

NEWSLETTER *Published August 13, 2024 • 6 minute read*

On the Grid: Welcome Walz! 08/09/24

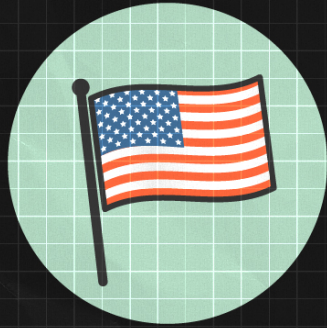


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Welcome back to *On the Grid*, Third Way's bi-weekly newsletter, where we'll recap how we're working to deploy every clean energy technology as quickly and affordably as possible and cut through the election year noise to parse out what this year means for clean energy.

With August recess in full swing, we're keeping it short and sweet this month.



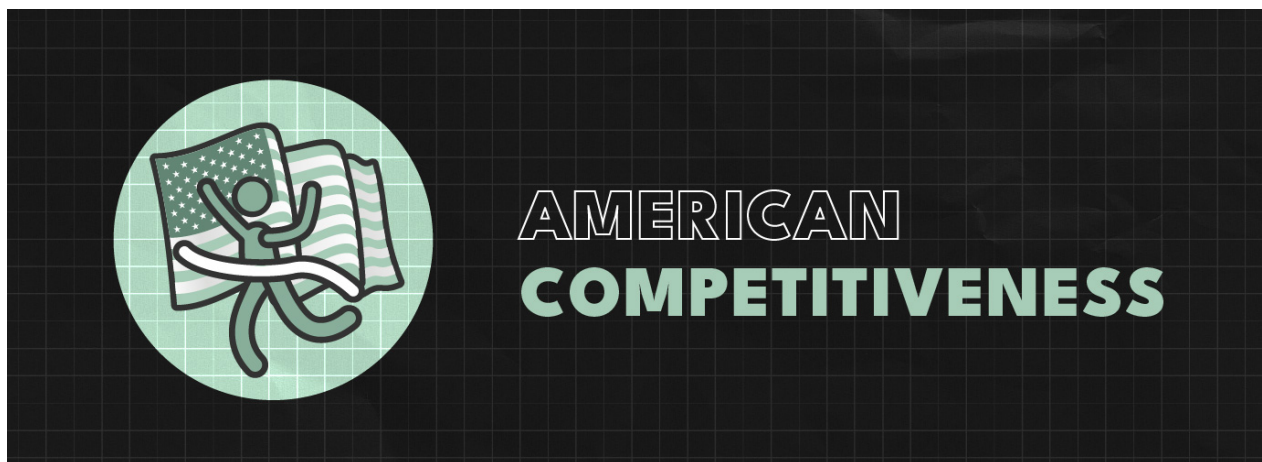
POLITICS

With Vice President Kamala Harris's pick of Minnesota Governor Tim Walz as her running mate, there's been a lot of coverage of this ticket's positions on major energy issues. Our take is that the pair have a very pragmatic, mainstream clean energy record that would focus on accelerating the Biden-Harris Administration's deployment of every clean energy technology, follow Governor Walz's lead and lean in on permitting reform, and continue policies that make American energy more affordable, secure, and independent. Here are some highlights:

- **Building for the Future with Clean Energy Investments:** The United States is only starting to see the benefits of the historic clean energy, innovation, advanced manufacturing, and infrastructure investments the Biden-Harris Administrations secured over the past four years. VP Harris is committed to seeing these efforts – including building advanced nuclear plants, carbon capture, hydrogen, new transmission lines, clean manufacturing, electric vehicles, and more renewables – over the *next* four years. And she intends to do this *without* banning fracking or other actions that would reduce US energy independence or increase costs.
- **Reducing Energy Costs:** US energy production has experienced unprecedented growth, thanks in no small measure to the work of the Biden-Harris Administration. Domestic oil production reached record-breaking levels, eclipsing every country in history *ever*. Natural gas production surged, surpassing even the highest levels of production seen in the Trump Administration. And we've done it all amid unprecedented investments in clean energy manufacturing and deployment. VP Harris remains a strong clean energy advocate – but she knows that domestic fossil fuel production is essential to keeping costs low for working families and to keeping our economy humming.
- **On Governor Waltz:** Former President Trump has called Governor Waltz part of the “radical left,” but the facts disagree.

- **Taking Pragmatic, Bold Action on Clean Energy and Permitting:** As Governor, Walz instituted a clean energy standard requiring utilities to supply 100% carbon-free energy by 2040 without limiting any technology options for achieving this ambitious goal. This includes deploying nuclear and CCUS in Minnesota. He also signed a bill to speed up permitting for renewable energy and transmission projects in the state and has been a staunch supporter of nuclear energy. Walz is also advocating for lifting the moratorium on nuclear in Minnesota and backing studies that examine the benefits of next-generation nuclear. He hasn't attempted to ban fossil fuels, shift exclusively to renewables, or implement other rash, left-wing policies that could jeopardize consumers' energy access. He's simply taken a pragmatic, realistic approach to the energy transition. That record is consistent with his time in Congress, where Walz was one of the most bipartisan Democrats in the House of Representatives, maintaining an 'A' rating from the NRA while supporting more conventionally progressive policies like same-sex marriage.

What We're Doing: For very different reasons, both the Right and far-Left are trying to portray the Harris-Walz campaign as supporting positions in 2024, such as the Green New Deal or a ban on fracking, that they do not. The United States is a very different place than it was in 2019 when then-Senator Harris first ran for president in the Democratic primary. You can read Third Way's statement on the announcement of Tim Walz as VP Harris's running mate here. Moving forward, we'll continue to keep the record focused on Kamala Harris and Tim Walz's *actual* clean energy accomplishments. We're also engaging the campaign to make sure policies for a possible Harris-Walz Administration build on the last four years of pragmatism, and continuing to leverage our public opinion research to help keep clean energy advocates focused on moderate clean energy messaging that actually resonates with the public.



Two years ago, President Biden signed the Inflation Reduction Act into law, securing a landmark \$369 billion investment in clean energy. Since then, we've gotten a clearer sense of the bill's impact. New analysis from Rhodium Group and MIT's Center for Energy and Environmental Policy Research puts that into perspective. Here are some fast facts:

- **Surge in Private Sector Confidence:** Government commitment has driven unprecedented private sector investment. With an estimated \$78 billion in federal tax credits, grants, and loan guarantees deployed over the past two years, private spending in clean energy technologies has been 5–6 times larger. These investments now account for 4.5% of total US private investment in structures, equipment, and durable consumer goods, up from 2.6% in the prior period.
- **Explosive Growth in Key Industries:** Investment in manufacturing clean energy and transportation technology has skyrocketed to \$89 billion post-IRA, more than quadrupling the \$22 billion in the two years before the bill.
- **Boosting Investment in Diverse Clean Technologies:** In just two years, the IRA has fueled \$161 billion in clean energy production and industrial decarbonization—a 43% increase over the previous two years. Utility-scale solar and storage investments surged by 56% and 130%, respectively, while wind investment declined by 52%. Notably, \$28 billion was invested in a wide range of emerging climate technologies like carbon management, clean hydrogen, and sustainable aviation fuels, eclipsing the \$21 billion invested in *just* wind over the same period. Post-IRA investment in these nascent technologies is nearly 12 times larger than pre-IRA levels.

What's Next: The IRA is the foundation of modern American industrial strategy. To maintain this momentum, we must address the major obstacles to clean energy deployment—*like permitting reform*—instead of diverting focus towards additional investments via an IRA 2.0. Our priority should be ensuring that the IRA's \$379 billion is invested efficiently, effectively, and wisely.

What We're Doing: With Senators Joe Manchin and John Barrasso's Energy Permitting Reform Act of 2024, reigniting conversations around permitting, our team is engaging deeply with key policymakers. We're giving them the insight they need to make informed decisions on the bill and the energy-permitting process overall. Look out for our detailed analysis on the impacts of permitting legislation on clean energy deployment and emissions in the coming weeks!



WHAT WE'RE
READING
& LISTENING TO

- Ethan Howland, in *Utility Dive*, unpacks the \$2.1 billion in residential energy efficiency tax credits leveraged by American families last year and highlights how the Inflation Reduction Act has increased the value of the credits claimed by almost two-thirds.
- Jonathan Martin, in *Politico*, remarks on the newly emerged Harris-Walz ticket and how Harris' choice of Tim Walz as her running mate reflects a larger strategic decision.
- Jen Rubin, on the *Green Room* podcast, talks with Third Way's Matt Bennett about the selection of Tim Walz as the new vice presidential nominee, his record, and the impact he could have on the country.