

NEWSLETTER *Published November 24, 2025 • 5 minute read*

On the Grid: Delivering on Energy Affordability

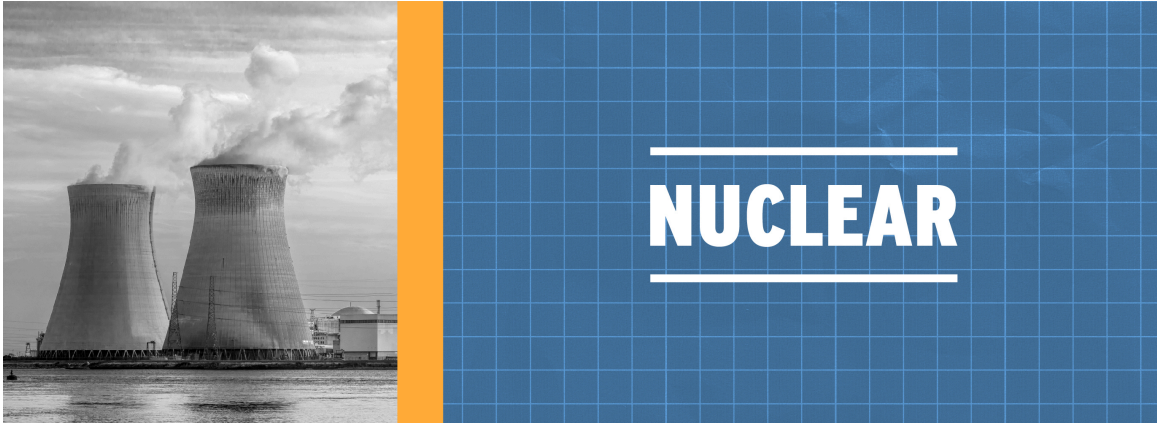
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Hi Friend!

Happy Thanksgiving week. 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!



In the global nuclear market, American nuclear technology is widely sought after. Countries trust that American nuclear is innovative, reliable, and safe. But the US often neglects how important financing is to potential international partners. Russia and China exploit this by leveraging their state-owned enterprises to provide workable financing for their trade partners. Both countries routinely deploy state-backed financing to secure deals that also forge decades-long geopolitical relationships, edging out the US, especially in emerging markets. Without competitive financing of our own, the US can't compete.

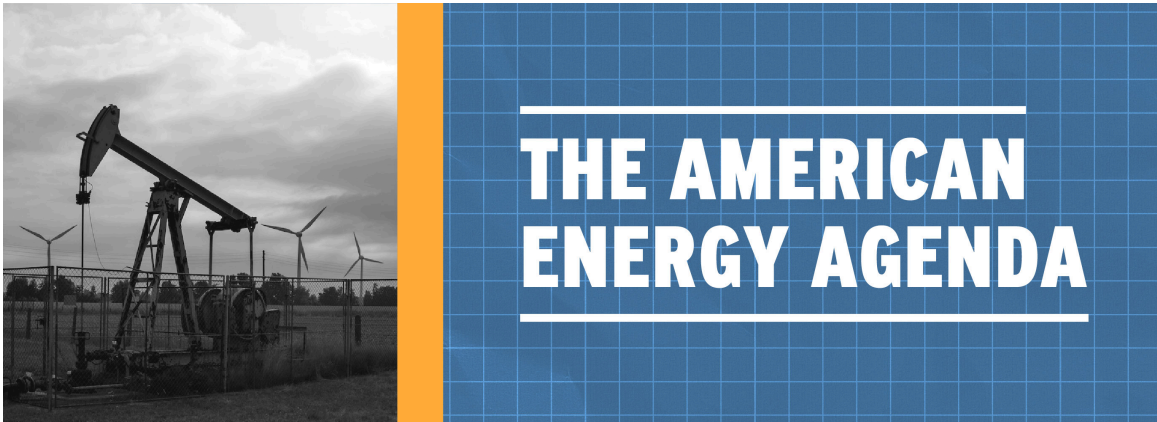
How Do We Course Correct? One of the best tools the US already has is the International Development Finance Corporation (DFC). As America's central development finance institution, DFC exists to:

- Help build the infrastructure needed to strengthen US influence abroad,
- Open new markets for American companies, and
- Prevent countries from turning to our adversaries when they need capital.

In sectors like nuclear, where projects are too big and too risky for private investors to undertake alone, DFC can step in with loans, guarantees, equity, and technical assistance to make American technology more viable abroad.

The Limits of the Current System: Currently, the agency's authorities are not built for the scale of modern nuclear exports. Its investment caps are too low, its equity tools are too constrained by outdated budget rules, and its timelines are too short for technologies like nuclear that have substantial upfront costs and long construction windows. DFC is also designed to prioritize projects in low- and middle-income countries—a mandate that is essential and worth protecting. But new nuclear reactors can become commercially viable to support development goals *after* proving themselves in high-income markets. These countries already have the government programs, regulatory capacity, and infrastructure needed to host first-of-a-kind projects. If a financing agency can't offer large-scale capital, flexible risk-sharing, and long-term certainty—or participate in the necessary markets—it simply can't compete.

What We're Doing: DFC's reauthorization lapsed in October 2025, creating a vacuum in US development finance at a time when Russia and China are accelerating their use of state-backed financing abroad. Reauthorization has been folded into the must-pass National Defense Authorization Act. We are engaging key decision-makers to ensure reauthorization protects DFC's development mandate while allowing strategic engagement in select high-income markets. You can read more about our perspective on why DFC must be reauthorized in the National Defense Authorization Act [here](#). Failing to reauthorize DFC would severely limit America's ability to mobilize private capital in developing nations and compete in strategic markets.



America's energy system is struggling under enormous pressure to deliver affordable, reliable electricity quickly to new industrial capacity and booming AI data centers. That's because the United States' aging grid was built for smaller loads and slower, predictable growth. These problems won't be fixed quickly. It will take years for the clean capacity, transmission, and firm power we need to hit the grid.

That lag—between when demand surges and when solutions can be deployed—is where bills start to spike, and energy politics become more challenging.

Who's Meeting This Moment? Democratic governors are employing innovative strategies to address surging demand and provide relief to struggling consumers. Here's a quick peek:

- In New York, Governor Kathy Hochul approved the [Northeast Supply Enhancement \(NESE\) pipeline to help address](#) concerns over reliability and affordability across the state. New York's climate goals and electrification rules remain intact, and major clean energy projects like Empire Wind are still moving forward. It's a strategy that shows states can continue to take climate seriously, while cutting costs for working people. As Third Way's Josh Freed, Senior Vice President for Climate and Energy, wrote in the [Empire Report](#), "*When costs are high, working people suffer—and decarbonization slips further out of reach.*"

- In Pennsylvania, Governor Josh Shapiro has taken a number of actions, most recently securing the state's 2026 budget in a necessary compromise that also withdrew the state from the Regional Greenhouse Gas Initiative. This action, which ended Pennsylvania's participation in the regional cap-and-trade system, will help prevent electricity rate hikes while allowing gas, hydrogen, and other firm power sources to play a stabilizing role in the state's energy system.
- In California, Governor Gavin Newsom signed a six-bill package that redirects cap-and-invest revenues into bill credits, adds financing to lower transmission costs, and expands the California Wildfire Fund to shield ratepayers from utility liabilities. The package pairs ambitious clean energy build-out with the grid's dependability during the transition, such as allowing limited oil drilling in Kern County to prevent sudden supply shocks.
- In Massachusetts, Governor Maura Healey filed the Energy Affordability, Independence, and Innovation Act to lower utility costs, streamline large-scale clean energy procurement, and repeal long-standing nuclear restrictions to make room for advanced reactors. The bill also provides gas companies with a path to operate geothermal networks, reinforcing the importance of strengthening reliability today while reducing emissions over time.

What We're Doing: When energy becomes unaffordable, people want their policymakers to address the problem. Electricity prices are expected to continue to rise, and the public is demanding solutions. As we've outlined previously in our public opinion research, affordability makes clean energy policy more durable and clean energy technologies more popular. We're developing the policy frameworks, research, and language to help policymakers navigate this moment and get constituents the cost savings they badly need.



- Jessica Green, in *Foreign Affairs*, argues that our current global climate infrastructure, like the United Nations Framework on Climate Change, is no longer sufficient to decarbonize the global economy and requires fundamental reform.

- Sarah Sax, in *The Atlantic*, offers a take on Bill Gates' recent memo ahead of COP30, urging countries to prioritize human welfare, adaptation, and clean tech innovation. Sax pushes back against the backlash to the memo, highlighting the importance of centering climate action on the real needs of people, not just emissions targets.
 - Rob Meyer and Jesse Jenkins, on Heatmap's *Shift Key* podcast, talk with Advait Arun, Senior Associate for Capital Markets at the Center for Public Enterprise, about the market dynamics of data centers, the AI boom, and how the financing behind both is deeply intertwined with the next generation of clean technologies.
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