

Shutting Down Progress: How the Far Right's Government Shutdown Will Raise Energy Prices for Low-Income Families and Stall the Clean Energy Transition



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House Majority Leader Kevin McCarthy appears unable to secure a compromise among his caucus, putting Washington on the brink of a government shutdown. With many members unwilling to adhere to the spending agreement reached during this summer's debt ceiling negotiations and radical right wingers looking to leverage a potential shutdown to secure dramatic spending cuts, McCarthy has acknowledged that factions of his party *want* a government shutdown, saying that some members “want to burn the whole place down.”

Families across the United States will bear the consequences here. To better understand what's ahead, Third Way's Climate and Energy team offers our own assessment of the ramifications of a government shutdown for the energy sector [here](#).

Short on time? We've summarized our thoughts in the bullets below.

Bottom line: House Republicans are putting working families, our climate, and our economy at risk for their own political gain.

- 1. Out In the Cold:** A government shutdown threatens the ability of families to receive energy assistance through the Low Income Home Energy Assistance Program (LIHEAP), freezing support for 6.5 million families who rely on the program for help paying their home energy bills amid high energy costs and extreme weather. A government shutdown would also delay IRS guidance on key tax credits for energy efficiency and weatherization upgrades, leaving American families and businesses in limbo as winter approaches. Americans deserve consistent support that isn't subject to political brinksmanship.
- 2. Innovation on Hold:** The federal government is slated to announce \$18.5 billion in funding for energy innovation projects in the coming months—funding that would be put on hold during a government shutdown. These projects are geared towards reducing emissions, increasing energy reliability and affordability, and creating new economic opportunities in rural and remote areas. With energy prices stubbornly high and greenhouse gas emissions increasing, these investments are timely, and they're critical to America's ongoing competitiveness in the global marketplace. A shutdown would not only put these critical projects in jeopardy, but also delay ongoing energy projects and waste taxpayer dollars.
- 3. Rural Energy Projects in Limbo:** Two valuable clean energy programs – the Rural Energy for America Program (REAP) and the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (“Section 9003”)—are run through the United States Department Agriculture (USDA). A government shutdown will stall USDA staffing, delaying the implementation of these programs—and the jobs that accompany them. These aren't just climate and energy programs—these are rural economic development programs. And they're being delayed by House Republican infighting.