

Summary

Some parts of Biden's climate policies were more impactful than others. Other strategies may require more emphasis if and when the Democrats take control again. In particular, subsidizing solar and onshore wind may not be as important as they seemed a few years ago, because they are now price competitive on their own.

A new [report](#) from an MIT researcher says that the “glass is half full” in terms of prospects for renewables in the U.S. This was interpreted by some to mean that Biden's climate policies were proving successful despite repeal of key parts of the Inflation Reduction Act. That's a bit of a misreading. It also misses some key takeaways from the report. Those include skepticism about tax credits for wind and solar, an emphasis on removing obstacles to new projects, and a call for supporting the development of “firm” power sources like geothermal.

In terms of the glass being half full, we have to start by defining the “glass.” In this case, the point of comparison is the trend in U.S. power sector emissions given the IRA and Biden's climate regulations. Part of that downward trend was already in place prior to Biden and is driven by state climate policies and the decrease in costs for solar, wind, and battery storage. One lesson of the study is that Trump has been unable to halt that prior trend. Biden's regulations and the IRA's production credits did accelerate that preexisting trend. The regulations never went into effect, and the production credits did continue to incentivize new renewables until the July 1 cutoff for new projects.

The report suggests that the Biden regulations would have been useful, particularly in terms of cutting coal. The report also suggests, however, that the renewable energy production credits should be rethought. While they did somewhat accelerate expansion of renewable energy, they also subsidized many projects that would have happened anyway. Given the changed fiscal and political climate since the IRA was passed four years ago, that may not be an effective use of government resources.

Instead of attempting to recreate those credits, the report suggests several strategies. The first is accept the need for gas generation in the near term, to provide firm power backup as the renewable penetration of the energy mix grows.

The alternative is increased utilization for coal-fired power plants, which is worse. The second strategy is to invest heavily in developing zero-carbon alternatives

including geothermal, nuclear, hydro, and carbon capture for gas plants. The third strategy is to bulldoze obstacles to expanding clean power, primarily through permit reform.

The report is clear about the limits of the modeling exercise, and we shouldn't blindly accept the results. It is also limited to the power sector and doesn't address the crucial need to electrifying the vehicle fleet. Other models might suggest different future policies. Despite the caveats, the report is well worth a read. It provides a lot of food for thought about post-Trump climate policy.