

**NEWSLETTER** *Published March 29, 2024 · 8 minute read*

# On the Grid: Keeping Momentum 03/29/24

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ON THE GRID

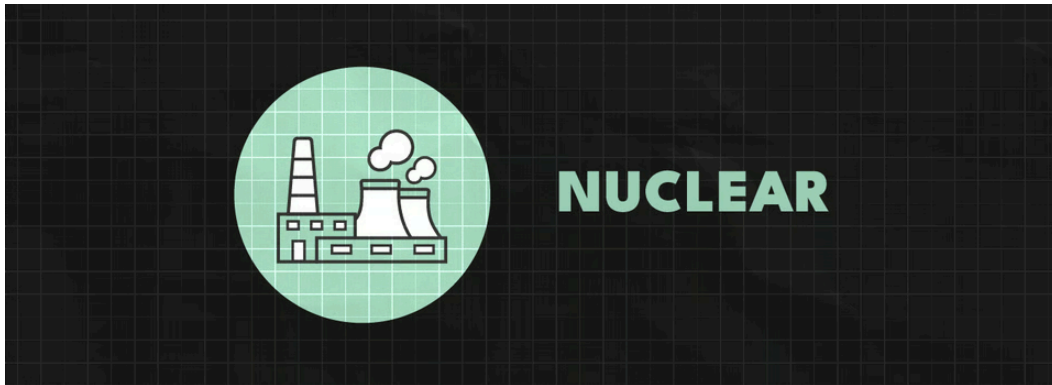


**THIRD WAY**

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Welcome to *On the Grid*, Third Way's bi-weekly newsletter, where we recap how we're working to deploy every clean energy technology as quickly and affordably as possible. And we're cutting through the election year noise to parse out what this year means for clean energy and how we can push decarbonization forward today and into the future.

We're excited to have you join us!



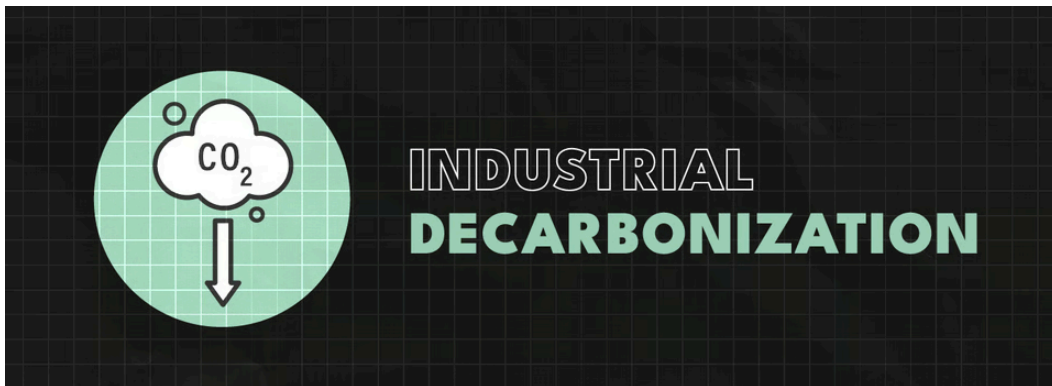
Last week was a big week for nuclear energy. Here's a quick catch-up:

1. TerraPower set a timeline to start building the first next-generation nuclear power plant in the US, beginning this June in Kemmerer, Wyoming.
2. Google, Microsoft, and US-based steel giant Nucor announced a partnership to accelerate the deployment of technologies like first-of-a-kind advanced nuclear.
3. The White House formally nominated NRC Chairman Chris Hanson to serve another term leading the Commission.

**Why This Matters:** As global demand for nuclear energy grows, Russian and Chinese nuclear industries are outpacing the US, directly challenging American leadership in the market and threatening US national security. We need to see an acceleration across the nuclear sector, including clear timelines for construction, more private investment, and leadership from the regulator to evaluate license applications quickly and transparently. These announcements are an important step in that direction.

**What We're Doing:** Building one plant and forming an initial buyers' consortium is only the first step. We've been working on both these actions for some time now – you can read our statement on the private sector announcements [here](#) – but they'll only be successful if they

lead to the commercialization of an entirely new sector. Our team is focused on how to build on this moment by creating competitive financing packages for American nuclear technologies and bringing many more end-users to the table to purchase power from advanced nuclear projects. As important, we are pushing the Senate to act swiftly to reconfirm Chairman Hanson for another term leading the NRC. Reforms there are moving in the right direction, but we need to make sure the agency has consistent, clear leadership to solidify them.



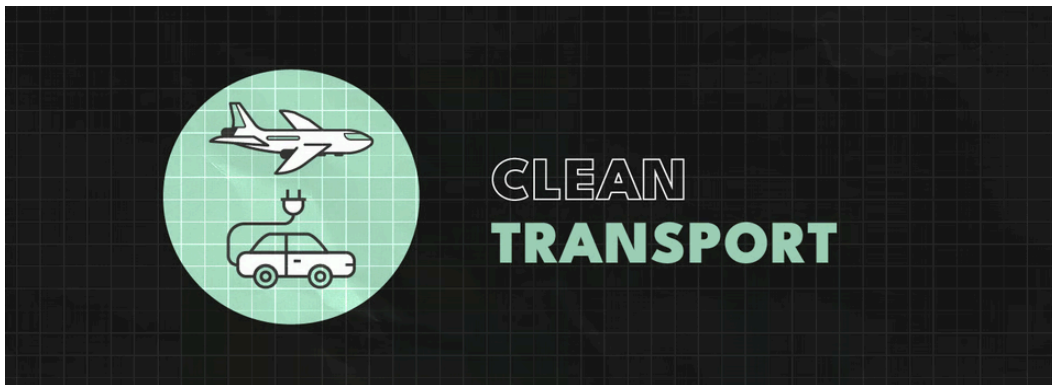
Heavy industries like steel, cement, aluminum, and chemical manufacturing are among the most energy-demanding and carbon-intensive sectors. Market demand, however, dictates that these industries adopt cleaner processes. The challenge is that while US manufacturers must lower their emissions to remain competitive, the technologies to do so are not yet widely deployed and remain expensive. That's why, as Ryan Fitzpatrick, our Senior Director, said, the Department of Energy's recent selection of 33 pioneering projects for its \$6 billion Industrial Decarbonization Program is a *big deal*.

Here are a few announced projects that we're excited about:

- Swedish Steel's (SSAB) launch of the US's first primary steel manufacturing facility using green hydrogen in the steel-making process.
- Heidelberg Material's plan to construct and operate carbon capture, transport, and storage technology that will capture at least 95% of the emissions from their cement production facility.
- The Lebec Net-Zero Cement Plant Project will produce carbon-neutral cement using locally sourced biomass, less energy-intensive materials, and carbon capture technology.

Project developers will bring an additional \$14 billion in private and state and local capital to these initiatives. Meanwhile, DOE's Industrial Decarbonization Program is entering into negotiations and long-term engagement with companies and communities to ensure the long-term success of these projects.

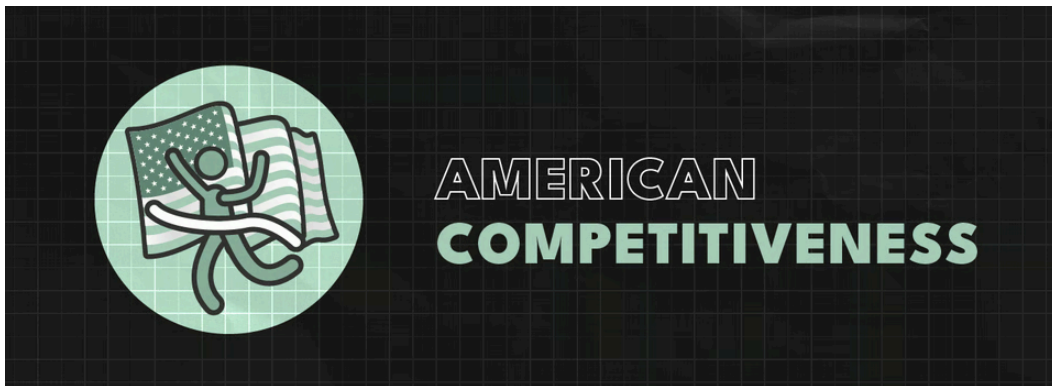
***What We're Doing:*** We've long been all-in on cleaner US manufacturing practices, from using federal procurement to jumpstart markets for lower-carbon products to pushing for funding, tax credits, and loans that target our most carbon- and capital-intensive industries. Now, as momentum around industrial decarbonization initiatives continues to build, we're working with our partners in industry, labor unions, and NGO partners, along with the White House and Department of Energy, to sharpen our competitive edge and set American businesses and workers up for success in fast-growing global markets.



Last week, the EPA released new rules to reduce tailpipe emissions from cars and trucks. This is critical for the US automotive sector to remain competitive as the global auto market demands cleaner cars and trucks, and the Chinese government aggressively subsidizes the export of its electric vehicles. As Josh Freed, Senior Vice President for Climate and Energy, said, this is a win for American consumers, the American auto industry, and our auto workforce.

- The rule will give consumers a broader choice of EVs, gas-electric hybrids, or gas-powered cars, SUVs, and pickups with particulate filters. The new rules will reduce drivers' fuel costs by \$46 billion annually.
- The Administration worked directly with automakers and the United Auto Workers to ensure both companies and workers had enough time to comply with these strict regulations. By pushing back stringency increases, the Administration is making it easier on automakers to meet requirements while still working to meet our 2050 emissions targets and protecting current and future auto manufacturing jobs.

**What We're Doing:** Our team worked with the White House to ensure industry and union concerns regarding feasibility informed the rule and enabled the US auto sector to take on stiff competition from China. Looking ahead, we're helping to address bumps in the rollout of programs to build a national EV charging network. This is critical if we're going to expect American drivers to get behind the wheel of EVs, and includes working directly with the Joint Office of Energy and Transportation. They must ensure EV charging grant programs allocate funding as effectively as possible.



By every measure, US energy production is experiencing unprecedented growth. Here are the facts:

- Domestic oil production has reached an all-time high, setting a global record of 13.3 million barrels per day, and eclipsing every country in history, even oil giants like Russia and Saudi Arabia.
- Natural gas production is surging, surpassing even the highest levels of production seen in the Trump Administration.
- We've made significant strides in clean energy deployment, integrating nearly 90 GW of clean electricity into our grid – more than *any* previous Administration.

This comprehensive “all-of-the-above” energy strategy is bringing the US closer to true energy independence than ever before. So why is the Administration not bragging more? As Senator Joe Manchin (D-WV) noted in The Washington Post last week, “This is something to celebrate.”

The White House is tiptoeing around these accomplishments. This may be because of their perception that there is a large segment of climate-focused voters ahead of the November election. We think this hesitancy is a disservice to the monumental energy achievements of the past three years. Our public opinion research suggests that not talking about domestic

energy production underestimates the importance of energy independence and energy costs to voters.

**What We're Doing:** Our polling found that just 6% of voters list climate change as their top issue, while the plurality is far more concerned with inflation and the high cost of living. Americans are more worried about their lights staying on and their bills staying low than aligning with a far-left agenda. Our team continues to brief key stakeholders on our polling work to shift this messaging. As Senator Manchin notes, it's high time that we celebrate the energy accomplishments that are growing our energy independence, strengthening our economy, and solidifying our national security.



Permitting reform is emerging as a rare bipartisan issue for the 118th Congress, with lawmakers on both sides of the aisle introducing 10 pieces of legislation in the past year. Here's what you should be paying attention to:

- **Committee Leadership Changes:** Imminent retirements and shifts in key roles – like exits from Senator Tom Carper (D-DE), Congresswoman Cathy McMorris Rodgers (R-WA-5), and Senator Joe Manchin (D-WV), and the departure of Senate Energy Ranking Member John Barrasso (R-WY) from committee leadership – stand to either push permitting reform action forward this year or set up future activity for next year.
- **Manchin's Final Push:** Senator Manchin has made it clear that his remaining time in Congress will focus on permitting reform. Working alongside Senator Barrasso, we expect to see major legislation emerge before the Summer recess, laying the groundwork for future action, likely to be led by Senator Martin Heinrich (D-NM), who is expected to chair the Senate Energy and Natural Resources Committee.
- **Agency Dynamics:** Moves from the White House to modernize and accelerate the permitting review process, the Department of Energy's final guidance on

interregional transmission corridors, as well as new FERC nominations, signal a cohesive effort to advance smarter, long-lasting energy infrastructure policy.

**What We're Doing:** It's rare to see this many congressional energy leaders leave all at once. This presents us with a narrow window of opportunity to get durable permitting reform legislation done by November. That's why we're working with stakeholders to help reach a pragmatic, bipartisan compromise.



- Senator Joe Manchin (D-WV), in the *Washington Post*, spotlights President Biden's unparalleled record in the energy sector.
- Jim Tankersley in *The New York Times* points to the significant impact of clean energy tax credits in accelerating rapid technology deployment and attracting additional private investment.
- Stephen Lacey on *Carbon Copy* discusses hydrogen fuel with reporter Maeve Allison and how the draft 45V tax credit sets strict requirements that could impact industry growth.