

NEWSLETTER *Published August 26, 2024 • 7 minute read*

On the Grid: Building Smart Strategy

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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 and cut through the election year noise to parse out what this year means for clean energy.

With the Democratic National Convention dominating the airwaves last week, we're catching up on major news developing in the clean energy landscape.



AMERICAN COMPETITIVENESS

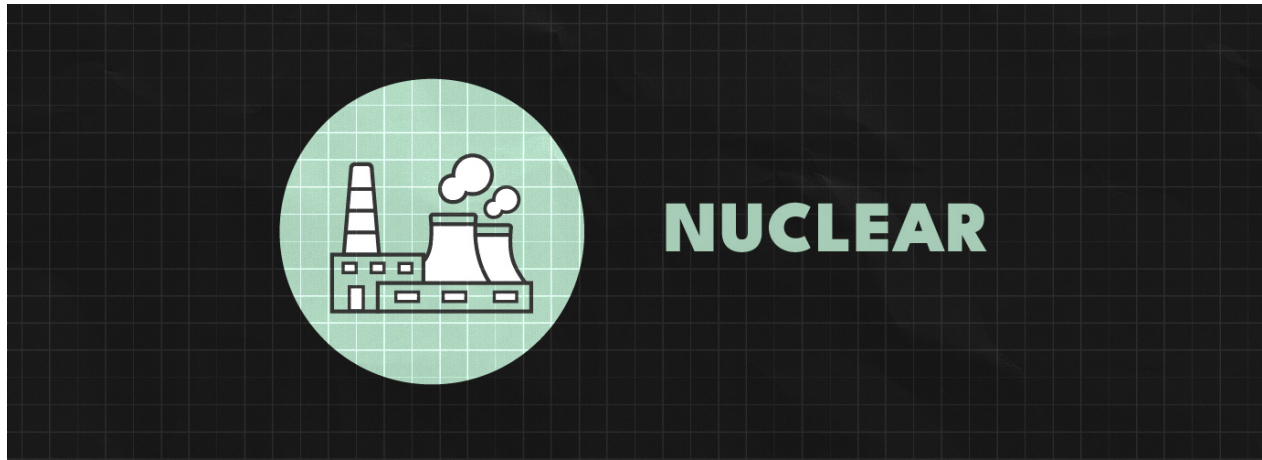
On August 13, we welcomed [John Podesta](#), Senior Advisor to the President for International Climate Policy, to celebrate the historic rise in US clean energy manufacturing and to discuss the impact of these critical investments. As Podesta laid out, a key goal is to help American industries compete against government-backed Chinese companies. These domestic investments are enabling US companies to compete in the global clean energy market. Last week, Brian Deese, MIT Innovation Fellow and former Director of the National Economic Council under President Biden, offered a key tool, which he described as [a new Marshall Plan](#) to help America compete. It rightly focuses on financing the export of American clean energy technologies, manufactured goods, and services to the rest of the world in coordination with our allies.

This plan would harness both public and private sector financing in a new US Clean Energy Finance Authority to reduce the “green premium” costs of emerging American clean energy technologies and make existing technologies less expensive so other countries adopt them much more quickly. It would be complemented by a set of policies and additional authorities for the US and our allies to strategically expand supply chains and access to resources like critical minerals and reduce our reliance on China, and additional export finance and trade authorities. Done right, this would help accelerate decarbonization and economic opportunity abroad and—like the Marshall Plan—also benefit the US economy, national security in our competition with authoritarian states like China and Russia, and global leadership. This would center on the creation of a new US Clean Energy Finance Authority to reduce the cost of exporting US clean energy technologies.

Why This Matters: Two of the most important challenges this decade are countering the aggressive expansion by China, Russia, and other authoritarian states and scaling cheap clean energy to decarbonize much more rapidly. Both require US leadership, which we’ve described as coming in the form of the nation becoming the [Arsenal of Clean Energy](#). The Clean Energy Marshall Plan builds on our proposal by suggesting specific new policies and government actions.

What We’re Doing: We are deeply engaged in designing, building out, and advocating for *exactly* the tools Deese outlines in his essay and will be working with his teams. On the policy front, this includes working with the Biden-Harris Administration, building support for clean energy exports

and coordination with allies in the United Kingdom and European Union, and engaging other NGOs who are also working on similar ideas. We are also building the political case to support this important, bold American leadership, which we hope will be incredibly relevant in 2025.



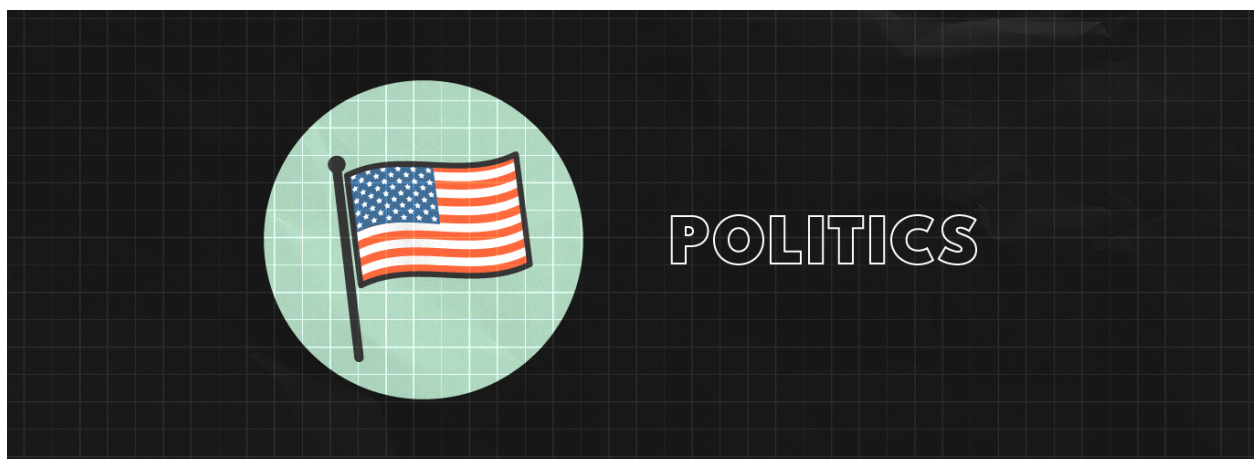
A recent survey by the [Fusion Industry Association](#) shows the US has entered a new chapter in the pursuit of developing commercial fusion power plants to produce clean energy. The highlights:

- **Global Investment is Skyrocketing:** Over \$900 million was funneled last year into commercializing fusion technologies, reflecting growing global interest in fusion technology.
- **Growing Public investment:** Government investment in fusion technologies has soared by more than 50% since last year, signaling growing government confidence in fusion energy's potential.
- **Surging Job Potential:** Employment in private fusion companies is growing, with over 4,000 people now working in the sector—a 300% increase since 2021.

Why This Matters: For years, the joke has been a fusion power plant is ten years off from being ten years off. The combination of breakthroughs in the physics of fusion, steady, clear progress in the development of materials for a fusion power plant, and private and public investment to bring this to scale all are signs that the era of that joke is over. The vast majority of fusion companies surveyed expect to deliver electricity from a fusion power plant to the grid by the 2030s.

What We're Doing: The era of nuclear fusion as a science experiment is over. The US and the United Kingdom are in a race with China to develop the world's first commercial fusion power plant. However, real scientific and engineering challenges remain. To support this critical technology, our team is actively engaging with fusion companies to understand the regulatory and supply chain hurdles. We've also conducted on-site visits to fusion facilities, gaining first-hand insights into the obstacles these companies face to help create the regulatory and legislative frameworks necessary

to scale up American fusion energy and ensure the US leads the global market—just as we’ve done with other advanced energy technologies.



This week, Republican Vice-Presidential candidate JD Vance penned an op-ed claiming to outline how the Harris Administration’s energy policies would “enervate America.” Unfortunately, the op-ed was far less a disagreement on policy and outcomes and far more of a political attack. Our thoughts:

1. Vance’s Take: The shift to electric vehicles would obliterate the American auto industry.

Third Way Fact Check: Electric vehicles (EVs) surpassed 9% of all new cars sold in the first quarter of 2024, and analysts expect they'll pass 50% of new cars sold in the US by 2030. The EV future is here. The only question is who will build them. The US auto industry is responsible for more than 4 million jobs today. Without federal support for the EV transition—that is happening—China will continue to dominate the EV market and benefit from America’s inability to compete in the global marketplace.

2. Vance’s Take: Adding more solar and wind every year will make it impossible to achieve reliable and affordable electricity.

Third Way Fact Check: Diversifying our energy sources actually strengthens our grid, not weakens it. Take Texas, for example—the state with the highest integration of renewables. During Winter Storm Yuri, over 4.5 million Texans lost power for up to four days, leading to the largest load shed event across North America, with over 23,000 MW of firm load shed. Fast forward two years, Texas added more solar capacity than any other state and increased wind generation as well. Despite facing two equally intense winter storms, Gerri and Heather, Texas’s power grid remained robust, with no load shed. While better preparedness played a role, it's clear that clean energy is helping, not hurting, grid reliability.

3. Vance’s Take: The US is facing a catastrophic electrical capacity shortfall of hundreds of gigawatts. Harris thinks windmills and the sun will come to the rescue.

Third Way Fact Check: Vance is wrong on two counts. First, as our analysis explains, we are not facing a catastrophic capacity shortfall. Second, Vice President Harris is not a renewables-only advocate. The Biden Administration has implemented a comprehensive “all-of-the-above” energy strategy that is expanding multiple energy sources, including oil and gas, renewables, and advanced technologies like nuclear. This balanced approach ensures that the US maintains a reliable and diverse energy mix, addressing both current and future energy needs.

What We’re Doing: We’d welcome a serious debate on the best energy policy for the country. Unfortunately, this piece from J.D. Vance was not it. We’ll continue to call out and correct the record when distortions like this come out. We’re also leveraging our public opinion and messaging research to ensure the conversation on clean energy resonates with key voting groups.



- Justin Worland, in *TIME*, outlines the challenges clean energy and climate advocates face in maintaining support for clean energy policies amid economic concerns and rising right-wing populism, both in the US and Europe.
- Patrick George, in *The Atlantic*, spotlights American consumers' longstanding preferences for larger, more powerful vehicles and the challenge this poses to the electric vehicle transition.
- Julia Pyper and co-hosts, on Political Climate, chat with John Podesta about the impact of the Inflation Reduction Act two years later, exploring the upcoming challenges for the bill and strategies for Democrats to bolster support for federal clean energy policies.