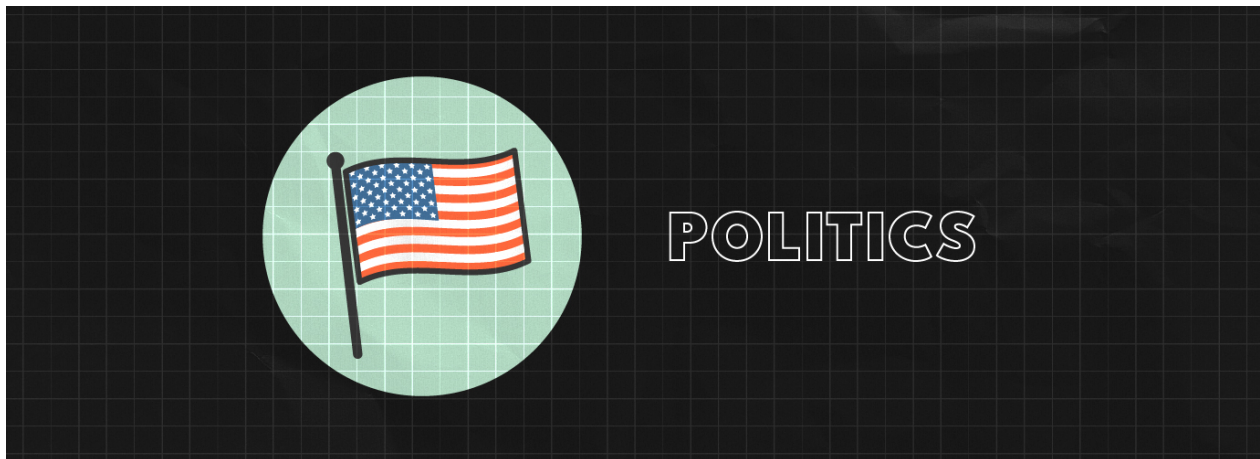
House Republicans took a defeatist stance across the entirety of the hearing, insisting that American companies were not ready to meet increased demand and were not ready to compete with

China's dominance in clean energy industries. But Dr. Hughes-Cromwick pushed back, making it clear that not only are these investments already making a difference, but conceding to China could only undermine our industries and economy.

The underlining Republican message is clear: surrender to competitors like China and Russia. As Dr. Hughes-Cromwick noted, this makes no sense:

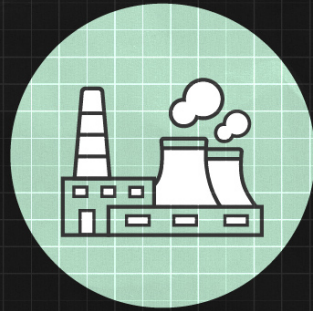
“The market economy is responding to this in a way that is very substantive, and if we sit back and do nothing, we will not be competitive, because our competitors are growing these technologies quickly, and it is beholden to all of us for our market economy and our capitalist system to provide the nudge in order to accelerate this deployment.”

You can watch the full hearing [here](#).



We were disappointed to see so many House Republican policymakers waving the flag of defeatism before our transition to a clean energy economy could even begin in earnest. Relentlessly attacking clean energy investments during the House Subcommittee on Oversight and Investigations hearing on energy supply chains, House Republicans were eager to throw in the towel, pushing the notion that American industries were simply not ready to make the transition to clean energy. The shift would be too difficult, too disruptive, and too expensive, they said. This mindset is dangerously reductive and keeps American industries stuck in the past while the rest of the world moves forward.

Not only does this resigned attitude undermine our geopolitical and climate goals, but it is a disservice to Americans, particularly working-class Americans, who are eager for the opportunities that a cleaner, more affordable, reliable, and secure economy will bring. They are ready to roll up their sleeves and create good-paying jobs in their communities, resurrect our manufacturing sector, and strengthen our energy independence, but many House Republicans have dug their heels in. If we roll back key energy legislation, as they hope to do, then we would be effectively ceding our global clean energy leadership to autocratic states like Russia and China.



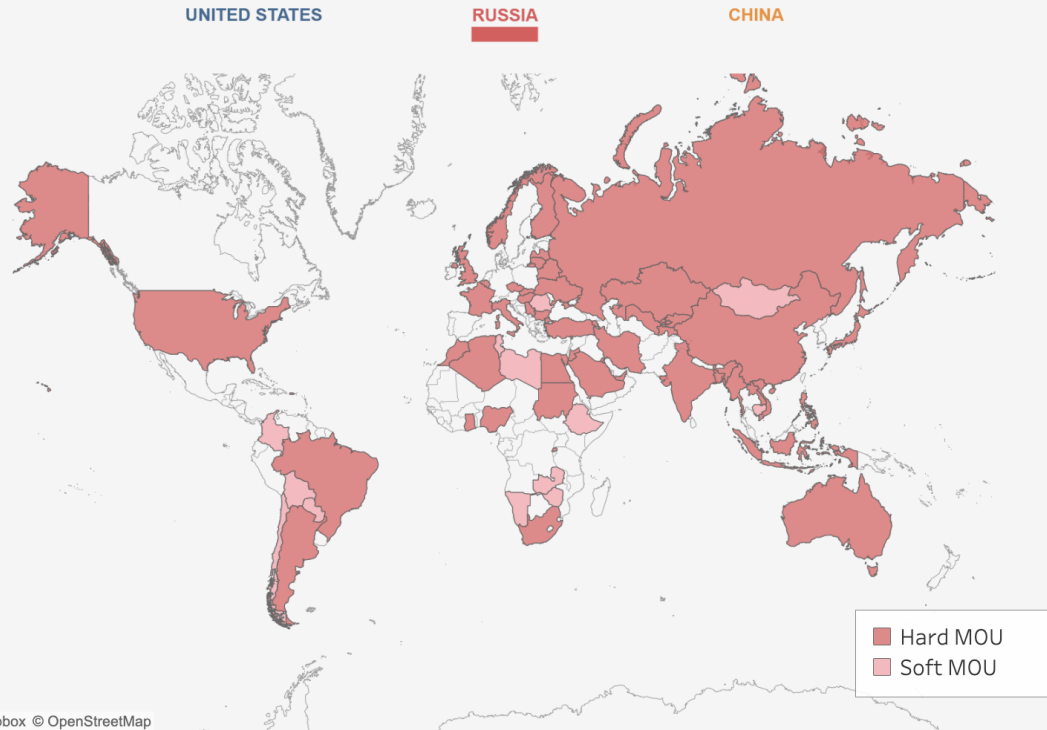
NUCLEAR

Nations around the world have come to a clear consensus—the transition to a cleaner energy mix is not just a smart move for the climate but an essential step to safeguarding energy security and geopolitical interests. Nuclear energy checks all these boxes and more but countries have been leaning on Russia and China, not the US, for nuclear technology.

Third Way and Energy for Growth Hub's [new map](#) showcases the scale of the problem. Russia has 45 concrete partnerships and agreements with other countries to construct, export, or offer services for nuclear power facilities, while China, a relatively new player in the nuclear market, already has 13. The US trails both are at just 12.

Strategic Competition: Civil Nuclear Cooperation Agreements

Countries around the world are preparing to adopt nuclear technology, here is where 3 primary nuclear exporters are signing supportive agreements (Soft MOUs) and concrete partnerships or export agreements (Hard MOUs).



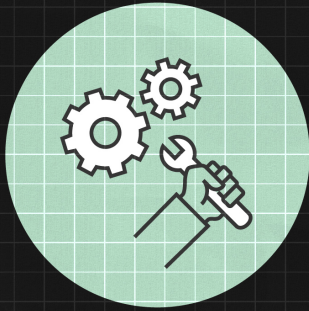
© 2023 Mapbox © OpenStreetMap

Source: Jewell, J., Vetier, M., & Garcia-Cabrera, D. (2019), <https://www.polet.network/publications/nuclear-cooperation?rq=nuclear%20> with updates by the Energy for Growth Hub.
 Full Methodology: https://docs.google.com/document/d/1CPq5ihCRY8L_C0HX4eZmV9hJcKo0W4G_87FJpVRylX8/edit?usp=sharing.
 Database: <https://docs.google.com/spreadsheets/d/11ak1r4uqgQDfqcqG2ztnpAnyvaBzXrl.yZ390jwTolm4/edit#gid=413455709>

At a time of growing interest in nuclear energy, Russia and China have already surged to lead in international markets. By actively helping their nuclear industries secure overseas contracts, they are expanding their autocratic geopolitical influence in these countries for the next 100 years. This strategy has been successful so far, but don't count the US out just yet.

Public opinion research tells us that numerous countries are not just interested in nuclear energy as a source of electricity, they're ready to deploy it. The US has 48 "soft agreements" with countries, but these potential partners need stronger financing packages and firm, long-term commitments on continued and robust civil nuclear cooperation. Hunger for American nuclear technology is only growing, giving our domestic nuclear industries the opportunity to outcompete Russia and China.

Join Third Way and Energy for Growth Hub next Thursday, June 1, for a deeper dive into the current geopolitical landscape for nuclear cooperation agreements and the challenges and opportunities in the American nuclear industry.



CLEAN ENERGY INNOVATION

The Title 17 Clean Energy Financing Program, tucked away within the Department of Energy's Loan Program Office (LPO), is one of our most powerful tools in the clean energy transition. Standing at the ready with up to \$300 billion in loan guarantee authority, the Title 17 program can provide a financial lifeline for new clean energy projects and for utilities and independent power providers seeking to transition away from fossil fuels. Title 17 provides long-term certainty, softening the landing for energy projects to leap to cleaner technologies like nuclear energy infrastructure, hydrogen pipelines, carbon capture technology, or if it makes the most sense in some cases, go offline entirely.

LPO [released the interim final rule](#) and robust program guidance last week, providing an updated set of directions and conditions for Title 17 to decide how projects can receive financing through four different project categories.

The guidance is important for a lot of reasons. But the Energy Infrastructure Reinvestment Program is a standout, unleashing funding to communities that have long been relying on fossil fuels for their energy and their economy and helping shift them towards cleaner sources while ensuring everyday Americans are not on the hook for stranded fossil assets.



WHAT WE'RE READING & LISTENING TO

- [Heather Wishart-Smith](#) in *Forbes* spotlights Oklo, a California-based nuclear energy startup, the innovative approach they're taking to the industry, and the major hurdles left to overcome in the regulatory space.
- [Robinson Meyer](#) in *Heatmap* provides a comprehensive guide for ongoing permitting debate, outlining where major players stand across a myriad of issues.
- [Dan Charles and Nick Fountain](#) on NPR's *Planet Money* podcast series meet with Lyle Jack, who has been trying to build a wind farm on the Pine Ridge Reservation in South Dakota for the last 20 years, and discuss the big obstacles they have been running into.



[Josh Freed](#), Senior Vice President for Third Way's Climate and Energy Program, offered a play-by-play of this week's House Energy and Commerce Subcommittee hearing, outlining major flags from witnesses and House Republicans.



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Watching [@HouseCommerce](#) hearing on US competitiveness on energy where my colleague [@EllenHughesCrom](#) is testifying. 1/