

NEWSLETTER *Published April 18, 2025 • 6 minute read*

On the Grid: Reading Between the Lines 4/18/25



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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!



WHAT'S AT STAKE

As regular readers know, we vocally opposed Donald Trump's campaign and were deeply concerned about both his proposed energy policies and the broader threat his candidacy posed to America's future and the freedom and well-being of everyday people. When Donald Trump nominated two comparatively mainstream Republicans—Chris Wright as Secretary of Energy and Scott Bessent as Treasury Secretary—to key positions impacting energy policy, we were skeptical, but open to the possibility of some positive action.

We are less than 100 days into the second Trump administration, and, unfortunately, the Administration has validated our concerns.

Trump and his allies are weaponizing the federal government to attack anyone who disagrees with them. That extends to the energy sector, where the administration is enacting policies to obstruct clean energy deployment. The Administration is creating chaos in US markets, raising energy costs, and gutting America's energy sector. They've made clear they view specific energy technologies as "partisan" and see any effort to reduce greenhouse gas emissions as politically motivated.

It would be a mistake, however, to frame the Administration's actions as purely an assault on climate action or clean energy. There is an ulterior motive. They're not going after climate policy because they view it as the greatest threat to their political agenda, but because it's an easy target. Few Americans care strongly about climate change, and those who do are mostly partisan Democrats.

Canceling contracts for clean energy deployment, freezing grants, or eliminating funding for energy innovation and climate research, and vilifying climate advocacy are only part of the Administration's agenda.

Attacking climate policy is part of a broader agenda to push the limits of Presidential power to punish political opponents. These efforts should be viewed as a 'canary in a coal mine.'

It is, of course, important to protect our climate. But in this moment, it is far more important to stop a wild government overreach that people did not vote for, and that would allow politicians to silence any group that they disagree with. As David Brooks wrote in the New York Times, "*What is happening now*

is not normal politics. We're seeing an assault on the fundamental institutions of our civic life, things we should all swear loyalty to — Democrat, independent, or Republican.” To counter this, we need a broad movement that appeals to different groups and to “shift the narrative” so that the people understand what is directly at stake for them.



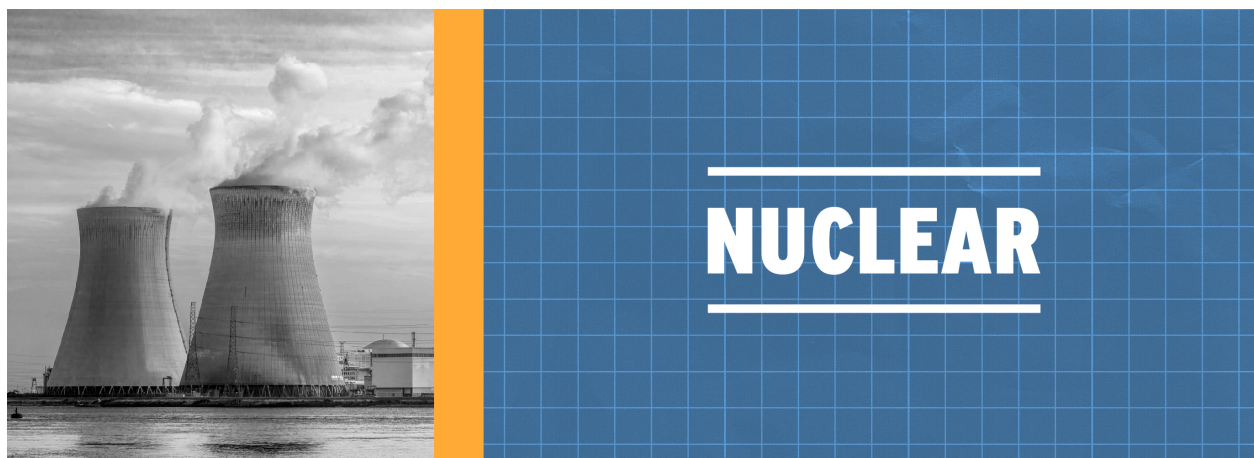
Last week, the Trump Administration launched new national security investigations into imported semiconductors and pharmaceuticals. This allows the government to assess whether reliance on foreign suppliers poses a threat to our national security and whether tariffs should be imposed. While framed as a fact-finding process, the investigation is widely expected to pave the way for new tariffs. We've said it before: tariffs don't build domestic industries. They inject chaos into sectors that depend on predictability, like clean energy. So what happens if this turns into another round of trade wars with semiconductors at the center?

Clean Energy Projects Could Be Collateral Damage: Semiconductors are essential components of clean energy technologies. They help power solar panels, manage EV battery systems, enable smart grid systems, and *so much more*. The clean energy industry already faces a tight chip supply and long lead times. New tariffs would raise costs on key components and inject even more uncertainty into the supply chain, making it harder for developers to plan, finance, and deliver, *and project costs would rise*.

Why This Matters: Semiconductor manufacturing requires massive capital investment and stable market conditions, making it especially sensitive to policy volatility. Since the CHIPS and Science Act—Biden-era legislation investing nearly \$53 billion to stand up America's semiconductor industry—the US has attracted over \$350 billion in private investment for semiconductor manufacturing, materials, and equipment. That momentum is fragile. Earlier this year, President Trump called for repealing the CHIPS Act. Now the administration is floating new tariffs. Taken together, these moves signal a deeply unstable policy environment that could deter future investment and undercut industries that depend on them.

Meanwhile, China is going all in, pouring resources into domestic chip manufacturing, working to further insulate itself against US tariffs and reduce reliance on foreign technology altogether. As Tom

Friedman told Ezra Klein last week, “*If we aren’t serious, then we’re going to get steamrolled.*” And right now, China is doubling down on its long-term strategy, while the US is undercutting its own.



The past few years have been enormously productive for US nuclear. Congress passed bipartisan legislation banning the import of enriched uranium from Russia, instituted pragmatic reforms to the Nuclear Regulatory Commission (NRC), and the sector saw *massive* private investment in advanced nuclear technology, amid other advances in domestic nuclear deployment. And public support for nuclear power is near a record high.

As we approach the 100-day mark, however, there are storm clouds—policies that could slow deployment, inhibit innovation, and undermine US national security.

Putting Critical Financing at Risk: The Department of Energy’s Loan Programs Office (LPO) is the financial force behind nearly every new US nuclear project this century, providing essential financing that de-risks nuclear projects and attracts private investment. But now, the Department of Government Efficiency (DOGE) is pushing to cut LPO staff in half. At the same time, DOE is offering its staff generous resignation packages to reduce personnel, risking a mass exodus of critical technical and programmatic expertise needed to evaluate and manage these projects.

What We’re Doing: Third Way has been consistent on nuclear for years—it is a strategic asset that strengthens our economy, underpins our national security, and positions the US to compete against authoritarian adversaries like Russia and China. That’s why we’re raising awareness about what’s at stake; Gutting LPO and other critical programs isn’t about trimming government fat, it’s pulling critical support out from under an industry that’s finally gaining speed.



WHAT WE ARE READING & LISTENING TO

- Ted Nordhaus, in the *Breakthrough Journal*, critiques the absolutist and often unrealistic approach to nuclear energy advocacy, noting how catchy pro-nuclear slogans ignore the complex issues holding nuclear back.
- The Washington Post Editorial Board highlights several Letters to the Editor advocating for building more clean energy infrastructure and American competitiveness in clean energy industries.
- Jason Bordoff, on the *Columbia Energy Exchange* podcast, discusses tariffs with Jason Furman, Aetna professor of the practice of economic policy at Harvard University, and the impact that the Trump Administration's trade policies will have on the energy industry.