

Should Clean Projects in the United States be Reconsidered?**Case of EV and Renewable Energy**

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- The Trump administration is trying to roll back the climate change policies put in place by the Biden administration, especially with regard to electric vehicles and renewable energy. There is a high possibility that the tax credit programs and related regulations expanded and established by the Inflation Reduction Act will be revised or repealed.
- However, the policies of the former Biden administration were a "tailwind" in the United States toward ambitious climate change goals, and even if that tailwind stops, it does not mean that the global trend, state governments, and corporate efforts will all stop. The shift to renewable energy will continue as a big trend.
- There is also a possibility that President Trump's close advisers may support next-generation nuclear reactors and carbon capture and storage technologies, so some of the tailwind for new climate change-related technologies may continue.
- In recent years, the US political environment has been a fast-swinging pendulum. The speed of policy change is so fast that businesses relied on current policies cannot survive. By conducting sufficient policy and political research, it is becoming increasingly important to carefully consider where the neutral bottom line is, maintain business continuity, and build a position that can catch the tailwind depending on the policy.

Climate change skeptic President Trump has returned to the White House and will likely try to roll back many of Biden's climate change policies. Will this mean that zero-emission and green projects in the US will be forced to be reconsidered? In this article, we will analyze how climate change and energy policies will change with the transition from the Biden administration to the second Trump administration, while also taking into account long-term trends in the United States and considering whether green projects in the United States need to be reconsidered.

1. Electric Vehicles in the Trump Era

President Trump, who returned to the White House, is so negative about climate change measures that he once said, "climate change is a hoax," and announced his withdrawal from the Paris Agreement again soon after taking office. During the election, he called for the revision and repeal of the Inflation Reduction Act (IRA), a signature law of the previous Biden administration, and for an increase in fossil fuel production. Companies and NGOs (non-governmental organizations) that focus on the clean economy are increasingly concerned that the second Trump administration will significantly regress America's climate change measures. So, will green projects in the United States be forced to be reconsidered? Below, we will consider each specific policy.

First, let's look at EVs, which are getting a lot of attention. In his campaign pledges, President Trump strongly [criticized](#) the Biden administration for forcing EVs on most people (EV mandate¹) and unnecessarily encouraging the spread of EVs. The previous Biden administration set [a goal](#) of increasing the EV ratio to 50% of new car sales by 2030, but this goal itself is not legally binding. President Trump criticizes the fuel efficiency and tailpipe regulations for automobiles that have been tightened by the Biden administration. The former is set by the US Department of Transportation as the Corporate Average Fuel Economy Standard (CAFE standard) for automakers, and the latter is set by the US Environmental Protection Agency (EPA) annually, setting standards for harmful substances and greenhouse gases (GHG) in automobile tailpipe emissions. The Biden administration announced new standards in 2024. As a result, while the initial draft of the regulations issued in 2023 proposed a standard that could only be met by raising the EV ratio up to 67% by 2032, the final regulation set the standard at a level that could be met with an EV ratio of around 30-56% between 2030 and 2032².

So, will these standards be further relaxed under the Trump administration? On the first day of his inauguration, the Trump administration issued the Executive Order entitled "[Unleashing American Energy](#)" instructing all government agencies to review regulations that favor EVs and disadvantage internal combustion vehicles in order to abolish the "EV mandate." However, the order did not mention the specific names of the regulations. The America First Policy Institute (AFPI), a conservative think tank considered close to the Trump administration, harshly criticized the final regulations of the former Biden administration, [saying](#), " This rule represents a massive regulatory overreach that aims to force EVs on the American people while stripping Americans of consumer choice and putting cars entirely out of financial reach for millions of Americans. It will also destroy an estimated 117,000 auto manufacturing jobs across Michigan, Ohio, and Indiana." In other words, their stance is that it is unacceptable to impose standards that cannot be met without manufacturing even a small number of EVs. The policy document "Project 2025," which was created mainly by the Heritage Foundation, a conservative think tank, and some of whose authors have been appointed to senior administration officials, calls for the Department of Transportation's CAFE standards to be lowered to the 35 miles per gallon standard for 2020 models set by Congress³, although Trump has previously distanced himself from the "Project 2025".

¹ "EV mandate" is a term used by conservatives to criticize the policies of the former Biden administration, while many liberals believe that there is no federal EV mandate. Senator Ed Markey (Democrat), who is active in environmental regulations, also repeatedly emphasized that there is no EV mandate at the nomination hearing for the Trump administration cabinet in January 2025.

² To be precise, the Department of Energy, which sets the Petroleum Equivalent Fuel (PEF, a coefficient that indicates how much electricity one gallon is equivalent to) used to convert the average fuel efficiency of EVs under the CAFE standards, announced plans to significantly reduce the PEF (i.e. worsening the fuel efficiency of EVs) in its proposed regulations for 2023. However, following opposition from the auto industry, the Department reduced the amount of reduction in the final proposal for 2024.

³ The CAFE standards were enacted in 1975 by the Energy Policy and Energy Conservation Act against the

Regarding EPA's tailpipe emission regulations, the "Project 2025" document calls for "Establish(ing) GHG car standards under Department of Transportation (DOT) leadership that properly consider cost, choice, safety, and national security.", "Review(ing) the existing "ramp rate" for car standards to ensure that it is actually achievable." and "Include(ing) life cycle emissions of electric vehicles and consider all of their environmental impacts". In addition to calling for the relaxation of standards, the document also indicates the view that regulations on automobiles should be led by the Department of Transportation rather than the EPA. In response to a question about EV policies at the Senate confirmation hearing, now EPA Administrator Lee Zeldin said, "I will not prejudge any outcomes of any future process processes, ... it is my obligation as EPA Administrator if confirmed to follow the law".

Environmental regulations in the United States, and in recent years, climate change policies in general, have been tightened and relaxed repeatedly with each change of administration between political parties. The same is true for automobile fuel efficiency and tailpipe emission regulations. In the second term of the Trump administration, as in the first term, the current standards will be left unchanged for several years, or the pace of standard increases will be slowed down. In particular, with EVs still accounting for less than 10% of the new car market, the rules set by the previous Biden administration, which required automakers to increase the EV ratio to about 50% within a few years, will inevitably be reviewed. From around June 2025, negotiations with the industry over the formulation of new fuel efficiency and tailpipe emission standards are expected to begin. One thing to note here is the presence of Tesla CEO Elon Musk, who has a great influence on President Trump. Under CAFE regulations, automakers who cannot meet the standards are required to purchase credits from manufacturers that exceed the standards. Tesla, which specializes in EVs, has been able to generate and sell many credits due to this regulation, which generated revenue [of \\$2.8 billion, equivalent to 28% of the company's total revenue in 2024](#). Perhaps for this reason, Musk has previously [advocated](#) raising CAFE standards. Tesla shares fell 3% the day after the presidential order repealing the "EV Mandate" was issued.

2. What about the California waiver?

A major issue aside from federal standards is the waiver that California (CA) has obtained for vehicle tailpipe emission regulations. The EPA sets tailpipe emission standards based on the Clean Air Act (CAA⁴), which in principle prohibits state and local governments from setting their own tailpipe emission standards. However, Article 209 of the CAA stipulates that states can set their own standards by obtaining a waiver from the EPA in advance if certain

backdrop of the first oil crisis, but were revised by [the Energy Independence and Security Act of 2007](#), requiring automakers to achieve an average fuel economy standard of 35 miles per gallon for passenger cars and light trucks by the 2020 model year. This is currently the latest fuel economy standard set by Congress. Meanwhile, the CAFE standards revised during the first term of the Trump administration had already exceeded 40 miles per gallon for [2020 models](#).

⁴ A basic law enacted in 1963 that requires the federal government to regulate air pollution.

conditions are met. However, the waiver applies to "states that implemented tailpipe emission regulations for new vehicles and new engines before March 30, 1966," and only California is eligible under this condition. Based on this, California has obtained many waivers from the EPA since 1967. The policy announced by California Governor Gavin Newsom in 2020 to make all new car sales in the state clean cars by 2035 was also⁵ [exempted by the former Biden administration in December 2024](#). Although waivers are only available to California, Section 177 of the CAA allows other states to implement emissions regulations equivalent to those of California. According to the California government, 17 states and the District of Columbia currently have all or part of the regulations for which the EPA granted waivers to California.

During the Trump administration's first term, the administration decided to revoke California's waiver in 2019, arguing that standards should be unified across the country (however, the waiver was challenged in court, and the Biden administration re-granted it in 2021), and during the second term, the "Unleashing American Energy" executive order, while not naming California by name, mentioned that "by terminating, where appropriate, state emissions waivers that function to limit sales of gasoline-powered automobiles" Project 2025's policy document also recommends that California's waiver be revoked again with regard to automobile fuel economy and GHG emissions regulations, stating that "Restore the position that California's waiver applies only to California-specific issues like ground-level ozone, not global climate issues." and that "Ensure that other states can adopt California's standards only for traditional/criteria pollutants, not greenhouse gases." Meanwhile, in the previous session of Congress, a bill to amend the CAA was submitted to both the House and Senate to prohibit EPA from issuing waivers to state regulations restricting the sale of new internal combustion engine vehicles, and the bill was passed by the House of Representatives, which is dominated by Republicans (neither the bill submitted in the Senate nor the bill passed by the House of Representatives was debated in the Senate). Similar legislation is expected to be enacted in the current session, but unless the clause has an impact on the budget, the Senate needs 60 seats to approve it, so it is unlikely that a bill to amend the CAA that would nullify the waiver for California will be passed.

3. What about IRA EV provisions?

As mentioned above, the IRA is the signature policy of the former Biden administration and the largest climate change law in the history of the United States. As a result, it has become a target for the Trump administration to revise or repeal, but the IRA has a wide range of contents and its benefits have already spread to the Republican support base, so its revision and repeal will not be easy⁶. In the "Unleashing American Energy" Executive Order, President

⁵ A waiver from California's Advanced Clean Car II environmental regulations for automobiles, which require that all vehicles sold in the state from the 2035 model year onwards be clean vehicles (battery electric vehicles (BEVs), plug-in hybrid vehicles, and fuel cell vehicles).

⁶ For more information on the reform and abolition of the IRA, please also refer to the report written by

Trump ordered the suspension of funding for climate change programs in the Infrastructure Investment and Jobs Act (IIJA), which was passed by the former Biden administration in a bipartisan manner in 2021,⁷ in addition to the IRA. However, the targets of the suspension are subsidy and loan programs, and the tax credit programs detailed below are not currently affected.

Among the EV-related provisions of the IRA, the tax credit given to consumers when purchasing clean vehicles⁸, including EVs, is the one that is most familiar to consumers. Specifically speaking, there is a program called 30D, which gives a tax credit of up to \$7,500/vehicle for the purchase of new clean vehicles for personal use (there are two requirements, the critical minerals requirement and the battery components requirement, and each of them gives a credit of \$3,750/vehicle), 45W, which gives the same amount of tax credit for commercial use such as leasing, and 25E, which gives a tax credit of up to \$4,000 for used clean vehicle transactions. Unlike the tax credits for corporate production and investment described below, these tax credits for EV users are difficult to link to investment and job creation in the electoral district or state, but have a certain impact on reducing revenue. They are an ideal target for the Republican Party, which needs financial resources to extend the 2017 Trump tax cuts, which will partially expire in 2025. However, 30D is a tax credit program that existed before the IRA was established, although the conditions have changed, and it is somewhat difficult to abolish the program itself. On the other hand, the 45W and 25E programs were newly established by the IRA, and the 45W in particular has looser requirements in many ways than the 30D.⁹ Even models and buyers who are not eligible for tax deductions under the 30D can still benefit by leasing, which has led to criticism that it creates a loophole.

Therefore, regarding the tax credit program for purchasing clean vehicles, it is difficult to abolish the 30D by amending the law, but it is relatively easy to tighten the regulations established by the previous Biden administration¹⁰, although administrative procedures such

the author, " [The World After Trump's Reelection \(1\) What Will Happen to the Inflation Control Act \(IRA\) ?](#) "

⁷ Section 7 of the "Unleashing American Energy" Executive Order, "Terminating the Green New Deal," instructed all government agencies to immediately pause the disbursement of funds appropriated through the IRA and IIJA. However, two days later, on January 22, a [memorandum from the Office of Management and Budget \(OMB\)](#) explained that the target was limited to the policies set out in Article 2 of the Executive Order and programs in line with "Terminating the Green New Deal."

⁸ Same category as clean cars in CA

⁹ The 30D is subject to North American assembly requirements, restrictions on critical minerals and battery components produced by Foreign Entities of Concern (FEOC) such as China, and income restrictions for purchasers, but the 45W does not have such restrictions.

¹⁰ For example, under the regulations established by the Treasury Department of the previous administration, if 50% or more of the added value in any process of mining, refining, or recycling of important minerals is carried out in North America or in a country that is a party to an FTA (Free Trade Agreement), it is deemed to be an originating product, but it seems possible to address this by revising the regulations to make the determination for all processes or to raise the added value percentage. Also,

as public comments will be necessary. It may also be possible to change the 45W to requirements as strict as the 30D by amending the regulations. Furthermore, if the IRA amendment and repeal bill is passed in accordance with the Budget Reconciliation procedure, which can be passed by a majority vote in both the House and Senate, it is possible that the 45W and 25E programs themselves will be abolished.

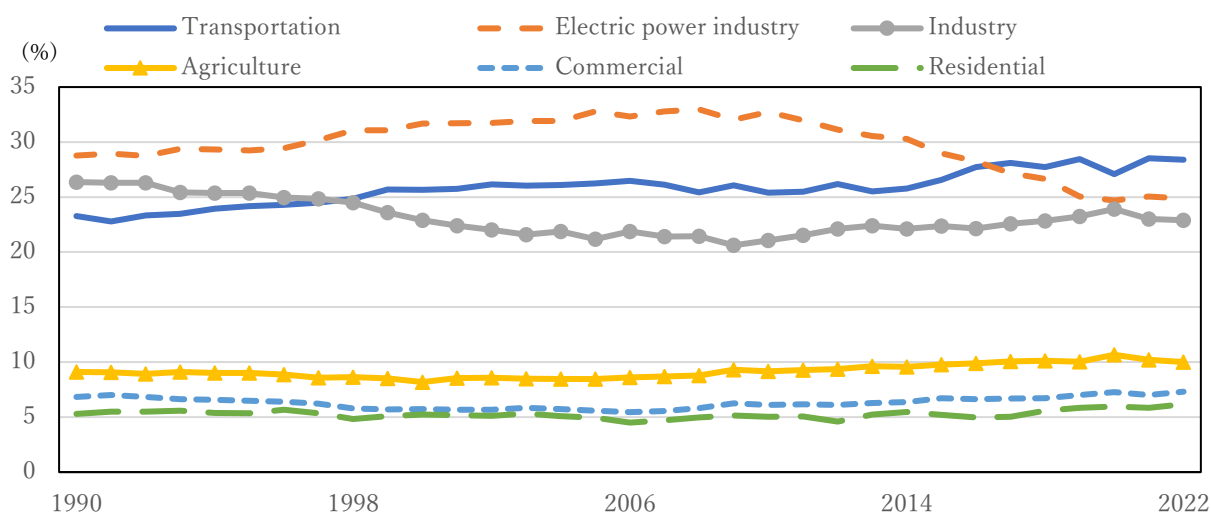
The IRA's EV-related tax credit program is not just for buyers. The 45X program provides tax credits based on production to advanced manufacturing industries, including battery parts and critical minerals essential for EV manufacturing, and its passage has promoted investment in batteries and related parts across the country. According to [one analysis](#), of the approximately \$116 billion in private investment induced by the IRA, more than three-quarters was invested in districts where Republicans won in the 2024 House of Representatives elections. According to [another analysis](#), investment in the EV supply chain in the United States will amount to \$110 billion, and of the 15 battery factories announced after the IRA was passed, 13 are located in districts where Republicans won. Therefore, while there is not a large opinion among Republicans that the 45X program itself should be abolished, some lawmakers submitted a bill in the previous session opposing the implementation of the final rules for 45X formulated by the former Biden administration, [claiming](#) that the provision would also qualify Chinese companies related to the Chinese Communist Party for tax deductions. Some Democrats have also expressed support for this bill, and there is a possibility that the FEOC rules used in the 30D and other programs will be adopted for other programs such as 45X, and that rule changes will be made to limit the projects that are eligible. If this happens, it will be a boon for Japanese companies and others that are not subject to FEOC.

4. The tailwind for EV will die down, but the trend will continue

Looking at GHG emission sources in the United States by sector (including power generation), the transportation sector has become the largest since 2017, overtaking the power generation sector, which is seeing an increase in its shift to natural gas and renewable energy (Figure 1). In other words, efforts in the transportation sector are the most effective way to reduce GHG emissions in the United States.

natural graphite is excluded from the minerals subject to FEOC's judgment of whether they are applicable, but it would also be possible to include it in the scope by revising the regulations.

Figure 1. GHG emissions by sector



Source: EPA; [Greenhouse Gas Inventory Data](#)

It is likely that this is the reason why the former Biden administration tried to strongly promote the electrification of the transportation sector. Due to the review of CAFE standards and tailpipe emission regulations, as well as the revamping of the IRA's 30D tax credit program, the share of BEVs [rose from 5.3% in the January-March 2022 period to 8.7% in the October-December 2024 period](#). Furthermore, due to strong support for the manufacture of EV parts such as batteries, the construction of the EV supply chain in the United States has begun to progress rapidly, creating a tailwind for the EV shift. However, the pace of the EV shift has begun to slow down slightly since the latter part of the former Biden administration, as early adopters' EV purchases have come to an end and the vulnerability of EV charging has been exposed by the severe cold wave. As mentioned above, if the tailwind stops during the second Trump administration, the pace will slow down even further. However, I believe that the trend of the EV shift may stagnate, but will not reverse. The reason for this is that, as mentioned above, investments have already been made to establish an EV supply chain in North America. If the investment plans currently announced by various companies are realized, it is estimated that battery cell production capacity in North America will [reach 1,200 GWh by 2030](#), equivalent to 12 to 15 million EVs. This is a scale that exceeds the current number of vehicles produced in the United States, including gasoline-powered vehicles. Of course, not everything will go according to plan, and some plans will be suspended or cancelled. However, the impact of IRA incentives is large, and many of these already announced investment plans will not be derailed unless the Trump administration abolishes tax credit programs such as 45X.

Secondly, there are few factors that could reverse the current EV shift. The US experienced EV booms in the early 20th century and the 1970s, but the former was due to the appearance of the inexpensive Model T Ford and the discovery of cheap crude oil deposits in Texas, while the latter was due to the end of the oil price surge caused by the oil crisis and a lack of

charging infrastructure, resulting in the end of the EV boom. However, in light of the current situation, while there is limited room for a significant drop in crude oil prices or for internal combustion engine technology to improve further than it currently is, EV and battery technology are likely to continue to advance. Charging facilities in the US are also likely to expand further in the future.

And thirdly, even if the Trump administration withdraws all support for EVs, EVs will continue to increase in China and other countries. In other words, EV-related technological development and cost reduction will continue globally. Even within the US, states such as California will likely continue their own EV promotion policies, and if the Democratic Party returns to power in four years, policies that will once again provide a boost to EVs will likely be introduced. It will be too late to reconsider the EV business in the US at that point.

Of course, there are risks. China holds a large share of the mining and refining of minerals necessary for EV batteries, as well as major battery components such as electrodes and separators made from these raw materials, and the perception that the EV shift increases the vulnerability of national security is growing day by day in Washington DC. In particular, China's initiation of export restrictions on critical minerals such as germanium, gallium, and graphite in 2024 has spurred this trend. It cannot be denied that US politics, which prioritizes national security, may try to forcibly stop the EV shift. In addition, the United States is the world's largest producer of biofuels, and when considering consideration for farmers, security risks, and GHG emissions considered throughout the entire manufacturing cycle, there is a strong perception, especially among politicians elected in agricultural states, that internal combustion engines using biofuels are the optimal solution for the United States.

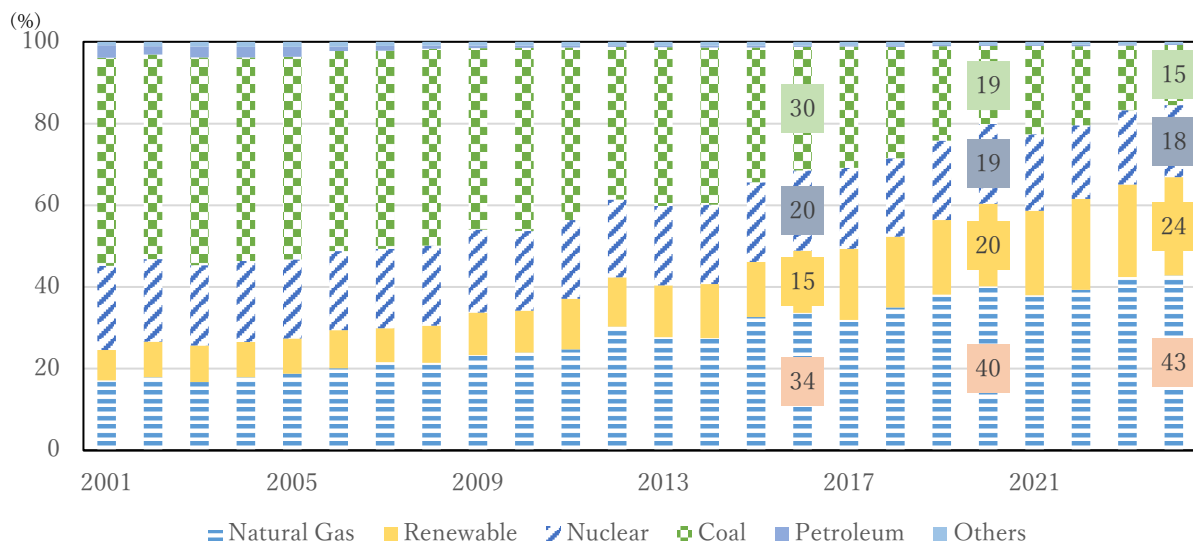
Such political risks, which are unique to the US, including the possibility of major changes in policy direction every four years, will likely continue to be a part of the future. However, considering the current investment situation and major global trends, EV-related businesses in the US will likely not be forced to make major revisions, although they will need to adjust the pace.

5. Will the shift to renewable energy continue?

As with EVs, President Trump made many negative comments about renewable energy during the election campaign. He harshly criticized the energy policy of the previous Biden administration, which promoted clean energy and increased the burden on fossil fuels, calling it the "[Green New Hoax](#)", and praised his own achievements in the first administration. Chris Wright, Secretary of Energy in the second Trump administration, [dislikes](#) terms such as climate crisis, energy transition, and clean energy, and Secretary of the Interior Doug Burgum, who was a Governor of North Dakota, is also enthusiastic about increasing fossil fuel production. As with EVs, there is a possibility that the IRA tax credit program for renewable energy may be revised or abolished. Project 2025 calls for the revision and abolition of subsidies and support for renewable energy developers established by IRA and other laws, as well as the departments responsible for them.

However, looking at electricity generation by fuel in the United States, the share of electricity generated by renewable energy (including traditional hydroelectric power, geothermal power, and biomass power) increased from 15% to 20% between 2016 and 2020. Meanwhile, the share of coal has fallen to less than two-thirds, from 30% to 19%. While the share of renewable energy will increase to 24% in January-October 2024, the share of coal will fall below that of nuclear power for the first time in 2023, remaining at 15% in January-October 2024. The share of natural gas is on an upward trend, but the share of thermal power generation, which is the combination of coal and natural gas, fell from 64% in 2016 to below 60% in 2020, and is declining further in January-October 2024 (Figure 4-2). It cannot be said that power generation capacity during an administration immediately reflects the policies of that administration, but from 2016 to 2023, coal-fired power generation is expected to decrease at an average annual rate of 7.6%, while renewable energy power generation is expected to increase at a rate of 5.2%. At least in the power sector, there is no visible tendency for the policies of the first term of the Trump administration to increase coal-based electricity and decrease the proportion of renewable energy.

Figure 4-2. Power generation by fuel



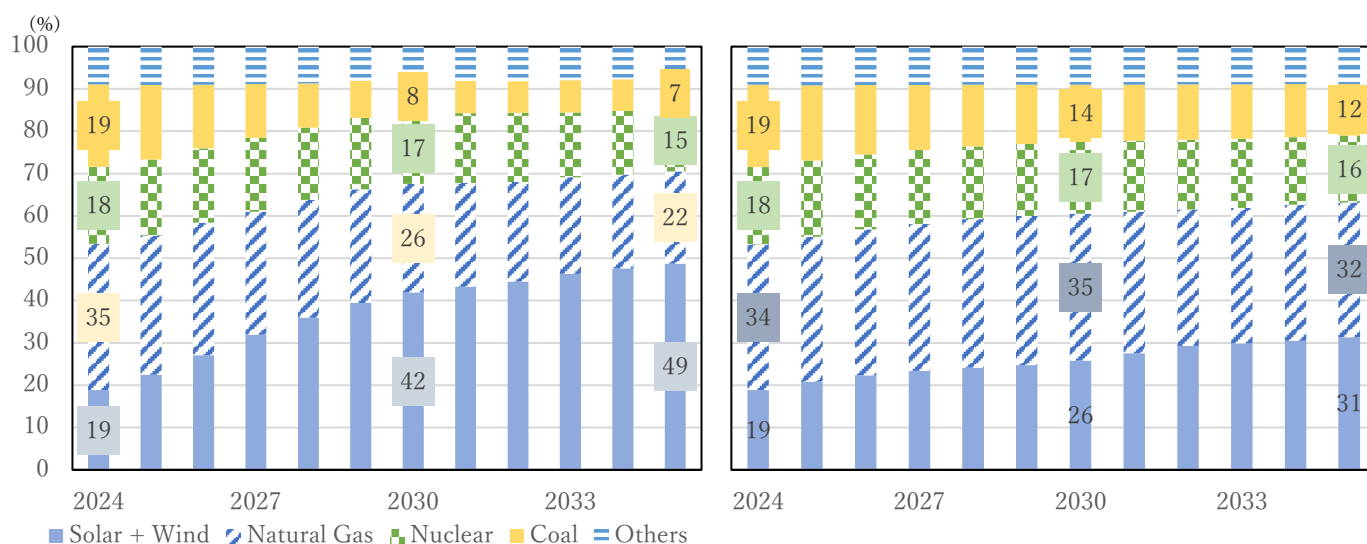
Source: EIA (U.S. Energy Information Administration); [Electricity Data Browser](#)

Note: 2024 is from January to November

So, will the shift to renewable energy stagnate in the second term of the Trump administration, unlike in the first? The former Biden administration expanded and established tax credit programs for clean electricity through IRA, and tried to get closer to the goal of net-zero GHG emissions in the power sector by 2035. According to EIA calculations, implementing IRA would increase the share of renewable energy, and the combined share of solar and wind power is expected to surpass natural gas in 2027 and reach 49% in 2035. On the other hand, without the IRA tax credit program, the combined share of solar and

wind power is expected to remain below natural gas at 31% in 2035 (Figure 4-3). In terms of power generation, the difference is a huge 800 GWh in 2035.

Figure 4-3. Forecast of power generation by fuel type (left: if IRA is continued, right: if IRA is not continued)



Data: EIA; [Annual Energy Outlook 2023](#)

However, even if IRA is no longer effective, it is expected that the proportion of renewable energy power generation, such as solar and wind power, will increase from the current level. The first reason behind this is the decline in the cost of renewable energy power generation. In particular, the costs of grid-based solar power generation and onshore wind power generation are estimated to be lower than combined cycle power generation using natural gas, even excluding the IRA tax benefits. As of 2023, the plan is for solar power generation to increase by 102 GW and wind power generation to increase by 26 GW (net) over the five-year period from 2024 to 2028, while natural gas generation is expected to remain at only 5 GW. If the IRA tax credit program for renewable energy is significantly reduced or abolished, this cost advantage will be reduced, but the trend of increasing the proportion of renewable energy is expected to continue. In addition, according to the [report](#), many of the tax credit programs for renewable energy also bring economic benefits to areas supporting Republicans, and it is considered difficult to completely abolish them even in a trifecta where Republicans occupy both houses of Congress and the White House.

The second reason is the overall growth in electricity demand. According to one [survey](#), electricity demand (summer peak capacity) is expected to grow by 128GW in 2029, an increase of 15.8% over the next five years. Due to energy-saving technologies and other factors, electricity demand in the United States has grown at an annual rate of less than 1% since 2000, but it is certain to surge in the future due to the increase in data centers due to the spread of artificial intelligence (AI) and the demand for electrification such as EVs. To meet this sudden increase in demand, renewable energy power generation, which has a

[relatively short construction period](#) and does not require fuel, is more advantageous than nuclear and thermal power generation, which have long construction periods and require securing fuel.

The third point is that even though the trend towards climate change measures shows signs of abating, many local governments and companies are still aiming for net zero and placing importance on renewable energy. At the state government level, there are systems called Renewable Portfolio Standards (RPS) and Clean Energy Standards (CES) that require power companies to use a certain amount of renewable energy and low-emission power sources.¹¹ As of December 2023, 28 states and the District of Columbia have adopted RPS and 11 states have [adopted CES](#). Systems vary from state to state, but California, the fourth largest in the nation in terms of electricity generation, has set a renewable energy ratio of 60% by 2030, and Illinois, the fifth largest, has set a renewable energy ratio of 50% by 2040. These states are headed by Democrats, and these efforts are likely to continue in the future. On the other hand, Texas and Florida, the first and second largest Republican states in terms of electricity generation, do not have RPS or CES systems at the state level. However, the two states have favorable geographical conditions for renewable energy generation, and in the 10 years leading up to 2023, Texas will have the highest growth in renewable energy generation for wind power and the second highest for solar power, while Florida has the third highest growth for solar power. In addition, cities and utility companies in urban areas may have their own renewable energy promotion policies. Climate Mayors, a network of cities actively working on climate change, issued a [statement](#) on January 20, the day the Trump administration announced its second withdrawal from the Bali Accord, saying that the network would adhere to its commitments in the Paris Agreement. On the corporate side, financial institutions have been moving to withdraw from international efforts to achieve zero emissions after 2024, but there are currently no signs of withdrawal from organizations such as RE100, which is made up of companies that are working to reduce GHG emissions from their business operations to zero. RE100's members include Dell Technology and Hewlett-Packard, which operate data centers in the United States. Although they are not members of RE100, Amazon, IBM, and Nvidia, which own large data centers and have plans to build new ones in the future, have not backed down on their net-zero electricity consumption targets. Future federal and state policies may have a significant impact on corporate behavior, but for companies that need to be mindful of reputational risk, it will be difficult to back down on climate change targets once they have been set.

6. Will nuclear power, next-generation nuclear reactors, and CCS move forward?

¹¹ The RPS standard focuses on renewable energy generation such as solar and wind power, while the CES standard covers nuclear power, hydrogen, and carbon capture and storage in addition to renewable energy.

What about nuclear power (including next-generation nuclear reactors) and carbon capture and storage (CCS), which are expected to be clean sources of power generation other than renewable energy?

President Trump is generally favorable toward nuclear power. In his early campaign pledges, [Agenda 47](#), he stated that he would support nuclear power generation by modernizing the Nuclear Regulatory Committee (NRC), maintaining the operation of existing reactors, and investing in innovative small modular reactors (SMRs). In addition, the Presidential Order "Unleashing American Energy" states that he will actively pursue the development of nuclear energy alongside fossil fuels and critical minerals. Project 2025 also asserts that the NRC should not be an obstacle to innovation in the use of nuclear power in the private sector, and calls for the promotion of the development of nuclear fuel disposal sites. In addition, Secretary of Energy Wright was a CEO of a shale company he founded, and also served as a director of Oklo, a Silicon Valley company that develops SMRs, so it can be said that he at least understands the benefits of next-generation nuclear reactors.

On the other hand, CCS is expected to play a role in reducing GHG emissions even in fossil fuel-based thermal power plants, but President Trump's basic stance does not seem to be one of active support. In Agenda 47, he criticized the Biden administration's regulations on thermal power plants, which essentially make it impossible to continue operating without CCS,¹² and questioned their effectiveness, saying that most CCS projects have failed. President Trump's consistent argument on energy is that energy that is not economically viable without subsidies is unnecessary. In particular, the cost of CCS in thermal power plants is higher than that of ethanol production facilities due to differences in gas concentration, and there is only one thermal power plant in the United States that has CCS facilities in operation. However, the Secretary of the Interior, Burgum, said to lead the energy policy of the Trump administration, is [positive about CCS](#). While serving as Governor of North Dakota, he became the first state in the United States to obtain the authority to be the first law enforcement officer for carbon dioxide storage wells (called Class VI wells). He has promoted CCS projects in the state and set a goal of achieving net zero emissions in the state by 2030. However, the reason behind his promotion of CCS seems to be that he sees it as one of the businesses related to fossil fuels, rather than as a measure against climate change. The fossil fuel industry has also called for support for CCS, particularly the continuation of the tax credit program for CCS (45Q) that was expanded by IRA, and it is possible that President Trump will change his stance depending on such opinions both inside and outside the administration.

7. Summary: All-of-the-Above Strategy

¹² The Biden administration announced the final regulations for GHG emission standards for fossil fuel power plants in April 2024. The standards set out a requirement that existing coal-fired power plants and new gas-fired power plants must be equipped with CCS from 2032 onwards in order to continue operating after 2039.

As we have seen above, President Trump showed a persistent dislike for EVs during the election campaign, and will likely try to stop the "tailwind for EVs" that the previous Biden administration tried so hard to create as much as possible. As for the power generation sector, he will prioritize lowering domestic energy prices over reducing GHG emissions, and will aim to eliminate high-cost renewable energy and increase fossil fuel production by amending and abolishing tax credit programs for renewable energy in IRA and other programs, streamlining fossil fuel mining permits, and relaxing GHG emission regulations. In other words, the basic principle of the Trump administration's energy policy will be to stop excessive preferential policies for EVs and renewable energy, relax regulations on fossil fuels, and treat all energy sources equally. This idea of energy policy is called the "All-of-the-Above Strategy," and has been used since the 2000s mainly by conservative camps as an energy policy idea that also uses fossil fuels. Depending on the context, it may be used in favor of fossil fuels, but it is a phrase that was often used during the first Trump administration and in President Trump's speeches. President Trump himself will likely continue to say "Drill, baby, drill" for the next four years, but as already mentioned, the importance of the All-of-the-Above strategy will increase in a situation where electricity demand is expected to grow at a rate not seen in the next 20 years. EV and renewable energy clean projects in the United States will likely find themselves in more difficult situations than they were under the previous Biden administration, but in the long term, demand will never continue to decline significantly compared to the past.

In recent years, US politics has been swinging like a pendulum. When the previous administration adopted an extremely liberal or conservative policy, the next administration has a tendency to steer in the opposite direction. Furthermore, the speed of the pendulum has been increasing as a result of the first two consecutive changes of administration since the late 19th century. In other words, business plans based on current policies are at high risk of failing immediately, while projects that are viable even in a neutral policy environment can be expected to have an upside effect when the policy environment becomes favorable again in four years. This does not mean that research of policy and political trends are unnecessary, but it will become even more important to consider which policies will continue bipartisanly even in such a policy environment, which fields are neutral businesses that are likely to gain support from both political parties, and in which regions such businesses should be promoted.

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