NEWSLETTER *Published March 15, 2024 · 8 minute read*

On the Grid: Unlocking Potential 03/15/24

Mary Sagatelova

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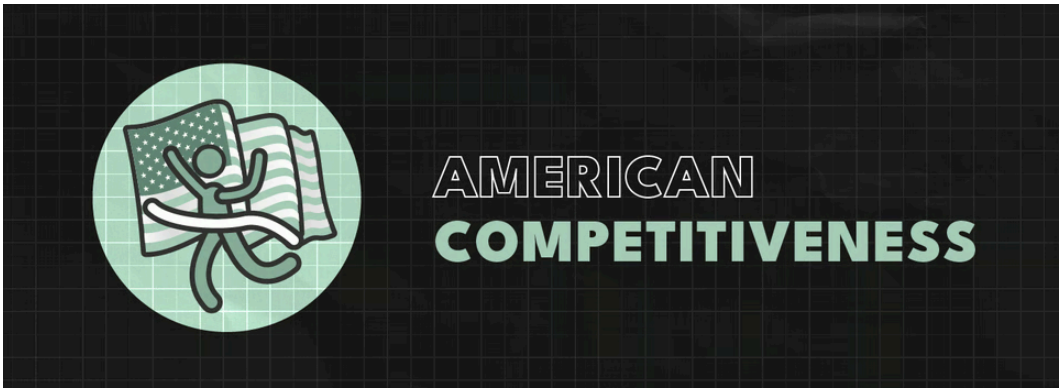
Welcome to *On the Grid,* Third Way's bi-weekly newsletter, where we review the important actions we are taking to help invent and deploy every clean energy technology to get to net-zero as quickly and affordably as possible. As it's an election year, we'll also work to cut through the noise and highlight what's really happening and why it matters for our clean energy work.

We're excited to have you join us!



The House of Representatives finally reached a government spending agreement last week, passing six appropriations bills after months of gridlock. Despite efforts by some very conservative Members to cut funding, the package increases government investment in clean energy.

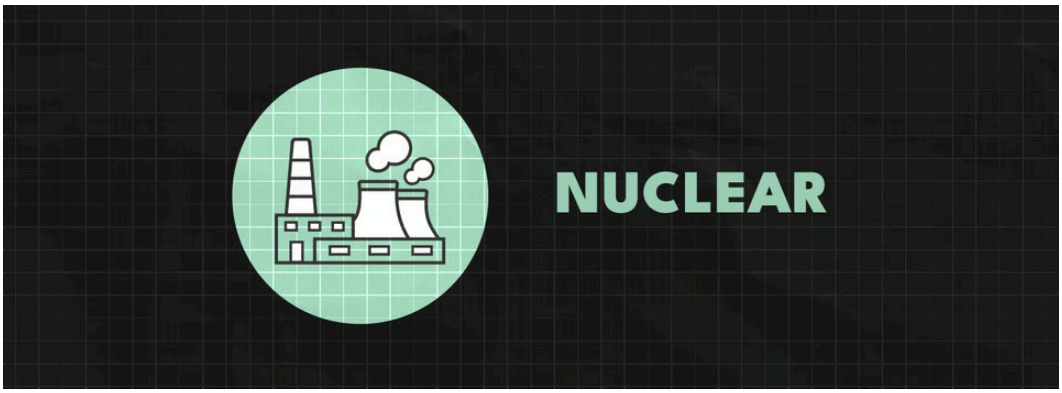
The Impact: As analysis by the Rhodium Group and MIT show, recent government investments in clean energy are working. Federal investments and incentives have drawn in $239 billion in 2023, a 38% increase from the previous year. Working with a coalition of industry, NGOs, and other stakeholders, we have identified key clean energy activities that require more funding to help ensure the development of technology and enhance US competitiveness and energy security as well as accelerate decarbonization. These include:

- **$90 million** for the Federal Aviation Administration's two key R&D efforts to decarbonize aviation and accelerate SAF deployment. Third Way's coordinated outreach with industry allies helped educate key stakeholders and policymakers, including House Energy & Commerce Committee Chair Cathy McMorris Rodgers (R-WA). Chair McMorris Rodgers ultimately not only supported the funding but also championed it on the House floor.

- **$70 million** for the Department of Energy's Office of Fossil Energy and Carbon Management (FECM) research and development programs. This also includes provisions for regulating ocean carbon removal and allocates $250,000 to help develop and test ocean-based carbon technologies with federal and industry partners, both key programs for Third Way.
- **$2.7 billion** to develop domestic nuclear fuel supplies. This is a *major* win, but more on that below.

Equally important is what we stopped:

- House Republicans introduced damaging proposals that would have halted the Department of Transportation's EV charging station grants and blocked the EPA's vehicle emissions rule. Our advocacy helped ensure these harmful initiatives were rejected.
- Through a two-year advocacy effort, we thwarted Republican attacks on DOE's Grid Deployment Office and helped secure a financial foundation for the Office that will stand up to political opposition for years to come.

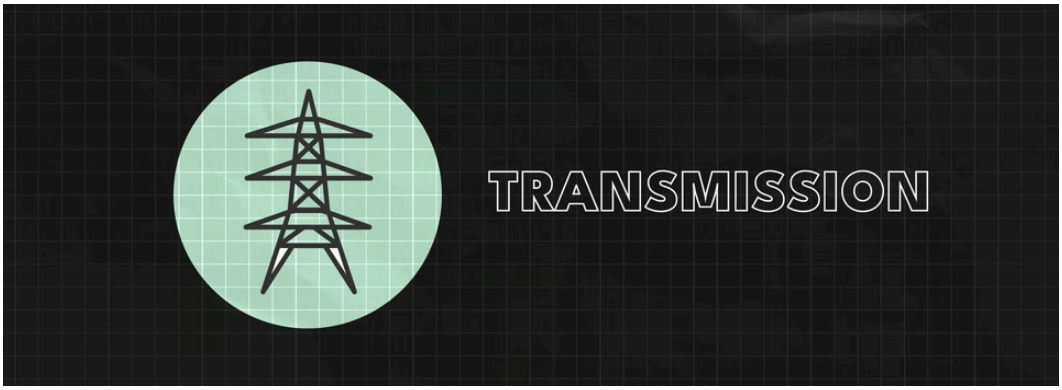


The United States took a big and overdue step toward ending our reliance on Russia for nuclear fuel, directing $2.7 billion toward strengthening and expanding domestic nuclear fuel supply chains. The funding, reallocated from the Bipartisan Infrastructure Law's Civil Nuclear Credit Program, will help establish a stable market for the domestic production of low-enriched uranium for existing nuclear power plants and high-enriched low-assay uranium fuel for advanced reactors.

How We Got Here: This action is the result of a multi-year effort from our team to get the US government to jumpstart domestic nuclear fuel production and eliminate a serious security vulnerability. Our agenda, which is now almost fully enacted, includes leveraging federal

investments to establish a domestic market for nuclear fuel, manufacturing it in the United States, and banning the import of fuel from Russia. We were the first to educate policymakers and others in Washington on the real cost of an American nuclear fuel supply chain and get them to act on it. Our research showing that it would require $2-3.5 billion to jumpstart an American nuclear supply chain, secure offtake agreements for new enrichment, and spark private investment, was the basis for what became federal action.

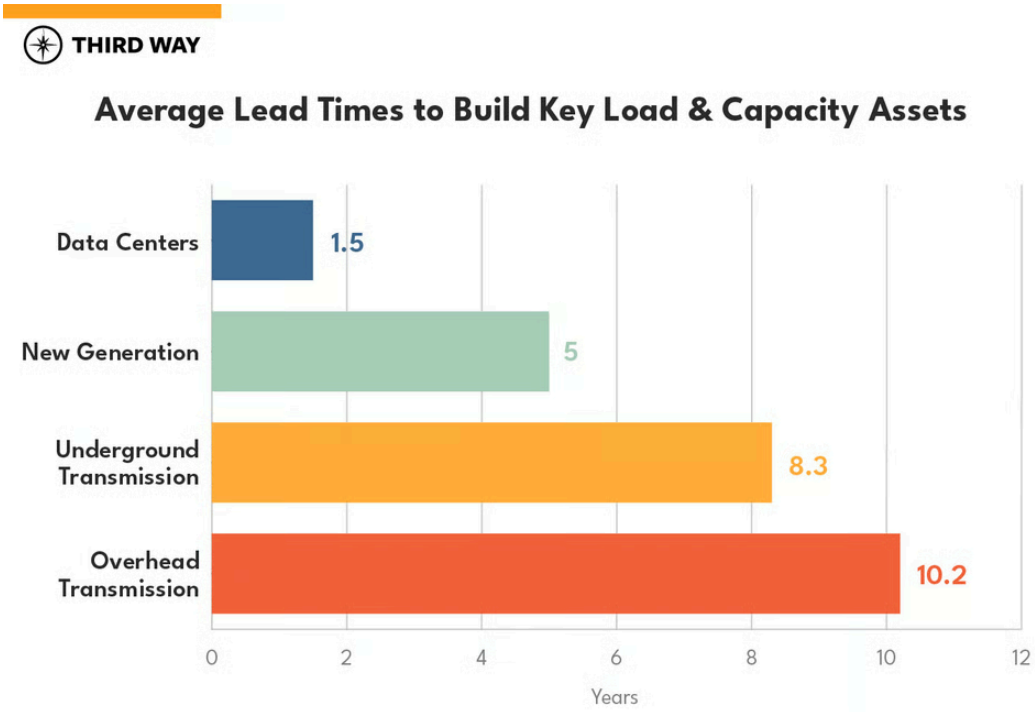
What We're Doing: To unlock all of this investment, Congress needs to pass legislation limiting Russian uranium imports. We're making sure all the relevant stakeholders – industry, the media, NGOs, and policymakers – understand the national security imperative of building global nuclear leadership to counter the influence of Russia and China.



Recent news coverage has shown the expansion of machine learning data centers powering Artificial Intelligence and servers engaging in cryptocurrency mining are pushing our power grid closer to its breaking point. This, however, is only half the story; and the other half is capacity.

Demand is going up, but we're also ramping up our grid's capacity to match that demand. If we can connect that new capacity with that increased demand, we can cope with rising demand. But that's a big *if*. Unless we rapidly speed up the pace in which we interconnect new generation while reducing the time it takes to build new transmission, demand growth could overtake capacity additions much sooner than previously projected.

What We're Doing: We're working to implement a holistic strategy to unlock stalled transmission projects and make it easier to connect supply and demand across the country. And we're working to bring cleaner firm generation online to meet growing demand while increasing capacity in the areas that need it most. Keep an eye out for a new memo on this next week!



Source: International Energy Agency, Lawrence Berkely National Laboratory, and Grid Strategies.
https://www.iea.org/data-and-statistics/charts/average-lead-times-to-build-new-electricity-grid-assets-in-europe-and-the-united-states-2010-2021
https://emp.lbl.gov/queues
https://gridstrategiesllc.com/wp-content/uploads/2023/12/National-Load-Growth-Report-2023.pdf

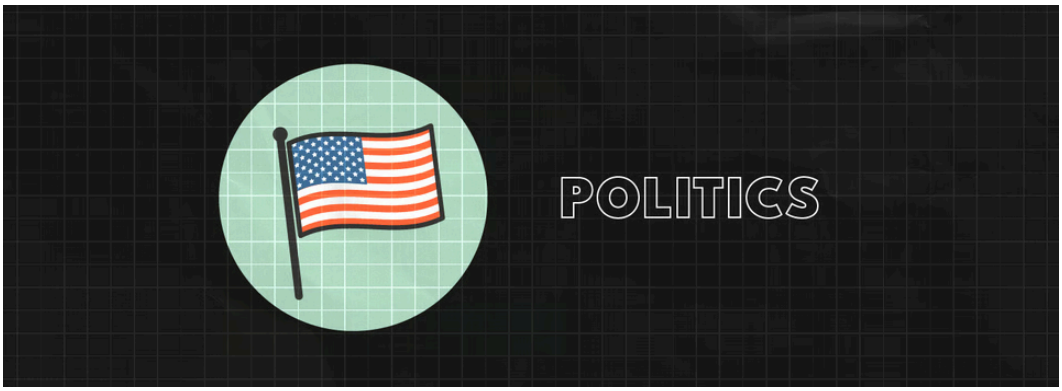
This week, the Department of Energy's Loan Programs Office (LPO) announced a $2.26 conditional commitment to help Lithium Americas Corp. develop a processing plant at its lithium mine at Thacker Pass in Humboldt County, Nevada.

Why This Matters: Increased clean energy demand means growing demand for battery-grade critical minerals. But without a better domestic supply chain, we'll have to import these minerals from China, ceding US market share and jeopardizing our energy security.

Thacker Pass will be able to produce 40,000 metric tonnes of high-quality, battery-grade lithium per year and support the battery needs of 800,000 EVs annually. That's a massive step for supply chain homeshoring.

Who Is Benefiting: Thacker Pass is a boon for Nevada's economy and the US writ large. The project promises to create 1,800 union construction jobs and 360 operations jobs, with a commitment of 25% local and regional apprentices to help Nevadans enter this growing industry. And locally sourced and processed lithium allows American EV manufacturers to cut costs by tapping into Inflation Reduction Act tax credits and keeps money in the US instead of letting it flow to Chinese producers.

What We're Doing: We expect to see pushback to the Thacker Pass project, especially from those who aren't familiar with the project's environmental protection efforts and community benefits agreement. But projects like this are essential to reaching our clean energy goals in a safe and cost effective way. No form of energy is without compromise, and Thacker Pass is immensely valuable to protecting American national security, growing our economy, and deploying as much clean energy as possible in communities across the US. You can read more about why we support this project in our new blog.



There's a recurring media narrative that younger voters are unhappy with President Biden because of his "poor" record on climate change. This week, Senator Jeff Merkley (D-OR) piled on, suggesting that Biden's "all-of-the-above" energy agenda that has yielded record domestic energy production, reduced energy prices, kept natural gas flowing to Europe, and made historic investment in clean energy, puts him in hot water with young voters this election. Our latest polling shows that this mindset is deeply misguided. Here's why:

1. The majority of young voters (60%) *prefer* an all-of-the-above energy solution that leverages a mix of clean energy and fossil fuels.

2. Young voters, more than any other age bracket, are concerned with inflation and the cost of living. Fighting climate change ranks as a top concern among just 5% of young voters.

Why This Matters: Our polling found that young voters feel quite negatively about their personal finances – and that they're prioritizing concerns about high costs over any other issue. Young voters are supportive of climate action, but it isn't what's motivating them this election cycle.

What We're Doing: Our team has been working to correct this narrative, briefing key stakeholders and allies on our polling work to shift political messaging toward promoting clean energy as a means of decreasing costs and creating economic opportunity. Expect to see a deeper analysis of our polling hit your inboxes next week!

Shayle Kann on *Catalyst* discusses AI with David Groarke and the role it can play in the power sector to cut costs and drive efficiency.

Joel Dodge, in *Heatmap*, makes the case for the Federal Reserve to take a much deeper focus on climate change in order to drive long-term stability.

Lisa Friedman, in t*he New York Times,* nods to a recurring narrative in President Biden's State of the Union Address– tackling climate change will usher in economic benefits and create good-paying jobs.