

NEWSLETTER *Published June 14, 2024 • 7 minute read*

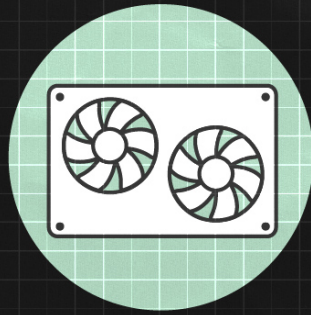
On the Grid: Trends in Motion 06/14/24



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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.

We're excited to have you join us!



CARBON MANAGEMENT

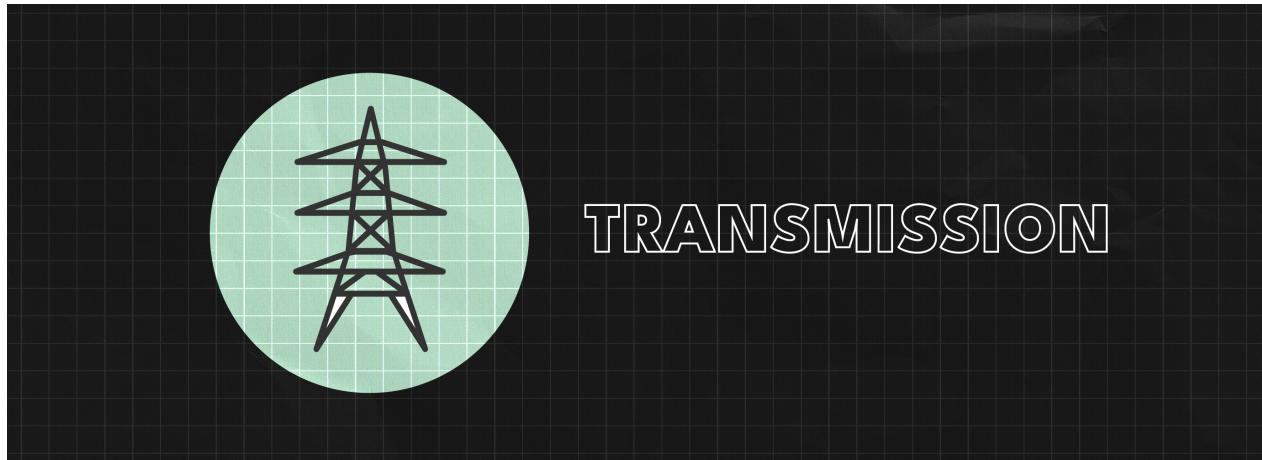
Last week, the State of Carbon Removal released its second annual report, outlining the current state of carbon dioxide removal (CDR) technologies, existing gaps, and the steps needed to meet future needs. Here are the highlights:

- **Why CDR Matters:** CDR technologies are crucial for hitting our emissions targets, particularly for reducing decades-old legacy and residual emissions.
- **Where We Stand:** There's a significant gap between required and proposed CDR capacity. To meet our emissions goals, we must quadruple our current capacity from 2 billion tons/year to 7-9 billion tons/year by 2050.
- **The Roadblocks:** Innovation is vital for scaling up CDR. Despite promising research on novel technologies, deployment and national proposals remain focused on a few conventional methods, and long-term policies to create demand remain weak. Additionally, widely varied monitoring, reporting, and verification protocols hinder credibility and transparency across CDR activities.

The report details why we need to drastically scale up CDR technologies. Demand-pull policies will play a crucial role in attracting demand and kickstarting a commercially viable carbon removal industry. These policies would not only attract investment but also provide the long-term stability the industry needs to expand.

What We're Doing: Carbon removal technologies are exciting but still relatively new. Recognizing the need for supportive policies—as the State of Carbon Removal's newest report notes—we are developing guidance for a technology-neutral carbon removal tax credit that will help scale up a diverse range of CDR technologies and enhance funding for CDR research. And to make CDR technology more accessible and understandable, we've partnered with Gensler to generate visual renderings that show what carbon management can look like across different American communities. These visuals played a key role during our recent field trip to Canada, where we guided environmental and community leaders through DAC facilities, engaged with developers, and

held workshops with Indigenous leaders to promote dialogue and raise awareness of CDR technologies and their economic benefits. Next, we're following up with attendees to unpack shifting public opinion on CDR technologies.



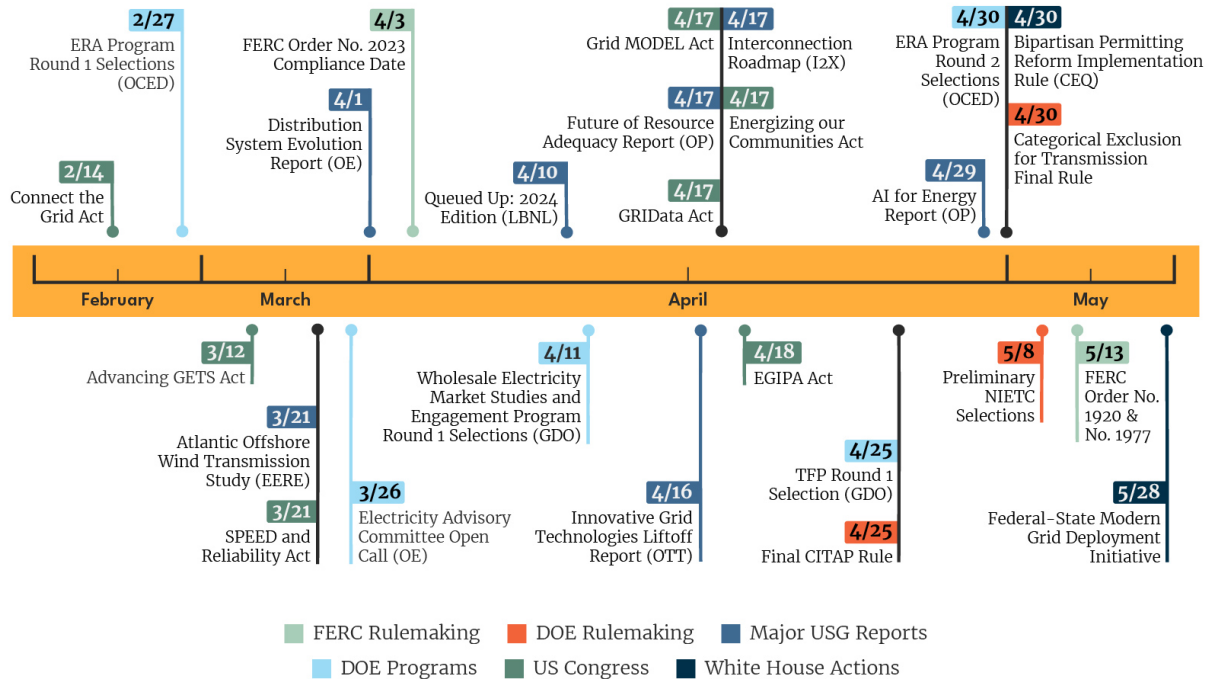
This week, the Senate confirmed three new nominees to the Federal Energy Regulatory Commission (FERC), completing the Commission's full panel of five members. With this move, FERC will maintain its quorum after Commissioner Allison Clements' term expires this month, ensuring the Commission's ability to make major decisions and implement recently passed historic rulemaking.

Why This Matters: Over the past several months, we've seen every level of government step up to address pressing transmission challenges. Regulatory measures like FERC's new regional planning and cost allocation rules, alongside major legislative efforts and research studies from the Department of Energy, represent a whole-of-government approach to strengthening our electrical grid. With a fully seated Commission, FERC now has the added expertise to align new regulatory measures with efforts emerging across the government.

What We're Doing: We're taking a holistic view of the transmission sector, identifying the most pressing issues and gaps in achieving a clean, affordable, and reliable grid. To that end, we have compiled a series of timelines of key actions from Congress, the White House, FERC, and the Department of Energy over the past two years, highlighting the whole-of-government needed to shore up today's grid.

TRACKING TRANSMISSION TRENDS

2024



Source: Third Way. "Tracking Transmission Trends: A Timeline of Recent Key Federal Actions". <https://www.third-way.org/blog/tracking-transmission-trends-a-timeline-of-recent-key-federal-actions>. Accessed 4 June, 2024.

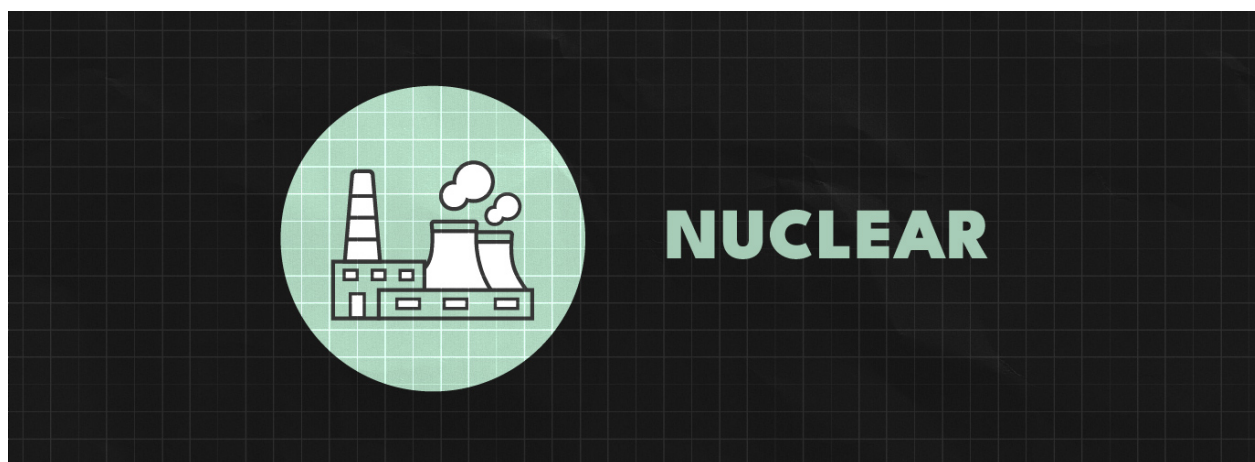


Last week, voters in 27 European countries elect representatives to the European Parliament for the next five-year term. While many feared a far-right takeover, mainstream parties held strong across the Nordics, Central and Eastern Europe, and the Iberian Peninsula. But the far-right did make gains in Europe's three biggest players. We've got an upcoming blog recapping the recent EU elections. Here's a sneak peek:

"The EU cannot maintain the status quo of how climate policy is formulated and communicated to voters. These policies, and how they are discussed, are alienating large groups of Europeans who feel left behind

and disenfranchised. This is being exacerbated by populist extremists on both ideological fringes, particularly on the far-right. The question now is whether governments, political institutions, and NGO communities that have created Europe's climate and clean energy agenda can adapt quickly enough to reassure Europeans and rebuff the far-right where it remains strong or is growing."

What We're Doing: While a right-ward sweep was kept largely at bay, viewing the results as a nod to the past five years' policies is risky. Persistent voter discontent, a growing anti-incumbent backlash, and the rise of far-right nationalist parties signal a system risk that cannot be ignored. The pace and volume of legislation can't continue as before, nor can policies be framed around issues that many European voters find out of touch or detrimental to their daily lives. New EU leadership—and the NGOs that support them—must clearly communicate how the Green Deal will improve the lives of everyday Europeans, support industry and agriculture, and reduce costs. That's why we're doubling down on effective messaging. Third Way's European affiliate, Carbon-Free Europe, is working with the European Union Parliament and Council to highlight how green policies drive growth, create jobs, and boost energy security.



New nuclear reactor designs, whether large, small, or advanced, remain emerging technologies. They will be critical for clean, firm electricity, decarbonizing industrial processes, and energy security. But there's still work on scaling, getting them approved and built quickly, and reducing the cost that needs to be done. We've seen significant progress on a number of these fronts in recent months. Here's a quick glance:

- TerraPower broke ground on its Natrium nuclear reactor plant in Wyoming last week, marking the first-ever advanced reactor construction project to get off the ground in the US.
- The Biden Administration banned Russian uranium imports to cut dependence on foreign fuel and is leveraging \$2.72 billion included in the FY24 Energy and Water Appropriations Act to build a domestic enrichment supply chain.

- The Department of Energy (DOE) is funding cutting-edge advanced nuclear research, at no cost to researchers, to accelerate domestic next-generation nuclear technologies.
- Google, Microsoft, and US-based steel giant Nucor announced a partnership to accelerate the deployment of first-of-a-kind advanced nuclear technologies—a powerful endorsement of nuclear energy’s potential.

Why This Matters: These few milestones are more than just progress—they are signs that the nuclear industry is growing, innovating, and positioning to play a leading role in the clean energy transition. But this resurgence is not just about energy—it's about standing up to encroaching players like Russia and China, who have been edging out American leadership in global markets for years.

What We’re Doing: We have long championed a technology-inclusive approach to decarbonization that fully leverages the nuclear industry. Our agenda—focused on harnessing federal investments to establish a domestic market for nuclear fuel, preserving existing plants, rapidly deploying next-generation reactors, and exporting American nuclear technology worldwide—is now becoming a reality. While significant challenges remain, they are not as insurmountable as headlines would have you believe. That’s why we’re shifting focus to help overcome the financial and regulatory barriers that are standing in the way of American-made nuclear reaching its full potential.



- Matteo Wong in *The Atlantic* discusses the longevity of electric vehicles compared to traditional combustion engine vehicles and how ongoing innovation is expected to further extend their lifespan.
- Juan Carlos Monterrey Gómez in the *Boston Globe* points to China’s rising dominance of clean energy supply chains and the pressing threat this poses to American leadership and security.

- Jason Bordoff, host of *Columbia's Energy Exchange* podcast, talks with Dominique Ristori, former director-general of the Directorate-General for Energy within the European Commission, about the implications of the European Parliamentary elections on Europe's clean energy transition.