

The Political Reality of Climate Action

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Greg Dalton: This is Climate One. I'm Greg Dalton.

True to his campaign promise, President Biden dove right into the climate crisis on Day One, signing a stack of executive orders that signaled his determination. But how effective are they?

Ben Geman: Executive orders I think are often very splashy when they're introduced and they get a lot of attention...I think the better way to look at an executive order is sort of firing a starting gun for an extraordinarily long race [:12]

Greg Dalton: One player in that race is the bipartisan House Select Committee on the Climate Crisis.

Kathy Castor: We compiled the most impactful set of recommendations for the United States Congress when it comes to clean energy, resilience and adaptation in the history of the Congress. And now we're marching forward to enact those recommendations into law, and trying to do as much as possible in a bipartisan way. [:19]

Greg Dalton: The political reality of climate action. Up next on Climate One.

Greg Dalton: 2021 began with a fresh start and high hopes for ambitious climate action - but how much will actually get done?

Climate One conversations feature all aspects of the climate emergency: the individual and the systemic, the exciting and the scary. People with power and the disempowered. I'm Greg Dalton.

Joe Biden is tasking every corner of the federal government to confront the climate crisis. And while he faces fierce blowback from Republicans in Congress, there are signs that when it comes to

conservative thought, the wind may be changing.

Rich Powell: The focus grouping that we've conducted shows that there is an ever rising concern around climate change, and even more so just a desire for Republicans to take a lead in clean energy policy from all sectors of the party, even from the most conservative folks in the country. [:14]

Greg Dalton: Rich Powell heads up ClearPath, a right-leaning, climate-focused think tank in Washington, DC. Later in the program, we'll hear more from Powell about the moderate Republican view of the transition to clean energy. I'll also talk with Ben Geman, Energy Reporter for Axios, about pathways to getting some of Biden's climate agenda through a deeply divided Congress.

Democrats have been planning for this political moment since they retook the House two years ago. Speaker Nancy Pelosi formed the bipartisan House Select Committee on the Climate Crisis to develop policy recommendations.

Kathy Castor: We really worked well together over the past year in crafting our climate crisis action plan in the Congress...what I'm hopeful for now is we have a partner in the White House in the administration. We're not doing this alone. [:13]

Greg Dalton: My first guest, Florida Democratic Representative Kathy Castor, chairs the committee, which released its report last June. The plan presents detailed solutions designed to get the United States to net zero carbon emissions by 2050, targeting everything from agriculture to public health to infrastructure.

PROGRAM PART 1 - KATHY CASTOR

Kathy Castor: After a year of very broad outreach to entrepreneurs and scientists and farmers and faith leaders and news activists we compiled the most impactful set of recommendations for the United States Congress when it comes to clean energy, resilience and adaptation in the history of the Congress. And now we're marching forward to enact those recommendations into law and trying to do as much as possible in a bipartisan way.

For example, at the end of the year there was an energy package that didn't get a lot of attention but for example, we agreed to phaseout the use of hydrofluorocarbons. They just seem very damaging greenhouse gas. We agreed in a bipartisan fashion to invest more in research and development. We want to do more of that. I think that's an area an important bipartisan opportunity. We permanently funded the land and water conservation fund, the John Dingell Act that will preserve millions of acres of land and wilderness and rivers across every state. But we've got to, clearly, we've got to be more ambitious. We're running out of time to do what we need to do on climate action to avoid the worst impacts of the climate crisis.

Greg Dalton: Right. The bill you're referring to championed by Alaska Sen. Lisa Murkowski was about a \$40 billion bill. Joe Biden has a nearly \$2 trillion bill; that's a big difference. Is that kind of ambition possible now in the shadow of COVID and how will the country pay for these initiatives?

Kathy Castor: It's absolutely necessary. We know that coming out of the coronavirus pandemic we're focused a lot right now on the Congress on just stabilization and relief. We intend to pass the American Rescue Plan then we'll have some climate investments on environmental justice grants and help to make electricity more affordable.

But you're right. The big package is now being discussed in the Congress with the White House on a bipartisan basis with stakeholders and people all across the country. Because we understand that we don't have any more time to waste. And we're so fortunate that we have President Biden in the

White House now that can help craft that bipartisan package and then if we cannot get the bipartisan support that we need we do have another opportunity to act through reconciliation. The strange congressional invention on doing things with a majority vote, rather than 60 votes in the U.S. Senate.

Greg Dalton: Right. And that sort of the one-party path possible forward. Climate policies often seesaw as power changes hands in countries and states. A green push is followed by a swing to fossil fuels and then back again, we're seeing that now. Do you think that climate policy needs to be bipartisan in order to be durable?

Kathy Castor: So, the good news is if you look at public opinion polls across America vast majority of the public Democrats, Republicans, Independents understand and support clean energy broadly. They know that it is a less expensive force of energy and it's cleaner it's better for the public health, the air we breathe it's certainly an issue now with the COVID-19. And I think the case that the folks are open to is the fact that it can create millions of good paying jobs. It provides as President Biden says an opportunity to build back better. But that means providing a stronger foundation for the economic well-being of families and communities and workers across America.

Greg Dalton: But as you know those jobs may not be - those new clean energy jobs may not be in the same place and go to the same people as the fossil fuel workers who feel threatened. And coal state Democrats have slowed climate progress at critical moments over the past 20 years, 25 years. They're very influential in the divided Congress now. How do you plan to get members of your own party on board who feel threatened by this move away from fossil fuels?

Kathy Castor: Yeah, I think everyone understands that the macro benefits to job creation will be substantial. And building the clean cars and conserving our public lands making communities more resilient that clean and green infrastructure package that is on tap. But we're also very mindful to energy workers that even before government provides any carrots or sticks the job losses in the coal producing states, and in a lot of fossil fuel producing states, they are already shedding those jobs substantially. And that creates a lot of uncertainty. So, we want to make sure that the job that, come alongside during the transition really do provide an opportunity for good wages, better opportunities. We have a critical weakness in America right now in our supply chains. Whether that's health supplies on personal perspective equipment but it also is that industrial base, particularly in the Midwest that has suffered because of off shoring of jobs we think in clean energy adaptation and resilience. Those are jobs that cannot be offshored. Plugging wells, fixing pipelines, reclaiming coal mines. A lot of my colleagues from coal producing states they say they want their communities want to help determine the future. Maybe in ecotourism or a new manufacturing sideline. For example, those massive wind turbines that we're going to need. And the massive new electrical grid, the macro grid that we're going to need. And just plain making our electric grid more resilient to extreme events.

Greg Dalton: Right. Those are homegrown jobs that can't be exported. Shortly after you were first elected House Democrats passed an economy wide climate bill and in the next election, they lost the House when the tea party surged on the scene, partly fueled by energy concerns. How concerned are moderate House Democrats that going big on climate could hand the Republicans the House in '22?

Kathy Castor: Well, in the House we're united in following the science and working on practical solutions. Part of that is ensuring that workers have support along the way that we're answering the call. Our moral obligation to communities on the front lines that are much more vulnerable to the impact of climate. And we really worked well together over the past year in crafting our climate crisis action plan in the Congress, where just about every member of the Democratic caucus played

a role in putting that package together. And then we have a lot of bipartisan bills that are on tap as well. And I think really what I'm hopeful for now is we have a partner in the White House in the administration. We're not doing this alone and we know that the Biden team they understand this very well. The Biden team is very experienced and sophisticated and they understand the challenges in every district. The differences across communities across states. And we simply are committed to not leaving folks behind and really making clean energy and greater resilience tangible for families and workers.

Greg Dalton: When you first came into Congress, the Republican Party was more on board with climate action and then they got concerned about primary challenges from the hard right. Now we have a situation where Sunrise and AOC they may be teeing up primary challenges to some Democrats if they don't go strong enough on climate. So, how are people looking to the left flank on climate and concerned about if they don't go bold enough there could be a challenge in a primary?

Kathy Castor: Well, politically speaking in the House, that's not an overriding concern. I mean, thank goodness we've had youth activists out in pre-COVID out in the street marching demanding action. We need them to stay engaged and press policy makers. Boy, if I've learned anything in my years in Congress, just the plain inertia really stands in the way of progress. But we're at a point now where we have there is such a broad coalition of stakeholders of people of all political persuasions. They are pressing Congress no matter where you stand on the spectrum for very ambitious action. They know that time is running out and we must act with urgency.

Greg Dalton: My guest today is Congresswoman Kathy Castor, Democrat from Tampa. She's Chair of the House Select Committee on the Climate Crisis.

What conversations are you having with your Republican peers and Florida's congressional delegation about the state's vulnerability to rising seas and other climate impacts? Do you talk with people such as representative Matt Gaetz, who, like you, has a military base in his district? He acknowledges climate is affecting his district in the northern part of Florida. What conversations are you having within Florida, mostly Republicans not in the House delegation from Florida.

Kathy Castor: Yeah, it's fortunately in Florida we do have a bipartisan track record on coming together to oppose offshore oil drilling. Our economy is directly tied to clean water and clean beaches and we limped through a nightmare after the BP Deepwater Horizon blowout. Still remains as one of the largest environmental catastrophes ever even we didn't have much oil washed up on Florida beaches it really stops us economically a lot of mom-and-pop businesses. And kind of similar to COVID in a way. So, we've been able to build that bridge. What has been missing and this really goes to the lack of leadership in Tallahassee in our state capital is we're missing the commitment to clean energy.

You would think here in the sunshine state we will be producing an enormous amount of our electricity from solar power. We have great potential to do so. But no, the state of Florida still only produces 4% of our electricity from renewable. Meanwhile, the costs are growing and people know it. They're paying more in their property insurance because of these intense hurricanes, I mean we ran out of names, name storms last year. They had to go to the Greek alphabet. They're more intense our summers are longer and hotter. You're paying more on your AC bill; flood insurance is escalating. So, there is a disconnect now and that's why it's so important the federal government provide those carrots and sticks to states that are recalcitrant where a lot of the old guard electric utilities are still calling the shots. It's time for the people to call the shots and we follow the science and unleash the enormous potential to create jobs.

Greg Dalton: A child born in Tampa today can expect the sea to rise 2 to 8 feet in their lifetime. An

ocean 8 feet higher than today. I see the Bay of Tampa behind you as we're talking to you from your home. How do you get your head around such a dramatic change in one person's lifetime?

Kathy Castor: Wow, that's really a stunning statistic. It aligns with what we understand in the Tampa Bay area and how vulnerable we are to storm surge. That if a hurricane surged up Tampa Bay it would wash out hundreds of thousands of homes and the heart of our economy. So, what you do you can't let it overwhelm you. You have to stay the course and make progress. And that's where resiliency and adaptation come in. And what we have to do to strengthen our coastline. Be a better partner with our local community. Give them the tools and resources to plan ahead. To strengthen their water systems wastewater systems stormwater. How we plan and grow is vitally important. And the federal government we don't have all the money in the world that's why they have to be targeted investments and oftentimes federal dollars are gonna come along. What needs to come along with it are new standards. For example, on making the electric grid more resilient now if the federal government is going to fund significant upgrades in the electric grid across the country, then it will be important for states and local communities and utilities to have certain resilient standards. If they had done that in Texas maybe we would be a whole lot better off and the folks in Texas would be better off today.

Greg Dalton: How do you talk to people about climate and make it real for them personally if they haven't experienced it or if they think it's far away and won't affect them. How do you talk to people about climate in your district or elsewhere who think like it's either exaggerated or, yeah how do you reach them?

Kathy Castor: It's not that hard anymore. Here in the state of Florida extreme heat is really it's wearing people down. Just last year 2020, was the hottest year on record in my community. We set an all-time high heat record. When you add in the humidity it's completely oppressive. That impacts everything that we do. The way we work, where kids play outside. It impacts the food we grow. So, people are awake, they are awake to the climate crisis. And they are clamoring for Washington to get its act together. The state of Florida to get it back together. They don't want to see their wastewater treatment plant overflow with an extreme rainfall event. They don't want to see these rapidly intensifying hurricane that cost lives and cost property. And this is our challenge, it's our challenge to galvanize public opinion and truly follow through and meet our moral obligation to our kids and future generations.

Greg Dalton: Florida Representative Kathy Castor, chair of the House Select Committee on the Climate Crisis. This is Climate One. Coming up, a take from a moderate Republican.

Rich Powell: In our view, the most important thing is radically reducing the cost and improving the performance of a bunch of clean energy technologies that can then be exported out to the rapidly developing world. [:11]

Greg Dalton: That's up next, when Climate One continues.

Greg Dalton: This is Climate One. I'm Greg Dalton, and we're talking about the political reality of decarbonizing the U.S. economy.

President Biden embraced bipartisanship throughout his senate career and tried to foster it in the early days of his presidency. But Republicans in elected office still staunchly defend fossil fuels and often bash renewable power as they did in the Texas energy debacle, which was mostly caused by

natural gas equipment that wasn't weatherized. A small group of moderate Republicans however are attempting to craft a conservative plan for a transition away from oil and gas.

Rich Powell is Executive Director of ClearPath, a center-right organization focused on using markets and technology to grow the economy and cut carbon emissions.

Despite the fractured state of the Republican party, he says there is a pragmatic middle capable of getting things done on energy and climate.

PROGRAM PART 2 - RICH POWELL

Rich Powell: I think we just saw the center of gravity in the party in action in December. So, we had in the Energy Act of 2020, 500 pages buried within that 5000-page infrastructure and stimulus bill passed in December. Which is I think you know according to virtually all observers the most important piece of climate and energy legislations that's actually been passed out of Congress in more than a decade.

Greg Dalton: Right.

Rich Powell: I think we saw where Republicans are which is in a pretty constructive position on this topic. Very focused on innovation, very focused on making new clean energy technologies that are available for here in the United States and most importantly to deploy around the world which is the real challenge in climate change. Along with, you know, pretty open to new incentives in order to deploy these technologies and start bringing down the costs and learning by doing, and all that sort of thing. And that was across a pretty broad range of technologies too.

Greg Dalton: It was. And that was as you said addressed innovation some regulations some taxes, kind of the categories there that was championed by Lisa Murkowski. It's about what \$40 billion or so? It's a lot of money but small relative to the scale that's really needed for the climate issue. So, can we go big in a bipartisan way?

Rich Powell: Well, so, you know, I think small is all in the eyes of the beholder. And when we think about how to think about resources in this space it's a lot more about where and how we spend the resources than how much we're spending the resources. We shouldn't be in like a race to spend more money. What we should be in is a race to spend the money we do have as efficiently and appropriately as possible.

And so, in our view, the most important thing is radically reducing the cost and improving the performance of a bunch of clean energy technologies that can then be exported out to the rapidly developing world. And so that's things like long-duration storage and advanced nuclear energy and fossil fuels with carbon capture, geothermal and all these sorts of things. The Energy Act did that; it set up really aggressive moonshot demonstration programs for all those technologies. That's the innovation side that's the kind of the \$40 billion worth of new demonstration programs. And by the way, there's a lot of other great stuff in that as well. And there are expansions of our work on industrial emissions, which is kind of the next big frontier as of last year. It's probably the second largest source of emissions in the United States and globally it's a really significant source of emission.

And then in addition to all of that work on the demonstration side there were also pretty significant extensions to tax incentives as well. So, you know, again it's not specifically about the dollars but if you took the value of all of those tax credit extensions as well in there it's a really meaningful bill. If you just look at the 45Q tax incentive for example, that's the tax incentive for carbon capture that

was extended out a few more years ending in 2023 to ending in 2025. That's a very significant credit and significant resource that would go into that alongside extensions that were done for, you know, for wind and solar and other technologies too.

Greg Dalton: So, it sounds like you're saying that confronting climate is good for the U.S. economy.

Rich Powell: Absolutely could be good for the U.S. economy if we do it in the right way. If we focus on ways that bring down the cost of the technologies that we're trying to transition to and that increase our opportunities to export and retake these and the rest of the world. I mean, you know, we have ceded so much ground in international exports of technologies to China and sort of allowing them to kind of take over the entire solar manufacturing chain and large parts of the battery and storage manufacturing chain. We've ceded a lot of the ground in nuclear exports to both Russia and China. They really dominate international nuclear trade at this point. It's a place we've really fallen behind. We have a chance to catch back up on the advanced technologies. Whether that's advanced nuclear or really advanced storage technology or next-generation renewables like perovskite solar or floating offshore wind or enhanced geothermal. We still have a chance to come back and recapture those benefits, but it's gonna take an investment, it's gonna take a lot of focus.

Greg Dalton: How is climate a generational issue within the Republican Party?

Rich Powell: It certainly is. I think really across the board the polling that we've seen the focus grouping that we've conducted shows that there is an ever rising concern around climate change, and even more so just a desire for Republicans to take a lead in clean energy policy from all sectors of the party even from the most conservative folks in the country. I think that's even more true with two big blocks of conservative and sort of moderate independent voters and that's younger voters, and that's suburban female voters. And I think a lot of conservative politicians also realize that those are folks that are just absolutely necessary for the future viability of the party. They're certainly gonna be necessary for Republicans if they want to try to take back the house in the midterm elections in 2023 which they're poised to do, if past is prologue, but they're gonna need those moderate suburban voters they're gonna need those increasingly younger voters to do it. So, I think that that's definitely a motivator.

Greg Dalton: Then help me understand things such as, you know, the freeze in Texas, where wind gets blamed. I heard Ted Cruz say that. Governor Abbott, you know, kind of pointed the finger at wind even though Texas gets more of its energy from natural gas and that also went down. There's still in narrative in the Republican Party that, you know, fossil fuels are primary and they kind of smear clean energy with the Green New Deal which is very toxic. So, help me understand the rhetoric that we hear with the actual concerns among Republican voters that you just outlined.

Rich Powell: So, I think that there was a lot of unfortunate finger-pointing on both sides of the aisle, frankly, around what were the main causes of the breakdown in Texas. Let me just start by saying it's an awful tragedy. As we record this it's still underway and there are people without power there are people without water. It's an awful event. And so, at the risk of armchair quarterback decisions that were made in the midst of a crisis which I feel bad about doing I think there will be an increasing focus on resilience in the power grid going forward. I hope that that conversation leads to an appreciation of all the benefits that a lot of advanced technologies could have, advanced clean technologies could have in a situation like this in the future. If we had had for example, in Texas more long-duration energy storage, right. That could have been a significant part of the solution to the problem. If we'd had ultra-resilient renewable technologies like enhanced geothermal that could've been a significant part of the solution if we'd had advanced nuclear technology, which rely less on water and therefore had less of these concerns about freezing and weatherization. That could've been a low carbon part of the solution to the challenge.

And so, I think, you know, unfortunately when these sorts of things happen, people get back into the, you know, renewables versus fossils, kind of, you know, bipartisan fighting around this. I hope that we can get away from that and focus the conversation both on the human elements of the tragedy and avoiding that in the future. And also, just focus on resilience and advanced technologies as a solution

Greg Dalton: So, are we gonna see in the 2022 midterm elections are we gonna see Republicans out there campaigning for clean energy? So far, we haven't seen that. Since John McCain in the last 10 years it's pretty much been pro-fossil fuels and making fun of the Green New Deal.

Rich Powell: Well, I would direct every listener to Google Dan Crenshaw climate change political ad and look at the ad that he ran with his own campaign resources in Houston, declaring that he totally believes in climate change he just has a different perspective about how to solve the problem than Democrats. I would direct folks to take a look at the positions that Susan Collins and Peter Meijer and Michelle Steel and Nancy Mace and so many other Republican candidates took around the country on clean energy and climate. I do think people are realizing that, one, this is just the right thing to do on the issue and two, frankly it's really good politics to run on the issue. So, I think we saw quite a bit of that in 2020 and I'm sure we'll see a whole lot more in 2022.

Greg Dalton: You favor nuclear power. The cost of solar and wind power has dropped dramatically in the last decade. Nuclear prices keep rising. Two new plants in Georgia were supposed to be the future of the industry in the United States, a nuclear renaissance, but they are billions of dollars over budget and caused the contractor Westinghouse to declare bankruptcy despite nearly \$9 billion in federal funding. Simply on economics it appears that nuclear can't compete with wind, solar and methane. Is that fair?

Rich Powell: So, when we think about nuclear and the costs and benefits of nuclear, we think about the cost benefits of low carbon systems, not any one individual technology. The modeling on this is couldn't be clearer. So, every serious modeler of a low carbon energy grid sees a role for a flexible 24/7 zero carbon source of energy alongside a lot of variable low-cost zero margin resource energy. And when you have a mix of those things in the future that's the lowest cost zero carbon energy system. Nuclear could play that role in the system there's a lot of other candidate technologies as well, which is why we focus on a number of different 24/7 clean energy technologies. So, you know, flexible advanced nuclear is one of them, fossil fuel carbon captures and other, enhanced geothermal, long-duration storage, hydrogen produced from zero carbon means. Lots of different horses are in the running there, but I think we should remember that when we're thinking about how much folks pay on their electric bills, they're not gonna pay something related to the cost of any one source of electricity. They pay a cost related to the source, the cost of running the overall electric system. And all of the modeling shows that an electric system which was entirely composed of variable resources would have to be so dramatically overbuilt because of the seasonal variations in those that it would be extraordinarily expensive. So, that's what we're trying to solve for is what's the lowest cost energy system.

Greg Dalton: Right. I've learned a lot about my white privilege in the past year and just how deep, systemic racism in this country and the data is overwhelming. And as a former McKinsey consultant you know about data. How have you reflected on your own white privilege in the last year?

Rich Powell: It has been a really eye-opening year from that perspective. And you know I think it had us thinking you know more broadly about the issue of environmental justice, which is, you know, the part of that issue that, you know, most kind of closely comes into our space. And the degree to which different communities traditionally disadvantaged communities have had to struggle with both, you know, undue pollution burden or just, you know, lack of access to some of these

technologies. And the economic opportunity and tax base and jobs and all that that comes along with them. And so, as we think about the issues it's kind of redoubled our commitment to really focusing on the affordability of clean energy solutions. And you know whether or not for our policy options that would allow traditionally disadvantaged communities to sort of raise their hands and say, you know, we want this here we want this clean energy here. We ought to be able to go to the front of the line to get these kinds of developments in because of the jobs that they bring the clean-air benefits the tax base and all the other community benefits from that kind of siting.

Greg Dalton: Right. And affordability is often where energy suppliers will say hey, we care about poor people so we got to keep energy cheap. But there's another side to that is, which often cites that plants are sited in low income communities and there's a lot of, you know, frankly racism in where the pollution is sited. They don't put the waste incinerators and the refineries in the fancy parts of town. But that's the market incentives are to do that so does it require policy to kind of guide markets in that way because the markets will put, they'll go for the cheapest land where it's the low-income communities.

Rich Powell: Sure, yeah. And I mean the reverse unfortunately, is that you got a lot of "Nimbyism" and a lot of "Nimsby," in which is "not in my second backyard" from wealthy communities that are the first to say, you know, I don't know if you just saw these communities in the Hamptons that have just come out and they're suing to stop the transmission lines that would flow from the offshore wind farms that are trying to be built off of Long Island very similar to what happened with Cape Wind and the Kennedy family and the you know in Massachusetts. A lot of people that, you know, really care about climate change until the infrastructure requirements to solve climate change moves through their backyard and their community and they got to see the dust or the pollution, right.

So, I think finding some way that better balances all of those equities. Yeah, what I'll say about the siting of the clean energy is look, I mean this is a big industrial project, everything is hard on a community. Lots of things were unsightly on a community. Siting clean energy or finding ways to control the emissions from existing energy is something that could be the win-win, right. It could be the thing that brings both the jobs and the tax base and the economic upside to the community and that delivers either clean-air or keeps the air clean in the first place, right if you put in the zero-emission resource. And I think that those are the sorts of things we should be looking for like where are the win-wins. And ideally, the triple wins if you will that also keep the electricity or the energy broadly affordable for those communities.

Greg Dalton: And that example of the Hamptons, kind of lays bare that basically people in upper-class America want to keep the existing class and power structures in place and just take out fossil energy and put in clean energy as long as there's no direct impact to them. Do you think we can really solve climate while keeping the existing power and class structures in place or is there more fundamental societal change that needs to happen?

Rich Powell: I worry about conflating the climate challenge with the broader sort of social or economic challenges as well. In our experience finding the areas of bipartisan agreement are all about sort of, you know, really, really narrowing in on the issues where there's the most possible agreement. And so, we've had concerns for example about the you know the Green New Deal or some of these other things because they try to, they package all kinds of other issues which frankly for a lot of folks on my side of the aisle are highly contentious issues together with climate policy. And they treat this as one big entangled issue and I would argue that the more that we can really just focus on the specifics of the energy policy making the more bipartisan agreement we're gonna have in moving forward.

So, I do think that the way that we can solve all of this is or let me not say solve it. A way that we

can alleviate this or sort of, you know, pull some of these equities together is finding ways that we can find those triple wins. Finding ways that we can let disadvantaged communities go to the front of the line whether that's for receiving the benefits of new clean energy development or the jobs associated with new clean energy development or the tax base associated that you can actually build real communities around. That seems like one way that maybe we could help address all these things at the same time.

Greg Dalton: Rich Powell is Executive Director of ClearPath. This is Climate One. Coming up, energy reporter Ben Geman on corporate buy-in for Biden's climate agenda.

Ben Geman: I think the fact that you've got some of the largest and most powerful corporations signaling support for taking action on climate change will certainly help him, but you know the devil is always in the details, right? [:09]

Greg Dalton: That's up next, when Climate One continues.

Greg Dalton: This is Climate One. I'm Greg Dalton. We're talking about the politics of accelerating the transition away from fossil fuels to cleaner energy in order to stabilize the climate that supports our lifestyles and economy. Ben Geman reports on energy and politics for Axios.

Corporate support for climate action in the past has focused on splashy ads and safe, incremental steps.

But more recently, corporations such as Microsoft, Mercedes and Verizon have started to make more specific and bolder pledges, and put real money behind their words.

PROGRAM PART 3 - BEN GEMAN

Ben Geman: Certainly many, many large companies now have some type of long-term sustainability or carbon emissions pledged you know something like net zero or carbon negative by 2050, has become something of the coin of the realm. And a lot of companies now are also sort of setting even some nearer-term targets. Now the big question now I sort of think of us in something of the post pledge era if you will. It used to be big news when a company announced some long-term ambition. Now to me the question is what are they gonna be doing in the sort of near and medium term to get there. That said, you know, I think certainly this does create some tailwinds for President Biden because he's got this very ambitious climate agenda, but also some real constraints that are facing it notably the very narrowly divided Congress, some litigation which maybe we can get into that's near certain. So, I think the fact that you've got some of the largest and most powerful corporations signaling support for taking action on climate change will certainly help him but you know the devil is always in the details right. A broad brush ambition is not necessarily the same as endorsement of a policy; it's not necessarily even the same as declining to fight a policy in Congress or in the courts.

Greg Dalton: Right. And we've seen that, you know, with General Motors as soon as Trump is elected, they're like, oh back off the Obama rules. So, you can easily see General Motors pivoting again quickly if there is a Republican president in '24 saying, oh yeah, you know that pledge about gasoline it could slow things down. So, I think the real question is do these companies engage on policy? It's one thing to make you know, shiny Super Bowl ads it's another thing to actually get into the trenches and politics. Are they doing that?

Ben Geman: You know it varies greatly by company I mean the answer is generally speaking, yes, I think the auto industry is looking for some type of harmony with the new administration. And certainly, you know for their own reasons. You can see that the auto industry is going much more deeply into electric vehicles certainly you know GM, Ford, Volkswagen they've all announced very, very large investments and certainly the kind of political climate, not just in the U.S. but in China and in Europe to name the other two largest markets has a lot to do with that.

But honestly, I think it's also just sort of seeing where the growth is gonna be. I mean look let's be honest, of course right now electric vehicles are an extraordinarily small slice of the sales pie, but they're growing and you know Wall Street investors are really sort of talking with their wallets here, right. I mean we've got this enormous amount of capital pouring into startups you know aside from the legacy automakers we're seeing many startups who have either not made any vehicles at a commercial scale yet or are just getting into commercial production announcing these deals to go public at some really eye-popping evaluation numbers. So, I think that there is a recognition out there that a combination of policy, consumer interest, activist pressure, all sorts of other forces are going to be pushing that industry towards electrification. And now what that means for actually endorsing any type of new set of emissions and mileage standards in the U.S. is something of a different question.

Greg Dalton: Yeah, often I look at the markets and the federal government and kind of see two different worlds. The markets value Tesla as more than Ford and GM and VW and Toyota combined. And over the last 10 years the S&P's been up over what 190% and Exxon has been down 40%. So, the markets are clearly seen to be saying one thing but in Washington DC the political discussion seems to be on a different planet. Do you think about, like that Wall Street and Washington seem to be looking at two different things?

Ben Geman: Yeah, I think that's a really great point. You know when it comes to how the markets are viewing electric vehicles, I think there is now more harmony than perhaps there certainly then there was under the Trump administration. I think part of this gets back to something that we opened our discussion with which is what are corporations doing on climate. And one of the areas in which some of the biggest companies in the world, such as Walmart and Amazon are looking to meet these sustainability pledges is through buying electric vehicles. And so, I think that's one of the reasons we're seeing some of this investor excitement around companies as well. And that's because for example Amazon and perhaps most aggressive moves, has announced a deal about a year ago with this startup called Rivian to buy 100,000 electric delivery vans for them. Now that's a target to 2030, but they hope to have about 10,000 of them on the road by in the 2022 timeframe. So, I think you know like I said before, corporate procurement is gonna be one driver and that's one of the reasons why I think there's some interest in the electric vehicle markets.

Also, President Biden, one of the things he can do with his executive power because certainly there's headwinds in Congress one of the things he can do is try and boost federal procurement of these vehicles as well. So, that's one of the other reasons I think we're getting that some of that strong interest in the electric vehicle market. But honestly really China is the straw that stirs the drink in a lot of ways too. I mean it's by far the world's largest auto market. National support for electric vehicles there is quite strong. And the same holds true for Europe as well, which is quite far ahead of the U.S. in terms of already starting to implement the type of carbon emission standards that really will drive increasing deployment and sales.

Greg Dalton: Right. There's been some reports recently about G20 countries making emissions pledges, etc. but the policies are not quite in place to make those pledges realize. So, one of the things that's out of the bipartisan committee and the U.S. House of Representatives is to reassert U.S. leadership. So, where's the globe in terms of meeting those climate pledges?

Ben Geman: Yeah, that's absolutely right. There's been a lot of research and you can look at it in different ways. But basically, the world is nowhere near on track to meet the ambitions of the Paris climate agreement. Now the world is not most countries are not even on track to meet the sort of medium-term carbon emissions reduction pledges that they made in the first round of negotiations and submitted around that first round of negotiations in the creation of the Paris agreement. So, that's gonna be one of the really big tasks for the Biden administration because you know China is the world's largest emitter. The U.S. comes after that. And I think of the fact that he has appointed John Kerry to this kind of special climate envoy role really illustrates their interest in sort of having not only the U.S. take much stronger steps but essentially try and cajole and work with other countries on a diplomatic front to implement some near-term policies to really sort of get the emissions trajectory starting to move downward, right. I mean, like you know, just like many, many big corporations have these long-term pledges many countries do too. I mean look China last year announced that it wanted to be carbon neutral by 2060, but that's a long time from now, right.

So, I think that what there's a lot of interest in is when will their emissions actually peak let alone get being carbon neutral but even stop rising on a sustained basis and start cutting the really going downward steeply and on what time frame. Now the U.S. has a little bit of a credibility problem here, right. Because doing anything big through Congress is extraordinarily difficult. Now that's a somewhat evergreen statement and certainly holds true beyond just on climate change, but it's particularly true there. So, I think what the challenge for the administration is going to be is not only sort of trying to work with other countries on their clean energy deployment policies and emissions policies but also showed that the U.S. policies that Biden is seeking to implement will be somewhat robust and also sustainable even with the changes in the political winds in the country. You know one thing that's really interesting is you can tell how committed and interested they are in this diplomatic push because certainly, while John Kerry was the most high profile diplomatic hire if you will under the new administration you're seeing that effort sort of sprinkled throughout. One example that I would give is that the Energy Department a man named Andrew Light who had been in the State Department under Obama has now come back into the federal government and he's in an energy department international climate role. So, I think you're seeing this kind of whole of government approach on climate and that extends to the multiple parts of the government that have some type of diplomatic function.

Greg Dalton: Yeah, certainly climate and environment used to be kind of in a very narrow lane and kind of a niche issue and now they've infused it throughout the federal government because it really does touch on everything that we do touch and eat every day and that's started to be reflected. Washington Governor Jay Inslee campaigned for president, saying he would declare a climate emergency. Senate majority leader Chuck Schumer recently floated the idea of President Biden using emergency executive powers. What are the chances of that happening and what would it enable President Biden to do?

Ben Geman: Declaring national emergency does unlock some funding abilities that might not necessarily be there. It also I believe unlocks other types of powers. One of them could be for example on trade related restrictions. I'm a little bit fuzzy on this aspect of the law, but one of the very interesting parts of President Biden's campaign platform was trying to make sure that climate is very stitched into the fabric of U.S. trade policy because one thing that's long been considered a challenge to overcome with international climate action is that you want to avoid if you have your own emissions restrictions in one country you don't want that you don't want to sort of create a competitive disadvantage for industries or just sort of have those carbon emissions migrate to other countries. So, Biden has discussed the idea of some type of border carbon adjustments or tariffs. Now the reporting I've done suggests that it would be much easier to do that with Congress and with some type of congressional authorization, but that there are pathways to do that under executive

authorities as well perhaps if there was an emergency declared.

Greg Dalton: Right. And I think that's really interesting because we've seen that trade and carbon has kinda been on the edge before. And I've talked to a lot of people like oh we don't want to tangle carbon up with world trade it's already complicated enough and start a trade war, etc., but that seems to be kind of inching up getting a little more attention these days is linking carbon and trading. So, that for example, countries that are not meeting their commitments, slap a tariff on them from the polluting countries.

Ben Geman: Yeah, the way you just said actually is very close to how it's actually stated in the Biden climate platform that he ran on. And I think also, you raise an excellent point because this idea sort of you know, again, weaving climate into the fabric of diplomacy and trade in many other areas we're really starting to see a lot of interest in that, for example, I think we're gonna see this large executive order that President Biden already issued on climate change calls for the Treasury Department to have a role in sort of trying to steer and work with the U.S. export and development finance agencies to ensure that they sort of prioritize clean energy and boosting sort of clean energy deployment in other countries and sort of steering export financing in those directions.

And then one big question around that at the same time is where does that leave other types of fossil fuels. The U.S. has sort of seen a very big rise in exports of liquefied natural gas. How the new administration deals with that is something I'm gonna be fascinated to see because on the one hand, natural gas when you burn it has far lower carbon emissions than coal. So, you saw the president's nominee for energy Secretary Jennifer Granholm say in written responses related to her confirmation hearing that she does see a role for U.S. liquefied natural gas exports in sort of replacing higher fossil fuel or higher emissions fossil fuels in other countries. That said, she sort of pairs that by saying we need to make sure that we have a much cleaner domestic industry in the production of that gas and essentially that's code for saying we need to reduce methane emissions associated with that. Even though that was sort of the second part of her answer, you saw some immediate concern raised by some of the more leftie parts of the environmental movement who don't like LNG exports at all. If I had to guess or look into my crystal ball a little bit, which is faulty like every reporter is, I'd be very surprised if this administration backed away from U.S. LNG exports. I would never say never but I'd be a little surprised.

Greg Dalton: Well, and there are some important geostrategic considerations there. The idea of helping Europe get off of Russian gas for example, and we have a president who is very well-versed in international affairs and geopolitics. And so, exporting liquefied natural gas can be a tool for U.S. energy diplomacy.

Ben Geman: That's absolutely right. One of the sorts of rare and uncommon through lines through the Obama administration and the Trump administration was this idea that U.S. LNG exports can be something of a diplomatic carrot in order to sort of improve energy security in Europe and you know work with those allies. Now we can get in the whole thing about where Trump stood vis-à-vis Russia and how strong or not strong, he was. But that said support for U.S. LNG exports continued both through the Obama and the Trump administrations.

Greg Dalton: Right. But there's a real problem with which you didn't mention is also fracking because a lot of natural gas is fracked. Methane emissions is one of the big three kind of things that can be done on climate but fracking and the president there looking at the sort of the AOC and Sunrise part of the party, the Bernie Sanders supporters. They kind of came on board with Biden, but they didn't quite trust him on fracking so that could be cause some real problems with the left. How much of a voice and how much is he looking to that left? He seemed to done a good job bringing them on board during the campaign and has them so far, but are they gonna stay with him?

Ben Geman: Yeah, you know, I think that's exactly right what you said. I mean Biden, there's been something of this dissonance an idea that Biden of course sort of campaign and had this reputation as the sort of perhaps middle-of-the-road figure, somewhat of a centrist, somewhat of a moderate. His climate platform is by orders of magnitude stronger than anything that was ever contemplated under the Obama administration. Now that reflects a lot of things, not just political positioning, but the cost of clean energy, you know, how it's declined, how serious and what we learned about the harms from climate change. So, there's a lot of reasons for that but the overall point remains that he made a lot of nods toward things that people on the progressive left very much support. whether that harmony can continue is gonna be a little bit, you know, now we're gonna see some of the proof as being in the pudding. Certainly, I think climate activists have been very pleased by his initial moves coming right out of the gate with the sort of whole of government approach on the topic.

So, so far, I think there's harmony but you know executive orders I think are often very splashy when they're introduced and they get a lot of attention. And certainly, executive orders can do some things very quickly, right. We saw Biden yank the permit for the Keystone Pipeline, that was a very immediate thing. But aside from those limited things I think the better way to look at an executive order is sort of firing a starting gun for an extraordinarily long race and a lot of careful and very broad bureaucratic effort. So, you know, it's in the implementation of those kind of policies where we might see some of that friction.

Greg Dalton: You've been listening to Climate One. We've been talking about climate policy and politics, with Axios Energy Reporter Ben Geman. My other guests today were Florida Democratic Representative Kathy Castor, and Rich Powell, Executive Director of ClearPath, a center-right think tank in Washington.

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Greg Dalton: Sara-Katherine Coxon is our Senior Producer and our producer is Tyler Reed. Kelli Pennington directs our audience engagement. Steve Fox is director of advancement. Anny Celsi edited the program. Our audio team is Mark Kirchner, Arnav Gupta, and Andrew Stelzer. Dr. Gloria Duffy is CEO of The Commonwealth Club of California, where our program originates. I'm Greg Dalton.