Trump’s Megabill Comes for the Clean Energy Transition

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Ariana Brocious: I’m Ariana Brocious.

Kousha Navidar: I’m Kousha Navidar.

Ariana Brocious: And this is Climate One.

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Ariana Brocious: Hey Kousha, welcome back from your vacation!

Kousha Navidar: Thanks Ariana, yes it was good to get away for a bit. I went to Paris, I saw family in Italy. Did…uh…anything important happen back here while I was gone?

Ariana Brocious: Well…

Kousha Navidar: Just kidding! I left the states but I did not escape the news. Congress waited until I was away, to pass, and the president signed, a megabill – Trump’s “One Big Beautiful Bill Act”. This new act weaves together many conservative wish list items: tax cuts for the wealthy, steep cuts to Medicaid and food assistance, and more money for border enforcement.

Ariana Brocious: And in addition to all of that, this act also makes many changes to federal energy policy.

Kousha Navidar: We know that climate disruption is caused by burning fossil fuels, and that in order to address the problem we need to transition to clean energy.

Ariana Brocious: Yes, but this administration has taken the stance that climate disruption is not a real problem, going so far as to call efforts to address it a “green scam.” Which is particularly galling given the increase in extreme weather events we’re seeing all around the country that are being amplified by our use of fossil fuels.

Kousha Navidar: The Trump administration made its priorities clear in this bill, cutting clean energy tax credits and investments while bolstering fossil fuel production. We’ll get into exactly what the implications are for clean energy later in the episode.

Ariana Brocious: But first, We’re coming up on the third anniversary of the passage of the Inflation Reduction Act. That law, paired with the 2021 Infrastructure Investment and Jobs Act, put money into climate-related projects all over the country. So much so that it is difficult to keep track of it all.

Kousha Navidar: Well, maybe difficult for mere mortals like me and you, but some folks over at the nonprofit journalism outlet Grist have built a tool that organizes those projects - and the dollars that went to them - into an interactive map. That allows pretty much anyone to see where their tax money is going.

Ariana Brocious: Senior Data Reporter Clayton Aldern built the map. I chatted with him about how visual tools like this make these investments more tangible for you and me.

Clayton Aldern: The purpose is really to allow residents of a given community to identify the projects that have been funded by these historic investments, uh, that may be near them, but perhaps otherwise invisible. Right. Users can enter a zip code or an address or a city, and specify a search radius, and then receive a list of all of the bipartisan infrastructure law, and inflation reduction act projects that we can map in that area.

Ariana Brocious: And that's because maybe people don't know, right? They don't know what the Inflation Reduction Act really did.

Clayton Aldern: That's right. In part, I think that's because some of these investments are invisible in a traditional sense, insofar as they don't necessarily represent large buildings or new roads. Instead they come in the form of tax credits, right? And it's not always immediately obvious what a tax credit looks like in reality. The IRA really, really drives things like private investment, right? It kind of fills this physical backbone with clean technology and, and savings. But of course, it's also useful to consumers, right? People who are interested in tax credits in their own lives. And I think because of some of the trickiness surrounding the energy policy in question people tend not to know where these investments are winding up. And, and this, this was really an effort to try to make clear, make visible, the investments in question.

Ariana Brocious: So as I poke around the map, there's all kinds of things here I see listed. This is specific to the IRA, the Inflation Reduction Act, but there's things like home electrification, appliance rebates, programs for tribes, installing solar for small rural businesses, paying water users to temporarily reduce their use, urban forestry programs, air pollution reduction programs, the list goes on. As you were cataloging these programs and compiling this tool, what did you find in terms of how this funding was being deployed?

Clayton Aldern: Yeah, I mean, I think that there's a lot to say on what this funding looks like in practice. It's useful to think about things like EV charging and, and grid modernization, because that's often where we see these investments pop up in a really physical sense. Right, you might have a school district that receives a bipartisan infrastructure law grant to purchase electric buses. But

then they'll go ahead and claim IRA tax credits for the charging stations. And again, with respect to something like grid modernization, the bipartisan infrastructure law is gonna be the thing that's funding those direct investments. The IRA is gonna take care of tax incentives for things like transmission and storage. All told though, we really have limited the conversation thus far to, you know, basically projects that can be mapped in the first place.

And furthermore, public projects, right? But part of the other story here is that the IRA is quite famous for catalyzing a lot of private investment. And, and none of that is on this map, right? We're talking about billions and billions and billions more dollars that this thing has catalyzed. All over the country. And, this is not a uniform distribution across the country, right? We see concentrations of projects in specific areas. A lot of these success stories are in what we might consider to be, the battery belt as it were. This is, uh, you know, kind of in the southeast, And, um, you know, lo and behold, a lot of the congressional districts in question are in fact represented by Republicans who have tended to be otherwise hostile to the IRA, right? This was a law that was passed on party lines and, you know, effectively just rolled back along those same party lines.

Ariana Brocious: Right, and that has been a huge aspect of this conversation is the fact that a lot of this money, as you said, went to Republican districts, and that was for a variety of reasons. You could say there was some political calculus, but honestly, a lot of it's because the resources that were being captured, solar and wind, battery development, car manufacturing, that kind of thing just happened to be in a lot of Republican held districts. According to Grist reporting, by the time Trump was inaugurated, the EPA, which is just one of the agencies receiving funding under the Inflation Reduction Act, had obligated 88% of its funding.

So now we're six months in. Prior to the passage of the mega bill, which is going to eliminate a lot of these programs, do you have a sense how much of that Inflation Reduction Act funding got out the door?

Clayton Aldern: It is a good question. There are estimates all over the place, and we're really looking at, in this map, a snapshot as of, let's call it the, the advent of the new administration. The EPA was awfully good at spending its money, we've seen good drawdowns elsewhere. I think what's important to note though is, is that in the case of a lot of the tax credits, for example, these are uncapped, so. There are estimates that, you know, initially said, oh, uh, we're, we're, we're going to see something like, uh, $300 billion, uh, you know, over the next decade in tax credits claimed. But because of the extent to which folks have actually been taking advantage of them, whether it consumers or, or private companies, those estimates were constantly getting adjusted upwards. And I think some of the most recent ones, put them closer to like. A trillion dollars in, in credits claimed over the next decade. So this, I think this is all to suggest that, uh, especially in the case of the IRA, people were taking advantage of the credits in question, and companies were building with that money.

You know, not to harp too much on the, the kind of political distribution question, but, I can think of a district in, in North Carolina where the representative referred to the IRA as kind of like, quote unquote, like woke climate programs. And that district got a $13 billion Toyota plant right? With, with like 5,000 employees. Uh, and, and so, these investments were working, and, and now unfortunately have been knee capped.

Ariana Brocious: Right. Are you planning to track these projects that are being canceled or defunded now because of the passage of this, of this mega bill?

Clayton Aldern: We would like to, it's awfully difficult. One of the reasons it's difficult is because of the manner in which the government releases spending data on, on programs like these. The

bipartisan infrastructure law is a bit easier to track on that front because the IRA is also implicated in leveraging private finance. Being able to follow up on all of these projects requires basically keeping tabs on all of the companies that are implicated. And so, um, we are interested in doing so, and I think it's gonna be important to attempt to do so, especially given this narrow timeline that we now have in front of us whereby basically projects that wanna take advantage of the tax credits in question have to break ground within the next year.

Ariana Brocious: Right. We've seen estimates of the numbers of job loss projections, the number of factory closures, the loss of investments that will result from all the changes that are part of this mega bill. So yeah, it will be interesting in the next year or two to, to see if those pan out. We've touched on this idea that it is difficult for an average person to maybe see the impact of some of the Inflation reduction Act programs in terms of climate and energy benefits. What's the role of tools like the one you built to help communicate as a journalist the impact of these big federal programs?

Clayton Aldern: if a project is not somehow made visible. Whether in reality IE you see it when you walk down the street or barring that via a tool like this one, Hey, I know it exists. I know this program is unfurling. I know something is being built out there in the world. Residents aren't going to be able to connect with these laws, they're not gonna be able to connect with these initiatives. And, as I'm sure you and your audience know well, the IRA was a fantastically historic investment. And Without an ability to connect to these numbers through tools like this one, I don't think that there's any hope for developing any kind of broad political constituency that cares about this kind of stuff because if you, if you can't see it, it's really difficult for you to imagine that it's real.

Ariana Brocious: Clayton Aldern is a senior data reporter at Grist. Thanks for joining us on Climate One.

Clayton Aldern: Yeah. Thanks so much for having me.

Kousha Navidar: Coming up, the consequences of cutting funds for renewable energy extend far beyond the fight against climate change.

Katherine Hamilton: Clean energy is an economic growth machine. by doing this, they’re are gonna not only cut jobs, but also increase prices for every single American

Kousha Navidar: That’s up next, when Climate One continues.

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This is Climate One. I’m Ariana Brocious.

On the 4th of July, President Trump signed a megabill that, in part, attempts to undo many of the climate investments in President Biden’s Inflation Reduction Act. It will have far-reaching implications for consumers and entire industries.

Katherine Hamilton is Co-founder and Chair at 38 North Solutions and co-host of The Open Circuit podcast. She’s a clean energy industry veteran who helped shape the Inflation Reduction Act.

Katherine Hamilton: My client base is all clean energy and climate tech. So we worked on all the tax credits for clean energy, whether it was solar and wind. We had also worked on a transmission credit that was tossed at the last minute. We worked on the microgrid tax credit that had already expired, worked on the energy storage tax credit, and in fact, I've been working on energy storage for years and got really strong energy storage R&D legislation passed during the first Trump

administration, so that had been something that had been ongoing, the push toward energy storage. So we worked very much on the tax credit side. I also did a lot on the sort of the low income side of things, helped craft what that would look like. Helped on the Solar for All program, which would provide rooftop solar and community solar to people of lower income. And then spent a lot of time working on and crafting the Greenhouse Gas Reduction Fund, the Green Bank aspect of it, to try to put forward a National Green Bank.

Ariana Brocious: That's a lot. And there were a lot of pieces of the Inflation Reduction Act, and in addition, the Biden administration passed two other major laws, the Infrastructure Investment and Jobs Act and the Chips and Science Act. So taken together, what was the overarching goal of the Biden Harris administration when it came to climate and clean energy?

Katherine Hamilton: It was really to reorganize the economy and restart an economy that was based on clean energy and climate mitigation with the thought that, look, everyone else in the world is doing this. We are getting behind. We are the innovators and we're behind on production. So how do we restart manufacturing? How do we really create a market here in the US not just as purchasers, but also as producers and how do we prevent companies from relocating overseas when they should be locating here and building here, whether it's their manufacturing or developing projects here. So that was the whole idea behind it. And then the administration had other goals on organized labor and labor provisions on energy justice and environmental justice. So there were a lot of other sort of sub-goals in that. But really the whole push was to change our economy into, in a direction that was really future looking.

Ariana Brocious: And a number of those things took effect or began to take effect in the last couple years. And then we had an election. So before the election, a year ago, 18 House Republicans wrote a letter asking speaker Mike Johnson not to target the Inflation Reduction Act clean energy tax credits, if the GOP took the majority in the election. By March, that group had grown to 21 House Republicans. Yet when push came to shove, they all voted for this bill, President Trump's big, beautiful bill. Why is that?

Katherine Hamilton: This is the power of the presidency. I mean, President Trump has an enormous amount of sway over people. They all got in line. I mean, some of them tried to push back as they could. The version that passed the House was worse in some regards on, at least on clean energy than the version that ultimately passed in the Senate. Actually, there were a couple of folks on the Republican side that really pushed hard to try to mitigate some of the damage that it would do. Just realize that this was not gonna be a bipartisan effort at all. It was all gonna be Republicans because of the way, and it was the same with the Inflation Reduction Act, honestly, where it was a procedure, it was a type of legislation that only required a majority vote. And so you barely had a majority in the Senate at that time. I mean, Vice President Harris had to break the tie to get the inflation reduction Act over the finish line. And then we had a pretty small majority in the House too. the same is true now with the Republicans. So they have very few vote majority in the House and the Senate. And so they were, had to get as many of those votes as they possibly could because they weren't gonna get any democratic votes. 'cause the Democrats knew all along and for a host of reasons, not just the clean energy credits, but for a, a whole host of other social programs that were being put into place and border security issues.

So there were a lot of other reasons that people voted differently. I was honestly shocked though that there are Republicans and districts that have thousands of clean energy jobs that just decided that that was just not their priority anymore. That they only had one priority and one goal. And that was to get the president's tax bill over the finish line and everything other than that was just a pay for. So everything other than that was just in the way. And they had to cut on a number of programs and clean energy was one of those. It's disappointing that they couldn't see that clean energy is

really a job multiplier. It's really an economic growth machine. And that by doing this, they are gonna not only cut jobs, they were gonna send factories and manufacturers elsewhere to other countries, but also increase prices for every single American.

Ariana Brocious: Right. And I wanna get into that a bit more in a minute. So the House passed its version, which had, as you said, a lot of cuts to clean energy, passed it to the Senate. In an Open Circuit podcast episode, you said that some of your senate sources said this was a terrible bill. What did the Senate change? Did they change anything really significantly before sending it back to the house to get final passage?

Katherine Hamilton: Yeah. They changed the timeline. So the Senate did change the length of time that the solar and wind industry would have, but wouldn't just be sent over a cliff. I mean, there's still a lot of provisions that are really going to make it difficult, but they gave them a little bit more of a runway. So if you start construction in the next year, you have a few years to get your project put into place, you still have to go by these new foreign entity of concern rules, which are potentially quite onerous, that try to avoid any ownership partnership or equipment supply chain from any entity like Iran, China, you know, North Korea, right? China especially.

Ariana Brocious: And China is leading in the clean energy industry in a lot of these sectors already. So that's a big hit to not be able to use Chinese solar panels, for example.

Katherine Hamilton: Yes, it definitely is. And there would be a way in which you could over time incentivize more manufacturing in the US, which we have been trying to do. But you can't just flip a switch and have it happen. And China is beating us. They're beating us in batteries. They're beating us in solar. Europe is beating us in wind, but there are a lot of other countries that are moving ahead. And interestingly, when the Inflation Reduction Act first passed, the folks in Europe were complaining. They said, oh no, they're gonna beat us. This is terrible. Why is the US doing this? And there was like a lot of jealousy and that is not the case anymore for sure.

Ariana Brocious: Okay. Well, so, I have to come back to this. We've had Senator John Curtis on the show a few times, when he was chair of the Conservative Climate Caucus. He spoke a lot about his commitment to clean energy, the benefits of it. He voted for this legislation as well, as did many other climate concerns, Republican senators, and, and it happened very quickly. I think a lot of people were surprised at the speed. So do you have any insight into what the thinking was around why these things like energy and climate didn't matter as much? All of a sudden?

Katherine Hamilton: So I think for Curtis, remember he's a freshman senator, so he's new to the Senate, you know, you're trying to navigate a new chamber and how people operate. But of course he's one of a hundred. So there, there are only a hundred of these people. They have a lot of power. And I think he did work to make it less bad. I think he worked hard to make sure that there was some kind of a runway. I mean, it didn't negate the fact that this is gonna do a lot of other bad things and you know, he had to kind of get in line with everybody else. You know, some people voted against it in the House and Senate because they didn't think it went far enough. And so the president, the president even had to promise them that he would do more to curtail solar and wind, if they would vote for this bill, which is just completely ironic since so many of those folks have massive numbers of jobs in their districts and states. But I think for Curtis, and I can't of, of course see inside his brain, but, you know, I think it was a calculus of like, how, how can I make this the least bad option? How can I make it so that it's not as awful as they would like for it to be? And I think all of them are in that position. I wouldn't blame one single person. They all did it. They all voted except for those who did not vote for this bill, they all voted for this bill.

Ariana Brocious: I just wanna highlight for listeners that this bill is dramatically bigger from a cost

perspective than the inflation reduction act. So how did Trump convince a fiscally conservative Congress that this massive bill was necessary?

Katherine Hamilton: Whew. It was a real trick. They tried a bunch of accounting tricks, so they did some accounting sleight of hand to make it look like extending the Trump tax cuts for corporations and higher income weren't gonna cost anything. It's like, oh, it's just the same policy, so it doesn't cost us anything. But they also just decided that they were gonna be able to cut enough other things to make it worthwhile. It's gonna put our nation in absolutely trillions and trillions of dollars of debt. You can say it doesn't cost anything, but you will see in our economy that it is expensive. The Inflation Reduction Act was close to $400 billion, 400 billion with a B, not a T of investment. The largest investment ever made in the world, for, for climate change mitigation. And this is many trillions of dollars with specific policies to roll back climate mitigation. So that's, that's kind of what we're left with. They are not fiscal hawks anymore. They're absolutely not. This is not something that they can claim to be.

Ariana Brocious: So, let's get into what the bill does with regard to climate and energy policy. As you touched on, there are many, many other aspects of this mega bill that we're not gonna talk about today, having to do with Medicaid, and, border security and other kinds of things. But, speaking to climate and energy, what are the most significant cuts?

Katherine Hamilton: So they really did go after solar and wind specifically. So solar and wind projects have to be placed into service by December 31st, 2027 to get the credits for investment credit and production tax credit. However, if projects began within 12 months of enactment, so that would be the 4th of July of 2026, they can remain eligible if they're placed in service. Even after 2027, so they have about four years from the commence of construction to be placed in service, but starting January 1st of next year, they have to comply with these pretty onerous and still yet to be determined for an entity of concern or FEOC rules. Those could be stifling in and of themselves, not just from an uncertainty standpoint, but also from just like when you go to your bank to get the funding, are they gonna be willing to finance a project? Section 45 x for manufacturing was kept in place for a lot of technologies. So wind components terminate at the end of 2027, but solar and battery components go to 2032 and critical minerals 2033, so they have a little bit more of a runway again. These FEOC rules will come into place. So there are a lot of restrictions placed on what you're gonna be able to build, what your supply chain looks like. So if you think of you're building a factory, your components to build it, the things you're gonna build you, you have to pull a lot of different things together from supply chains, some of which could come from China. That's just the reality. So then they have to be very careful about what that looks like and what the thresholds are for that. Some of the big pieces that got cut were at 25 D. The residential solar tax credit was cut after this year.

Ariana Brocious: So that means that if someone wants to put solar panels on their house, for the time being, you can get 30%, a 30% tax credit that's going away for homeowners at the end of the year.

Katherine Hamilton: Completely. Yes, absolutely. There is still an ability to lease. So I think there, that is still a possibility, but that's under a different tax credit code, not under 25 D. Another one is that in September, the EV credit is repealed, so that completely goes away. And then the solar and wind development on public lands also has been made very much more difficult and much more expensive. You know, we have lots and lots of public lands that are open and available for development. They have been for oil and gas for years and years. Solar and wind had also had access to those lands. That is really gonna be very difficult now. The Greenhouse Gas Reduction Fund that I mentioned, that has been fully repealed and then any unobligated funds have been rescinded. Now a lot of that funding has been committed and is out the door, so the programs that are ongoing and the

funding out the door should continue apace because the money's been spent. And then the other piece is loan programs office had an extra billion dollars put into it, but they changed the statute so that the LPO no longer focuses on greenhouse gas emission reductions instead focuses on additional capacity or output. So they're gonna be funding very different types of projects than they have been in their entire history.

Ariana Brocious: The loans program office that's giving loans to companies basically, that are developing, or, expanding on existing technologies.

Katherine Hamilton: The loan programs office is really meant to be the bridge to bankability. So it's not for startups, it's really for those that have proven themselves that are not quite bankable and need a reduced loan agreement. So it's either a loan or a loan guarantee. Some of it's just backstop. It's a really good tool for scale. Some of the technologies that are going to be able to continue with credits are geothermal, nuclear, and hydropower. So those are considered base load technologies. I mean, that's great. It does take them a while to get built and go through the processes that they need to go through. So in the meantime, it will be tricky. Also energy storage continues. That's really great that that is gonna continue to be an option. Although some of the FEOC rules again, are gonna be tricky for them.

Ariana Brocious: So to quickly recap, the industries that are taking the biggest hit are solar and wind. The industries that are still getting some beneficial treatment are geothermal, nuclear, hydro power batteries to some extent, depending on these foreign entity rules. In addition, there was a pretty significant gutting, total rollback of a lot of the inflation Reduction Act funds from programs. I'm gonna list a few of them here. This is not a comprehensive list: Diesel emissions reductions, climate change action plans for state, local and tribal governments, air pollution, environmental and climate justice block grants. A lot of these much smaller pots of money that were being distributed are essentially gone now, right?

Katherine Hamilton: Yes, and those programs were so important because they're so highly leveraged. It's a very small amount of federal government investment for enormous benefits on the other end, because state and local governments often just don't have the capacity, the human capacity, the technical capacity and of course the funding to get some things done. And if you can do that from a federal level, it's really like sowing the seeds everywhere. And that has really been rolled back significantly. I mean, the position of the entire administration is that climate change is not a problem. It does not exist. And that anything we were doing to mitigate it, mitigate for it is really no longer in their interest of the US.

Ariana Brocious: Do you have examples of projects that will not go ahead or maybe are under threat because of these investment cuts?

Katherine Hamilton: Yeah, since Trump's election, clean energy companies have announced 142 projects that are threatened, delayed, or canceled, about 87 billion in investments that has been delayed. 92,000 jobs that have been threatened or eliminated. Now that job loss is gonna be over time, much, much higher. So those job numbers just are exponential over time. But in preparation, of course, a lot of folks were reacting by freezing in place or cutting back on what they were doing or backing off of some of their investments. Delaying any manufacturing build out. Now, the manufacturing tax credit, of course, still exists, and yet, if you don't have a demand on the other end, why would you be manufacturing? So if you don't have a demand for solar panels, why would you manufacture them?

Ariana Brocious: Well this is also hitting the EV market.

Katherine Hamilton: Yes, exactly. Yes. Why would you manufacture EV batteries if you don't have a tax credit? Now, I would remark that just because we don't have a tax credit does not mean people are not going to buy EVs. They'll be more expensive. Rooftop solar people will still install, they will still install battery backups. They will be more expensive. It will still happen. We are still in an energy transition. Electrification is still ongoing. Demand is still increasing. Our tools have now become much more expensive.

Ariana Brocious: So In short, the cuts that are being made here, under Trump's mega bill cuts to clean energy, climate resilience, innovation will basically make life more expensive for everyday Americans, right? Because energy's going to get more expensive. We're anticipating a huge, explosive growth of demand in the energy sector. Gasoline prices might get more expensive as demand for that continues rather than dropping. If EVs were adopted, all the home and energy efficiency improvements, funds have been rolled back. So it'll be more expensive for everybody.

Katherine Hamilton: Yeah, they expect cumulative household energy costs to increase by 32 billion over the next 10 years. And of course climate pollution will only increase. And the government right now is really focused on how do we push for more coal and more natural gas? I don't see coal as really being something that is going to be cost effective at all because it just isn't, there aren't people building coal plants, but I could see a slowdown in shutting the ones down that are in operation that are clunky and dirty. Natural gas, we have a problem with getting turbines, so it's still gonna take a while to build more natural gas. And what you're doing is you're. You're saying, alright, we're gonna only focus on technologies and I would say geothermal and hydropower, those are great. And nuclear as well. Like let's continue to invest in those. Again, those take a little time to build. And in the meantime as you refer to demand, is gonna continue to grow and we've just reduced the number of things that we can use cost-effectively to mitigate for that.

Ariana Brocious: Right. So there was a theory after passage of the inflation reduction Act that because the funding overwhelmingly, we're talking billions of dollars, lots of jobs, went to red districts, that these investments would be safe from a future Republican-held Congress. That didn't pan out. Why didn't that strategy work?

Katherine Hamilton: I am confounded by that. And you look at the ones where they're losing investment. So Michigan is the most, of course, they're the head of EVs. It's like, uh, you know, $17 billion at the moment that it looks like it's gonna be threatened or delayed or the investment loss that's only gonna grow. But Texas is huge, $11 billion. Louisiana, Arizona, Georgia, Wisconsin, Indiana, Indiana has 9,000 solar jobs. And you would think that the senators from Indiana, the members of Congress from Indiana and I've talked to them, would step up and say, you know what? We probably shouldn't destroy these industries because it's, we're gonna wreck our jobs and our economy and our state. And really and truly, it feels like they just decided that the risk of not doing what the president wanted was higher than the risk of job loss, significant job loss in their districts with their voters. We, it remains to be seen what will happen as a result of that, but it was a calculation that they made and they just decided it was not worth going against the president.

Ariana Brocious: Yeah, and I think it's worth pointing out that, in addition to these losses in their home districts and these states that had been seeing, a lot of growth and job increases, this bill will also hurt other Republican priorities, like better grid reliability, energy dominance, these things that are, in many ways kind of bipartisan priorities. It's still going to negatively impact those too.

Katherine Hamilton: Yeah, you know, I've worked obviously in a bipartisan way forever for my entire career, and the Republicans were all of the above people. They were like the, yes, we like oil and gas, but we also like renewables because we need an all of the above strategy. And that is not where they are right now. They're in the only, the all of the below strategy at the moment, very few

are saying, oh yeah, we need to do more wind and solar. Now. I think some of them recognize we need to do more grid technologies for sure. There are a lot of Republicans that are very interested in geothermal and hydropower and nuclear. But when you look at how do we plan a system, how do we plan for our future as a nation and as stitching together our entire grid and everything that serves it, and all the customers that are on it, they just chopped off one of the limbs they've chosen and we're gonna only keep these things and we're gonna take away a bunch of other stuff that could be really useful and productive. Because we need to pay for a tax credit.

I think people should not stop engaging with their members of Congress. Like tell them what's happening, show them your electric bills, show them. In two years we'll have another house of representatives election, and you know, these folks need to be held accountable. They need to be shown that you know what you voted for. It's not doing us any favors at all. So like you need to step up and you have one job and you've sworn, , an oath that you have protect the people that elected you and that is what you're supposed to do. And we need to hold these people accountable for it.

Ariana Brocious: Catherine Hamilton is chair of 38 North Solutions. Thank you so much for joining us on Climate One and explaining all of this complex policy.

Katherine Hamilton: It's been a pleasure. Thank you.

Ariana Brocious: Coming up, a view from the right on how Trump's big bill handles clean energy.

John Szoka: As a conservative, I'm, I'm not really big about giving away free money, but when you're talking about major things that move the US economy, I think people need to look at it not as free money as incentives, but as growing your own industry.

Ariana Brocious: That's up next, when Climate One continues.

Kousha Navidar: This is Climate One. I'm Kousha Navidar.

The One Big Beautiful Bill had to draw multiple factions of conservative lawmakers together to get passed. And while numerous Republicans objected to aspects of the law's cuts to clean energy incentives during negotiations, in the end nearly all of them voted for it.

[music change]

John Szoka [soka] is CEO of the Conservative Energy Network. He talked with Austin Colón about the impacts of the new law.

John Szoka: Well I'm a conservative, my organization is right-leaning and our mission is to champion secure, reliable, affordable, clean American energy. And, rather than having a mission statement and some touchy feely vision statement, we broke it down into really four goals that we think America should strive for. The first goal is restore American energy leadership. Second one is save Americans money, American slash rate payers money. The third is Build American, and the fourth is secure the power grid. And then we've got conservative principles that underlie each one of those. So I don't go in and talk to conservative decision makers about saving the polar bears or ice caps melting or things like that. What I do, what we do is we show 'em, I gotta print out a one sheet of paper and say, is there anything on this paper you disagree with? And sometimes people say, well clean, what's that mean? And I explain, yes, it's solar wind batteries, it's also nuclear, which is considered clean. You know, and they say, well, I agree with all that. And then. The next step is, okay, well are you aware that the country needs six to 700 gigawatts of energy by 2030? And they say, I didn't know that. And then I say, well, here's all the different type of generation, how are we gonna get it? Here's the deployment timelines for these different type of sources. In the next five

years, the only thing really available at scale is solar, wind batteries. Plus the gas turbines are already on order and maybe a little bit as soon as they can spin up the lines, but really that's 20, 30 and beyond too. And they say, I didn't know that.

Austin Colón: So about a month before Trump's, you know, one big beautiful bill was signed. You were in DC and met with lawmakers from 11 states. And you even said, uh, quote, abandoning proven energy tools like solar, wind, and storage will jeopardize our ability to dominate in the global economic race, which is, you know, a pretty strong statement. How do you feel about the outcome?

John Szoka: Uh, mixed feelings. The big beautiful bill had many different things in it. I'm in North Carolina and Senator Tillis, I think, very eloquently talked about what do we do to Medicaid in the States. So there was that. There's the tax piece. There's a lot of different pieces in there when you talk about the energy piece. However, I was less than pleased with how it treated solar and wind and battery storage. I was okay with how it treated nuclear and geothermal, but one of the things that my organization says, and that really is a precept of Republicans is, You don't pick winners and losers. You should really treat everybody the same. And I think that extends to energy generation sources. The bill did not do that. It extended or left the loan, some of the incentives for preferred generation sources, and then pretty much pulled the rug out from others, which as a conservative, I've got a problem with that.

Austin Colón: When we spoke before you mentioned the national security implications of clean energy. How do you explain those to people?

John Szoka: The issue with energy is twofold with the military. One is transmission and not every base has that. And if you don't have energy during a time of crisis, whether it's a hot war kind of crisis where you're launching planes off to somewhere to bomb places, or if you're deploying forces on regular military missions, you know, training missions or if you're responding to a natural disaster, it's a problem when the power goes out. And why is that? Because the backup generation on military bases is generators, but they take fuel, they take maintenance, they do all this. So that's one issue. The other issue is, it is better if you can actually generate some of your energy on post. So the event of a blackout or something, you still have something other than generators. Department of Defense has attempted to do this to some extent. They've employed some things behind the meter, if you will. But still, it's not enough to meet the power demands for the headquarters, for the airfield and everything else. So if you cannot power your military installations, you have a problem.

Austin Colón: Yeah, that sounds like a big problem and probably something that people don't think about very often. The majority of funding from the Inflation Reduction Act actually went to Republican districts. And yet when it came time to vote, a lot of the Republican representatives fell in line with Trump. And now the IRA incentives that boosted those communities have been stripped out. Do you think those politicians might face backlash from constituents when they go back to their home districts?

John Szoka: I don't think initially it will, to be honest with you. I think where it will start to hurt is, when utility bills start to rise in congressman's districts, 'cause all politics is local. If someone can point to you for 20 or 30% increase in their electric bill, that's not good.

Austin Colón: Yeah. Yeah. In the words of a Seinfeld character, that's not gonna be good for anyone.

John Szoka: Well, it really isn't, unfortunately.

Austin Colón: Yeah. And you know, last year, China installed more wind and solar capacity than the

rest of the world combined. And now the US is rolling back support for clean energy. Are we at risk of falling behind in the global energy race?

John Szoka: Yeah, that's an interesting question.It may not be a good direct comparison between the United States and China ' because we are essentially a free market and they're centrally command dictated market. The falling behind issue is very complicated because China really has swamped the rest of the world with low cost solar panels. Not that they're making money on them, they come in, they try and corner the market, and then they'll rise prices. So on the one hand, what the IRA did was incentivize US manufacturers or people to move manufacturing to the United States to build our own solar panels, which was a good thing. The bad thing here is on the big Beautiful Bill is it's removed that incentive and now it's more of a disincentive. I think history shows us that any newer manufacturing or any newer technology needs a period of time where you can actually get the scale, which will reduce costs.

I actually visited a Q Cells factory down in Georgia, oh, about a month ago. It's an amazing facility, 14 football fields big It does everything from growing the crystals to slicing 'em in a clean environment and at the other end that comes solar panels. And you can use the silicon wafers for other thing. It's really a first of its kind in the US now they're far enough along that they aren't penalized by that, really am disappointed to see the knees kicked out from underneath some of these industries. We're trying to do similar things to what Q Cells is doing in Georgia, and now they may not be able to because of the incentives. Cutting off soon.

You know, as a conservative, I'm not really big about giving away free money, but when you're talking about major things that move the US economy, I think people need to look at it not as free money as incentives, but as growing your own industry. And right now the clean energy industry in the United States employs hundreds of thousands of people, lots of jobs, and with that, everybody gets paid. They pay taxes on it, they buy things. So it helps. That's really the issue with the energy part of the big beautiful bill is I don't think it gave enough time for businesses to really adapt to the change in circumstances.

Austin Colón: Yeah, that makes sense. And I recently spoke with Republican political consultant, Mike Murphy, CEO of the EV politics project. And you know, he told me that, Republicans like tax credits and rebates just as much as Democrats do. You know, everybody likes getting money back. And that's certainly been true of things like, you know, rooftop solar panels and EVs. Do you think the loss of those incentives will shift public opinion at all on the mega bill?

John Szoka: Well, I don't know. I mean, you know, on the EVs. Ford General Motors, you know, major US car makers have put billions of dollars into retooling their production lines and. The incentives were there to incentivize people to buy electric vehicles, which is a direct return on investment to the major US manufacturers. Will there be less of a demand for EVs? Uh, I think so.

Austin Colón: Do you see any positive energy outcomes from the bill?

John Szoka: I think the positive outcomes are in the nuclear space and in the geothermal space for sure. and that's good. Okay. nuclear. Small modular nukes or micro nukes, uh, that's a new technology. Even the best estimates are that we won't see a number more than one or two of SMRs come online until 2034 or 2035. So it's really a future looking thing, and that's good geothermal. There was just a geothermal site opened in east Texas, a major one. There's some of those going on too, but we need, I don't know, six, 700 gigawatts between now and 2030. We're gonna need energy in 2035 and beyond, but we need it now. So, incentivized nuclear is actually a good idea. Incentivized geothermal is a good idea. Not incentivizing solar and wind, which are deployable right now, that's problematic because we need energy more generation between now and 2030. So what

else is there? Somebody could say nuclear restart. There's only three of those in the country that pulls up to like 1.6 gigawatts if they all come online.

Austin Colón: Mm-hmm.

John Szoka: And you say natural gas. Natural gas is great. Interesting fact here though, if you ordered a new gas turbine today, or even a year ago, it's gonna take five to six years to arrive. And with demand going up if you're ordering new gas turbines. They're not gonna be here until after 2030. So the real issue here is what do you do between now and 2030? The only thing that's ready now is solar, wind battery storage, plus what's already planned to come online. The gas turbines that are planned to come online.

Austin Colón: Speaking of bit of the policy choices, you know, the one big beautiful bill is the second big change in energy policy that was passed by party line vote. We had the Inflation reduction Act, which was passed with only democratic votes. And now this bill passed by only Republican votes, both with a tie broken by the vice President and the Senate. If major energy policy keeps flipping with each administration, is that sustainable?

John Szoka: Well, the world's not gonna end. But as far as good policy, it's horrible policy. Uh, I'm on both sides of the aisle. It results in higher costs for every time the pendulum swings to one extreme or the other. Higher cost leads to inflation, which leads to a lot of bad things and it leads to rate payer. And more importantly, if you're elected, voter discontent. most people are more, uh, interested in making a house payment, making sure your kids get to school on time, if they got good grades, you know, doing extracurricular stuff for kids, saving up some money, take a vacation. You know, the things of daily life, they don't know the ins and outs of energy policy or even tax policy or anything else until they get a big bill or something interferes with their life. But when you've got policy yo-yoing back and forth, people will notice. They'll notice when their bills go up. That's when people get upset and they make their voices known and heard.

Austin Colón: I hear you on the yo-yoing of the policy, but it seems to me like a lot of what Trump wants to accomplish, it's almost like breaking some of the system. 'cause certainly not listening to, you know, what the market is saying.

John Szoka: Yeah, he is a disruptor. There's no doubt about it. Uh, he is, he is not for controlled, moderate change, gently moving policy from where it is to where he wants it to be. And he's got it in his head about where the country should go, and he was elected because the majority of people and the majority of states agreed with him that we needed change. Um, I'm not sure everybody agrees with him. The worst thing you can do for business is to make an uncertain environment really quickly. There's something to be said for disruption. How do you balance one against the other? That's the $3.4 trillion question, I guess.

Austin Colón: John Szoka is CEO of the Conservative Energy Network. It's been a pleasure talking with you. Thank you so much for sharing your insights on this new bill and what the energy future might look like because of it.

John Szoka: Well, thank you very much for having me on.

Kousha Navidar: In the final weeks leading up to the passage of the megabill, there were a flurry of advocates and lobbyists attempting to limit losses for their interests. One of those groups was the Business Council for Sustainable Energy. They mounted an effort to remind lawmakers of the jobs the Inflation Reduction Act created and what states would stand to lose if those incentives were taken away.

I talked with their president, Lisa Jacobson, to see where things stand now that the law has passed. We started the conversation talking about incentives – in things like renewables, energy efficiency and US energy manufacturing, many of which were created by the Inflation Reduction Act.

Lisa Jacobson: These tax credits have had decades long bipartisan support. Those reforms that have been made over the last five plus years to the tax code to support energy development, some during the Trump administration, the first one and then some under the Biden administration, have been extremely important to send the kinds of market signals we need to modernize and expand our energy system. So when we talk to members of Congress, especially the new ones, they may not have been familiar with that history and the fact that, you know, really using the tax code to provide incentives and reduce the tax burden for those that wanna make investments in our economy is a Republican principle, right?

So this is something that has been favored as an approach versus other things that we might do like a requirement, you know, a federal requirement that we do something. So when you can get to that level, with members and senators, you know, you can have a really good conversation. Those parts of the conversation went well. And a number of those things were retained in the one big beautiful bill act,

However, there were many other issues that were part of this bill and there was a political environment, that was, really challenging to break through in terms of holding back some of the negative changes that were made, but again, there were a number of areas, whether that be hydropower or some of the decarbonization technologies like carbon capture and storage, or innovations in the areas of hydrogen where we were able to get more workable transitions or to leave those credits untouched.

Kousha Navidar: Let's dive into that a little bit. As you look at the final bill that passed, what do you see as wins or maybe just even neutral outcomes?

Lisa Jacobson: Right. I mean, in terms of the more positive areas, they reflected some of the technologies that have often been overlooked in the renewable energy sector from a policy perspective like hydropower or geothermal, biomass, biogas. Those technologies have been part of the tax code, but because we have not had long term rules of the road in the tax code for the energy sector, they have such a long project cycle, that in practice, they really were not able to use those credits. So in the one big beautiful Bill act, those long-term extensions that were enacted in the last Congress were retained. So that's a positive. That means that for hydropower, for geothermal, for biomass, they will have the time they need to scope out projects and utilize these credits. And then there also are areas that were retained that are really significant to in ensuring that the broad public can participate and benefit from these credits. They have elements in it that allow communities and non-for-profits to participate in the tax benefits. That was new in the last Congress and that was retained. And then they also had a new mechanism that would basically allow these tax credits to be transferred to other private sector or other entities that would buy them to help support financing for energy projects. That's called transferability. It sounds really wonky, but basically if you don't have tax liability, you don't benefit from a tax credit. So this was trying to find a way to bring more private sector dollars into the energy investment ecosystem to get more projects moving and finance them. So it, it's a really important provision and it was retained.

Kousha Navidar: I wanna switch gears a little bit. I wanna talk about this quote. At the Clean Power Conference earlier this year, American clean power CEO, Jason Grumet said, quote, the next three years will determine whether the US or China wins the fight for digital dominance. What do you think about that?

Lisa Jacobson: Oh, I think he's spot on. I mean, it's happening now. Decisions are being made every week about where to put data centers and, and they need a lot of energy. I mean, that, that's what he was alluding to and it's really important for US security. For our economic prosperity that as many of those can be put in the United States, or other places where we, we can have confidence that there will, you know, be secure information exchange and transactions. We don't want any cyber risks. We don't want, you know, to just to have a lot of these investments be made outside the United States just because we don't have the energy to supply the power to make sure that they can operate.

Kousha Navidar: You know, in this AI arms race that we see between the US and China, energy supply is key, which is what you're saying because it takes so much power to run AI. Interesting point though, is that this bill is projected to make electricity more expensive. So how do you think that's going to affect the AI industry?

Lisa Jacobson: It will raise prices. It will raise prices for energy across the board. You know, we, we need to get new energy supply on the electricity grid in the United States, and that's a reliability concern. So if we have very significant gaps between supply and demand, we're gonna need to have more electricity generation as well as load management will need to invest in demand side management. Wind and solar and batteries that's really been the near term deployable energy resource and in many cases the lack of the tax credits after a certain number of years, or this abrupt elimination in some cases of things like residential, solar, it's just gonna raise prices on the grid and everybody pays for that. And it will increase the price of bringing new generation online.

Kousha Navidar: Well, what opportunities still exist, in your opinion, to improve our energy system in the near term?

Lisa Jacobson: Well, a lot of our energy decision making happens at the regional, state and local level. And there are many states that are, you know, really trying to attract data centers, economic development, increased manufacturing. So we have a lot of drivers for increased electricity demand, and, we think that the types of technologies that are gonna serve that load in the short term are gonna largely be what we've been planning for and what we've been building out, which have been this portfolio of renewable energy, energy efficiency, and natural gas. So I think influencing the energy transition, influencing energy, security and supply over the next five, 10 years is really gonna be decisions made at the state and local level.

Kousha Navidar: Are there places you point to where you're like, that's where good work is happening, or that's where we need to be looking right now?

Lisa Jacobson: Well, I mean, there are a lot of models. We look often at Texas, which has, you know, a lot of people are kind of looking with laser focus on Texas. But they have a unique regulatory structure and they continue to revise it. They can get energy resources online quickly. They've also made strategic investments in transmission, electric transmission and, other infrastructure to allow, you know, as they've been growing, they're one of the fastest growing states in the country that they've been able to keep up with their energy needs. Those kind of principles I think are really important: To be able to forecast what your needs are and then be able to move forward with the infrastructure and projects that are gonna meet that load affordably and, and fast.

Kousha Navidar: Even if Democrats retake the White House or Congress in the 2028 election, do you think there will be a major slow down in the US clean power industry in the next few years?

Lisa Jacobson: I think what we're watching mostly is cost, and then we also have to look at all the other aspects of what makes a project move. You know, you need the workforce, you need the goods.

So that points to supply chain issues. So equipment, you know, do you have the equipment? Do you have the regulatory approvals that you need? And then there's the financing. So a lot of these policies impact. The price of these projects. But I think if you are in a jurisdiction that wants to bring new energy supply on and they wanna do it quickly, they're gonna have to look at this technologies that are on offer. And unfortunately, it may cost more but that portfolio of what's available is not gonna change. For us, I think the biggest concern is how it's gonna impact the economics of these projects. And we're still kind of in a mindset where people are being very, very cautious 'cause they don't wanna make investments and have the rules change yet again.

Kousha Navidar: What do you want listeners to know about how these changes will affect them and, and what they can do to be engaged?

Lisa Jacobson: There is this view that the goal would be, you don't need to know what's behind the switch, you just turn it on and hopefully it's reliable and affordable. I think now to ensure reliable and affordable energy in the United States, we do need to have an engaged public. They need to understand where their energy's coming from, who makes the decisions and be engaged. There are lots of utility programs or, or consumer led programs that help you manage your energy use, ways to figure out what kind of investments to make it your, in your home or again, ways to engage with your energy or electricity provider to make sure that you're optimizing your energy costs and savings. So, my call to action from this conversation is that we all care about making sure we have the energy to supply our economy and to make our households and communities prosperous. So we need to get educated and we need to speak up to our policy makers.

Kousha Navidar: Lisa Jacobson is the President of the Business Council for Sustainable Energy. Lisa, thanks so much for talking through all of this with us. We appreciate your time.

Lisa Jacobson: Oh, thank you. I really appreciate the opportunity.

Kousha Navidar: Hey everyone, it's Kousha and Ariana. Before we close out today's show, it's time for climate. One more thing, we both got something, so I will start. Uh, I just got back from vacation, as you heard at the beginning of the episode. I was in Milan and I saw something that immediately made me think, oh man, I gotta share this on climate.

One more thing. 'cause I saw a BYD dealership for the first time. Hmm. And listeners, you may remember that we've been talking about BYD recently with the EV market, the large Chinese. EV manufacturer, those cars you can't get in the States. It was my first time seeing them in person. And Ariana, I, I thought two interesting things. One very competitive price point, which we've talked about. Yes. Uh, and two, they named their cars, at least the two that I saw after. Marine animals using their English names. One was the dolphin, one was the seal. I thought that was pretty interesting. Marketing, so BYD. That was my first experience. It. We have pictures of it too. I took pictures. I don't know if I was allowed to or not, but you can check out our most recent newsletter. I wrote a little behind the scenes about that experience, and you can see some pictures of the cars. Arianna, what do you got?

Ariana Brocious: Cool. That's great. Um, mine is a news you can use this week. So as we've been talking about extensively in today's show, there are numerous consumer tax credits that will be expiring soon because of changes made under President Trump's mega bills. So if you are thinking about buying an electric vehicle, you need to act fast. If you wanna get. Some money back, you need to purchase or lease that vehicle by the end of September to get some refund. If you wanna do something, uh, to make your home more efficient, like say, replace your windows with more insulated ones or put insulation in your roof, you need to do that by the end of the year. And same thing with putting solar panels on your roof. There's a 30% tax credit that's been in place for many,

many years. That will be ending at the end of this year. So if you're in a position to take advantage of these, do so now because they really do have long-term benefits for your pocketbook, for your health, for the air quality, and for the climate. So act fast.

Kousha Navidar: And that’s our show. Thanks for listening. You can see what our team is reading by subscribing to our newsletter – sign up at climate one dot org.

Ariana Brocious:Climate One is a production of the Commonwealth Club. Our team includes Greg Dalton, Brad Marshland, Jenny Park, Austin Colón, Kousha Navidar, Megan Biscieglia, and Ben Testani. Our theme music is by George Young. I’m Ariana Brocious.