



**Atlantic Council**

GLOBAL ENERGY CENTER

# BIDEN'S CLIMATE CHANGE OPTIONS IN A DIVIDED CONGRESS

The prospects for US climate action  
with a Republican Senate

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## Senate in the Balance: The Georgia Runoffs

Jon Ossoff (D) vs David Perdue (R-Inc)

Republicans are likely to hold the Senate

- Democrats must win both Senate seats in Georgia to take control
- Biden outperformed both Democratic candidates in November, and Trump underperformed the Republican candidates
- Fewer are likely to vote in January's runoff, which tends to favor Republicans
  - However, election fraud claims may depress Republican turnout

The state is not completely out of reach for Democrats, particularly after Biden's win in November



Raphael Warnock (D) vs Kelly Loeffler (R-Inc)



## Either Result Will Necessitate Bipartisanship

Even if Democrats win both Senate runoffs in Georgia and take control of the Senate, that control will be slim (50-50. VP Harris will be the tie-breaking vote)

Moderate Democrats in the Senate will likely resist the most ambitious climate policies.

- Joe Manchin (D-WV) has already signalled that he will vote against any policies like the “Green New Deal,” which he views as radical
- Other Democratic Senators from hydrocarbon-producing states—those from New Mexico, Ohio, Colorado, Pennsylvania, and Montana—are similarly unlikely to support ambitious climate policies that affect their state’s industries

Even with unified government, the Biden Administration will only be able to pass climate legislation that appeals to these moderate Democratic senators, limiting the potential scope of ambition and necessitating bipartisanship



## Pathway 1: Executive Action



1. Rejoin the Paris Climate Agreement
1. Imbed climate policy in foreign relations and trade
1. Rebuild and empower agencies
1. Rule-making
  - Increase fuel economy standards
  - Regulate methane and coal ash
  - Prohibit hydrocarbon extraction on public lands
  - Reinstate GHG emissions standards

But rules take time: EPA rulemaking takes at least 2 years, a more conservative federal judiciary means they are more likely to be overturned in court, and, just like Biden will overturn Trump's regulations, so too could a new Republican administration overturn Biden's.



## Pathway 2: Bipartisan Legislation

### Mitch McConnell: Impediment to Bipartisan Climate Action?

- Led historic obstruction in the Senate during Obama's second term, highlighted by Merrick Garland's confirmation fight
- "The Senate is the graveyard where bills that pass in the Congress, that have bipartisan support in the country, go to die" — Speaker of the House Nancy Pelosi
- In Trump's last two years in office, the Senate has voted on more than 5x the number of confirmations it did during the same period of Obama's term

"The single most important thing we want to achieve is for President Obama to be a one-term president" — Mitch McConnell

Will he take the same tack with Biden?



## Pathway 2: Bipartisan Legislation

But the GOP is starting to consider climate action of its own:

- **Trillion trees Initiative:** Trump and congressional republicans have endorsed the effort to plant a trillion trees worldwide in order to capture carbon from the atmosphere
- House GOP Leader Kevin McCarthy's broader climate platform
  - Support for carbon capture technologies (CCUS) and for tech innovation
  - Their claim: Fight climate change without hampering the economy through burdensome regulations, which Democratic proposals seek to do
- Energy Secretary Dan Brouillette has similarly expressed support for limited climate action
  - Particular support for CCUS, called flattening emissions “proof positive that innovation and technology are the solution to the world's climate challenges”



## Avenues for Bipartisan Climate Policy

### CONTINUATION OF PREVIOUS SUPPORT

#### Nuclear Power

- Nuclear power has received bipartisan support in the Senate during the Trump Administration, and Biden has signalled that he will support further nuclear power research

#### Carbon Capture

- The passage of 45Q and research by DOE under Trump provides a foundation for further bipartisan progress on CCUS policy.

#### Innovation

- The Department of Energy's budget has not fallen under the Trump Administration (despite attempts by President Trump to cut it). Support among congressional republicans remains strong

### NEW SECTOR-SPECIFIC SUPPORT

- Clean transportation and infrastructure
- Grid modernization
- Efficiency
- Community investment

## Avenues for Bipartisan Climate Policy

### 1. COVID Stimulus

- The first priority of the Biden Administration will be the economic recovery from COVID-19

### 1. Infrastructure Spending

- Biden has also named infrastructure as a major priority, and green investment as a key tenet of that effort
- Republicans have likewise named infrastructure as a priority, and if major investment into communities is tied to climate legislation, the GOP will be more likely to support the latter







## Implications for Japan

President-elect Biden is likely to prioritize climate in his foreign policy, potentially reshaping the US-Japan energy partnership

- Energy cooperation currently centered around natural gas and nuclear is likely to add enhanced collaboration on offshore wind, energy storage, hydrogen fuel, battery supply chains, and clean vehicles, among other technologies
- Programs such as Asia EDGE or support through USAID and the Development Finance Corporation is also likely to emphasize clean energy development and become more cooperative

This shift will also likely extend to US trade relationships, particularly as both countries consider the implementation of carbon border adjustment mechanisms. Japan is well placed to serve as a partner to the US in establishing transparent international clean energy and clean manufacturing markets