THIRD WAY

**NEWSLETTER** *Published June 2, 2025 • 6 minute read*

# On the Grid: A New Life for Nuclear 5/30/25


***Mary Sagatelova****, Senior Advocacy Advisor*

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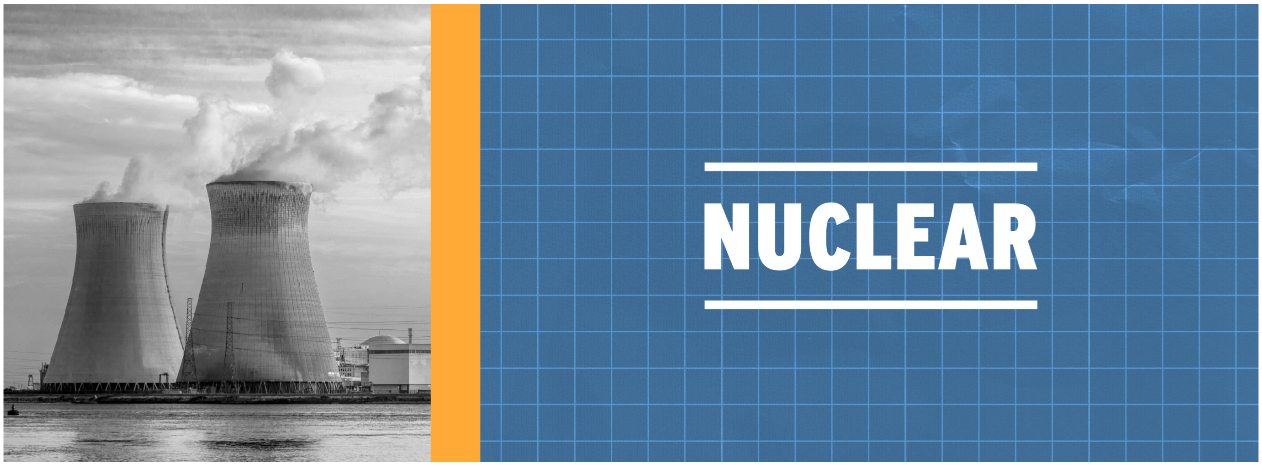
Welcome back to *On the Grid*, Third Way's bi-weekly newsletter, where we'll recap how we're working to deploy every clean energy technology as quickly and affordably as possible. We're excited to have you join us!




Last week, the Trump Administration announced new executive orders (EOs) on nuclear energy, with the ultimate goal of quadrupling US nuclear capacity by 2050. The announcement includes four distinct directives: 1) building out a domestic fuel supply chain, 2) expediting reactor testing and demonstrations at our national labs, 3) reforming the Nuclear Regulatory Commission (NRC) to enable more efficient licensing, and 4) increasing interagency coordination, especially between the Department of Energy and Department of Defense, as part of a broader national security and energy security strategy.

***Speaking to Industry Concerns:*** These EOs take on some of the nuclear industry's most persistent obstacles. By directing agencies to coordinate on procurement and ramp up domestic production of high-assay low-enriched uranium fuel, the Administration is taking a long-overdue step towards securing a reliable nuclear fuel supply chain for advanced reactors, set to come online by the early 2030s. Modernizing how the NRC regulates new reactor designs can help the agency meet the needs of next-generation technologies and speed deployment. If implemented appropriately, these changes could help bring innovative US reactors to market faster without sacrificing safety. But that's a big if…

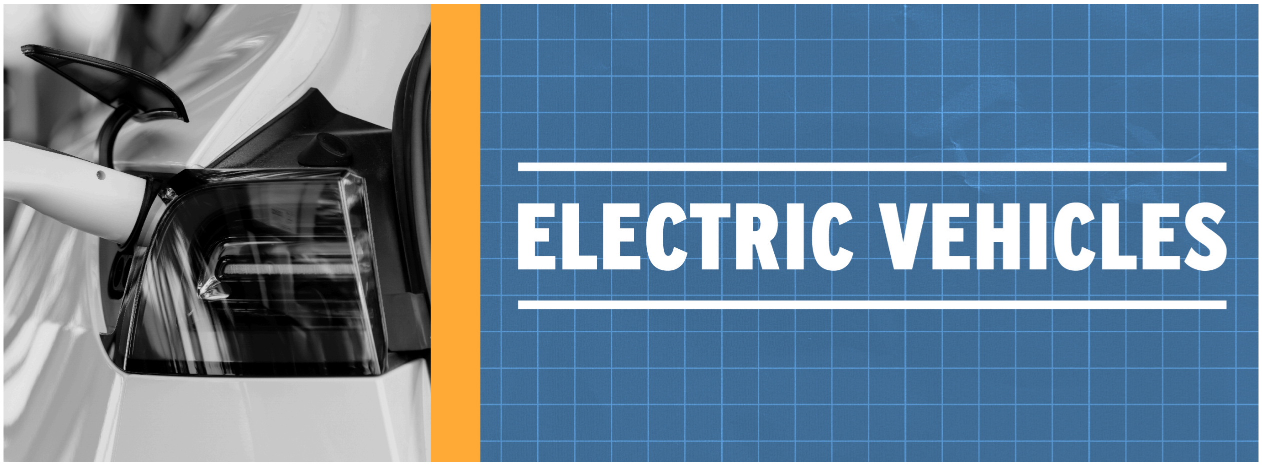
***What We're Watching:*** As always with nuclear policy, the devil is very much in the details. We have long advocated for a more streamlined regulatory process and speeding up nuclear licensing. But you can't modernize regulation by hollowing out the NRC–as the Department of Government Efficiency now has the authority to do–or slashing nuclear funding at the Department of Energy as the President's preliminary budget request suggests, or kneecapping the Loan Programs Office and slashing tech neutral tax credits as the House tax package would. There's a lot to like in Trump's latest EOs. But, as with all things Trump, follow-through isn't guaranteed. To realize their ambitions for the nuclear sector, the Administration will need to actually support the offices, agencies, tax credits, and other programs that push American nuclear forward.

***What We're Doing:*** These executive orders set ambitious goals for nuclear. We're all in on a bold agenda for American nuclear energy. We will use the ambition in the EOs to our advantage when the Senate takes up the disastrous House tax bill. Meeting the Administration's goals means protecting tech-neutral tax credits, the Loan Programs Office, and other programs that push US nuclear forward. The handful of Republican Senators who will determine the fate of the reconciliation plan need to understand that and put their votes where their pro-nuclear rhetoric is.


The US shale boom has lowered energy costs at home, grown US oil and natural gas exports, and insulated the US from global price spikes. But that dominance may be coming to an end. US oil production is starting to slow. Crude oil prices dipped to $61 a barrel this month, below the $65 many producers need to drill profitably. In response to these tighter margins, oil companies are cutting back, idling rigs at the fastest rate we've seen in almost two years, scaling back operations, and cutting capital spending.

***What's Happening:*** Part of the challenge comes from OPEC+, which is increasing production and undercutting US producers, putting downward pressure on prices. But the real pain point is US tariff policy. Trump's rapidly shifting tariffs inject deep uncertainty into a sector that depends on long-term planning while simultaneously making steel and aluminum, materials that are critical to oil production, more expensive. The Trump Administration is also openly musing about driving prices down to $50 a barrel to fight inflation, even though that would drive US producers further into the red, forcing producers to cut output and hand market share to OPEC.

***Why This Matters:*** The US oil and natural gas industries support jobs, keep energy prices stable, and help shield Americans from global supply shocks. Natural gas production in the US declined in 2024, and prices are increasing. Both industries are navigating major uncertainty as inconsistent trade policy and conflicting price signals make it difficult to plan and invest. If prices stay low and production drops, we could see tighter supply, higher prices at the pump and in electricity rates, and raised costs for everything from cooling to groceries. But we won't just lose ground at home, but globally, giving countries like Saudi Arabia and Russia a chance to regain market share we spent a decade building and leave Americans more exposed to future price shocks.




A century ago, America was at the forefront of electric vehicle (EV) innovation. Today, that leadership is waning as China accelerates its dominance in the EV sector.

***The Hard Numbers:*** In the first quarter of 2025, global electric car sales exceeded 4 million units, with China accounting for over 60% of these sales. Sales are expected to triple by the year's end. That means more EVs sold in China this year than were sold globally in 2023. The US, however, sold roughly 360,000 EVs in that time period

***China Lays Down a Straight Flush*:** BYD, China's top EV manufacturer, recently announced it will be slashing prices by up to 34% across 22 models, flooding global markets with cheap, high-quality EVs. Thanks to its vertically integrated supply chains, including in-house battery and chip production, BYD can cut costs while keeping margins intact. Their strategy is working: in April, BYD outsold Tesla in Europe for the first time, registering a 169% year-over-year jump. Tesla's sales fell 49% by comparison.

***America Bails Out*:** Republicans' *"Big, Beautiful Bill"* guts core consumer tax credits for new, used, and commercial EVs. It would also levy new taxes on EV owners–$250 annually for electric and $100 for hybrids. That is a sharp reversal of policies that helped catalyze America's EV manufacturing and investment surge, and it sends a clear message to US automakers that policymakers have decided to bail on EVs.The GOP tax bill is already behind, and without consistent, long-term support, what began as momentum risks faltering out.

***A Strategic Mistake in the Making:*** This isn't just about cars. It's about where the future is being built. China sees EVs as a pillar of its industrial and geopolitical strategy. If we cede the market now, we're not just giving up billions in market share but surrendering the next generation of manufacturing leadership. The electric car was invented in America. But if we continue to let political posturing dictate industrial policy, America will also be the country that gave it away.


- Jonathan Chait, in *The Atlantic,* outlines the emerging rift within the Democratic Party over the abundance agenda and how a seemingly technical fight is escalating into a broader struggle about the party's future.

- David Victor, in *Foreign Affairs,* argues that the Trump Administration is sabotaging its own global competitiveness against China by gutting public investment in innovation, politicizing trade, and shutting out foreign talent.

- Shayle Kann, on the *Catalyst* podcast, chats with Carl Hoiland, co-founder and CEO of Zanska, about geothermal energy, how projects are developed, and the future of the industry.