

NEWSLETTER *Published November 3, 2023 · 6 minute read*

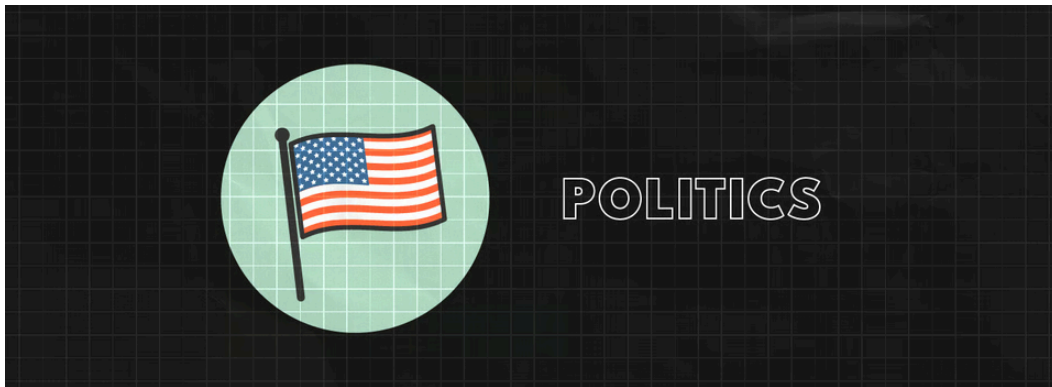
On the Grid: Building Resilience 11/03/23

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We were honored to host **Speaker Emerita Nancy Pelosi at the Third Way office this week** for a public event on the threat No Labels, a dark-money group working to get a third-party presidential candidate on the ballot in 2024, posed to the election and durability of issues like clean energy action. Few voices carry as much credibility as Speaker Emerita Pelosi. You can [read more](#) about Third Way's work on third-party candidates, their propensity to underperform and hurt incumbents, and the credible threat they pose for Democrats in 2024.



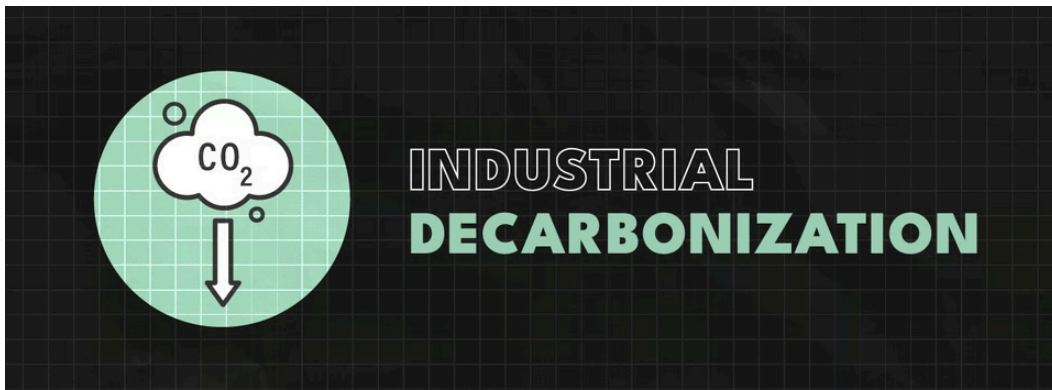
There's no greater risk to American democracy, and therefore the durability of our nation's clean energy leadership, than another Trump presidency. That's why Third Way has been leading a coalition that spans the Democratic spectrum to warn that No Labels' third-party presidential bid would help re-elect Donald Trump. Yesterday, Third Way hosted Speaker Emerita Nancy Pelosi at an event at our office to reinforce the threat of a No Labels ticket poses to our democracy.



Speaker Emerita Nancy Pelosi (left) and Jon Cowan, President and Co-Founder of Third Way (right)..

We've been raising the alarm on No Labels for the past year, disproving their claims of a path to victory and showing that they will be a dangerous spoiler that divides the anti-Trump coalition. And a new Third Way memo released last week showed that No Label's has a radical new plan. Because they can't win the election outright, their strategy has shifted to trying to win a few electoral votes in order to force a contingent election where they can play kingmaker. But this gambit is likely to throw the 2024 election to a vote of the House. If you thought the chaos of the past few weeks was insane, imagine if House Republicans were choosing the next American President. In a vote by delegations, the House *will* elect Donald Trump. The danger of this scheme in the wake of January 6th is obvious. As Speaker Emerita Pelosi warned when she spoke out about their bid this week, "No Labels is perilous to our democracy."

A second Trump term would be detrimental in every way, but especially to our efforts to transition to cleaner, cheaper, secure, and more reliable energy. One only needs to look back three years at the first Trump term's energy policies to understand this risk.



This week, Senator Bill Cassidy (R-LA) introduced the [Foreign Pollution Fee Act](#) to hold international polluters accountable for their outsized contribution to carbon pollution. The bill's approach is twofold: impose a fee on imported fossil fuels, renewable energy technologies, and industrial products based on their emissions intensity to encourage cleaner production methods abroad, and by pointedly avoiding any domestic carbon pricing, protect American manufacturers from added fees and unfair competition.

Targeting goods that are at least 50% more emissions-intensive than their American-made counterparts, the bill will lower the pollution benchmark over 6 years, down to 25% at first and then 10%. This sends a clear message to heavy international polluters like China to get their act together and cut emissions—a move that our recent [public opinion polling](#) tells us Americans emphatically support.

Sen. Cassidy's bill is the latest effort in an emerging bipartisan resolve to build a market that rewards American manufacturers for their investment in cleaner, more efficient production processes. Senator Sheldon Whitehouse (D-RI) introduced [similar legislation](#) last year to levy a carbon import tax, notably though with an added domestic fee. While Whitehouse's bill has stalled in committee, it signals growing bipartisan interest in the US playing a leading role in setting international emissions standards that level the economic playing field. As the world's largest carbon emitter and a notoriously unfair player in global markets, China is at the center of this legislative push, emerging as a potent unifying force that policymakers across the political spectrum can rally behind.



US ECONOMY

After September's unexpected jobs report—adding 161,000 more jobs than forecasted—many were bracing for the Federal Reserve to raise interest rates again as part of their ongoing battle to rein inflation in at 2%. But contrary to those predictions, Fed Chair Jerome Powell has made it clear this week that interest rates will remain unchanged, held at 5.25%–5.50%.

What's next for the Fed? For one, their usual economic playbook does not match up to reality. Despite raising interest rates by 5 percentage points, the economy grew by a brisk 4.9% annual rate in this past third quarter, surpassing even the most optimistic expectations. Economic growth is typically expected to take a hit to hamper inflation, but with a historically low unemployment rate, healthy growth, and inflation on a downward trajectory—albeit not yet back to the 2% target rate—this unique combination of economic indicators is defying the traditional pattern.

The Fed is navigating an unusual economic landscape, grappling with inflation while simultaneously working to temper the economic boost from federal spending packages like the American Rescue Plan and the Inflation Reduction Act without undoing the immense wage and job gains Americans have already been seeing. This is a complex challenge, to say the least.



CLEAN TRANSPORT

This week, the United Auto Workers (UAW) reached tentative agreements with Ford, Stellantis, and General Motors, ending the six-week campaign of coordinated strikes and securing significant wage hikes, cost-of-living adjustments, and added benefits for auto workers, all while simultaneously reshaping the narrative surrounding the electric vehicle (EV) transition and the impact on labor.

Critics have argued that the shift to EVs would be a major loss for American auto workers—a concern that grew more vocal over the past six weeks. Don't worry—we fact-check these claims, so you don't have to. But these newly negotiated agreements flip the script on this argument. Take UAW's agreement with Ford. The deal includes over \$8 billion in investments across Ford production facilities, ensuring their skills remain relevant, marketable, and ready to meet growing EV demand. Moreover, UAW's reach will now extend to Ford's new EV battery plant in Marshall, Michigan, insourcing jobs and offsetting any job loss that might occur elsewhere along the EV supply chain.

You can read more about how UAW's agreement with Ford cements union labor in the EV transition, and as General Motors and Stellantis firm up their respective agreements, we'll be sure to dive deeper into what that means for the US auto industry and workers.



- Justin Worland, in *TIME*, analyzes the latest World Energy Outlook, highlighting the shifting dynamics in the oil and gas industry and the accelerating growth of clean energy sources. Want more insight on the report? Check out last week's On the Grid for a deep dive!
- Matthew Zeitlin in *Heatmap* offers insights into ongoing turmoil in the offshore wind industry.
- Stephen Lacey, on the *Carbon Copy* podcast, discusses industrial decarbonization with Canary Media reporters Jeff St. John, Maria Gallucci, and Julian Spector, noting the

complex duality of a sector at the forefront of creating clean energy technologies while simultaneously struggling to reduce its own carbon emissions.
