

NEWSLETTER *Published February 9, 2025 • 6 minute read*

On the Grid: Funds on Ice ❄️ 02/09/25



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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!



WHITE HOUSE

Last week the White House Office of Management and Budget (OMB) issued—and subsequently rescinded—a memo implementing a sweeping freeze on public loans, grants, and aid. OMB was implementing an earlier executive order by President Trump to freeze federal funding. Though their guidance has been rescinded, that freeze is still very much in effect.

What does that mean for clean energy?

Funds on Ice: Every single dollar tied to the Inflation Reduction Act, Bipartisan Infrastructure Law, and even annual appropriations remains frozen. This includes funds already under contract. That means businesses, universities, and nonprofits counting on federal dollars are now in limbo. As Ryan Fitzpatrick, Third Way's Senior Director for Domestic Policy, told the New York Times this week, *“That process could take months. We’re talking about thousands of contracts and hundreds of thousands of jobs delayed and possibly canceled.”*

Unstable Funds are Bad for Business: Factories set to break ground, workers who were promised retraining, and much-needed infrastructure projects are stalled indefinitely. That instability creates real challenges for businesses. Companies that planned to scale up based on promised federal support are now rethinking their plans—or scrapping them altogether—and investors are growing very wary of any projects tied to federal incentives.

What We’re Doing: What happens in Washington has real-world consequences. We are working with companies to make the case that freezing funding, and creating uncertainty, undermines the American energy sector and hurts businesses at exactly the time when the US needs as much energy as we can produce, and as many companies manufacturing in the US as possible.



The UK is taking decisive action to establish itself as a global nuclear leader. This week, Prime Minister Kier Starmer announced sweeping reforms to accelerate nuclear energy deployment and quadruple nuclear capacity by 2050. These include investing in domestic fuel production and lifting restrictive planning laws to streamline permitting and siting for small and large nuclear reactors across England and Wales.

Why This Matters: Starmer's announcement is not just a win for the UK, it's an opportunity for the US and its allies to build a transatlantic nuclear supply chain strong enough to compete with our adversaries. Russia and China, with their state-owned and heavily subsidized nuclear industries, are rapidly expanding their influence by exporting nuclear technology. They view these exports as strategic tools to forge century-long partnerships across Africa, Asia, and Eastern Europe and expand their geopolitical reach. By committing to a massive expansion of nuclear energy at home, the UK is laying the groundwork for a stronger, Western-led nuclear industry.

What We're Doing: Our team is working to keep the US competitive in the global nuclear industry and to strengthen transatlantic partnerships on nuclear energy. Right now, that starts with protecting the programs that make that possible. That's why we're working to protect and expand broad clean energy programs that impact and support nuclear—policies currently at risk of being clawed back during the budget reconciliation process. Our latest memo outlines the critical nature of securing long-term federal support to remain competitive with Russia and China—and we're making sure that these insights land where they matter most to shape the debate ahead.



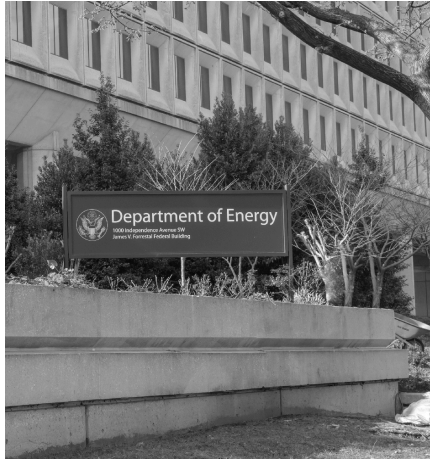
POLITICS

This past weekend's DNC candidate forum was a case study of how fringe activist groups are pushing an agenda that is woefully out of touch with what Americans care about. Far-left climate activists, including members of the Sunrise Movement, repeatedly interrupted and derailed the event, pushing candidates to endorse their own ideas. But, if implemented, their agenda would undermine—not help—efforts to build broader public support for clean energy and action to address climate change

Why This Matters: The last thing we need is for energy and climate issues to become just another part of the broader culture war. But the agenda of far-Left organizations, including Sunrise Movement, would do just that. The policies that they are calling for are both bad for the country and utterly out of touch with what the public wants. Here are a few examples:

- **Banning New Fossil Fuel Projects:** Only 31% of Americans support phasing out fossil fuel projects. The vast majority prefer to leverage a mix of fossil fuels and clean technologies.
- **Declaring a Climate Emergency:** Just 33% of swing voters support declaring a climate emergency. When positive information is provided explaining what new authorities a climate emergency declaration would unleash, support drops to 24%.
- **Abolish the Police:** Only 15% of US adults support abolishing police departments—a figure that has remained largely unchanged since 2020.

What We're Doing: Our team is pushing back against agendas that are outside of the mainstream and risk undermining efforts to make energy cheap, affordable, reliable, *and* clean. Our latest blog explains why we strongly disagree with Sunrise's agenda and outlines precisely why we can't afford to indulge these kinds of demands. Instead, we're keeping the focus where it belongs. As Bill Galston and Elaine Kamark's newest research makes clear, winning depends on reconnecting with working-class voters, not chasing the approval of a loud activist minority.

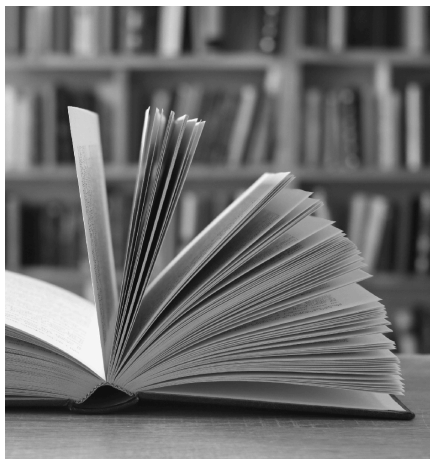


ADMINISTRATION

This week, newly minted Energy Secretary Chris Wright laid out a nine-point agenda to “unleash the golden era of American energy dominance.” This includes increasing domestic energy, unleashing innovation, reducing energy costs, modernizing our grid, scaling nuclear power, and permitting reform. Notably, emissions reductions are not on Wright’s agenda.

What This Means: This signals a potential shift away from the energy transition era, where US and EU policies prioritized replacing fossil fuels with clean energy. This means that organizations like Third Way—and our allies—will have to try to keep the country’s policy on track without explicitly making emissions part of the case.

What We’re Doing: Our strategy is twofold. First, we’re working to keep energy out of culture wars. It’s worth noting that Secretaries Wright and Burgum have not turned energy into a culture issue, which the far Left has done with its calls to ban fossil fuels and the far Right is now doing against wind and climate research. We’re focusing on trying to pull energy policy out of this cultural dynamic and emphasize its strategic national security and economic value. Second, we’re advancing one of the most effective tools in our arsenal: carbon capture. The Administration wants to increase oil and gas production as part of its energy dominance plan. With production at record levels, we’re skeptical this will happen. However, if they follow through, it will require an urgent acceleration of carbon capture and removal technologies, which Wright and Burgum support.



WHAT WE ARE READING & LISTENING TO

- Lisa Friedman and Brad Plumer, in the *New York Times*, unpack President Trump's freeze on climate spending and its impact on jobs and future investment.
- Jude Blanchette and Ryan Hass, in *Foreign Affairs*, argue that the US still maintains a vital edge over China in terms of our economy, financial markets, innovation ecosystem, and global alliance network, and outline how we can compete in vital industries.
- Rob Meyer and Jessie Jenkins, on *Shift Key*, sit down with Third Way's Ellen Hughes-Cromwick to unravel automotive supply chains and how President Trump's tariffs could impact the industry.