

August 21, 2024

The Tightening U.S. Presidential Race and the Positions of the Candidates on Energy Policy

Shoichi Itoh*

Senior Fellow, Energy Security Unit
The Institute of Energy Economics, Japan

Less than two and a half months are left until the U.S. presidential election, the biggest global event of the year. According to Gallup's survey, 41% of voters described themselves as independent at the time President Biden announced his withdrawal from the campaign on July 21, exceeding the number of those who described themselves as Republican (30%) and Democrat (28%).¹ Currently, Vice President and Democratic presidential candidate Kamala Harris is attracting the support of the so-called "double haters" who supported neither candidate under the Biden vs. Trump race, and her support among youth, women, and non-white individuals among the independent voters is increasing dramatically. For the time being, it is impossible to predict the outcome of Harris vs. Trump in dead heat.

On August 6, the Democratic National Committee officially nominated Vice President Harris as the party's candidate, with 99% of delegate votes via online voting, prior to the party's convention scheduled for August 19-22. Subsequently, Harris selected Minnesota Governor Tim Walz as her running mate. With the Trump campaign focusing on Harris as a woman with Black and Asian American heritage as well as a California-born elite, the Harris campaign chose Walz as a white male from the mid-west, popular in the farm belt and among white workers, in order to expand their support in the battleground states such as Pennsylvania, Michigan, and Wisconsin in particular. Walz also enjoys wide support within the Democratic party, including among the centrists and both left and right wings. Under their slogan, "We're not going back," the Harris campaign is calling for unity between the red (Republican-dominated) states and the blue (Democratic-dominated) states.

Trump also called for unity at one point in his nomination speech at the Republican National Convention on July 19, held when the shock of his own assassination attempt was still fresh. However, Trump quickly grew nervous about the growing support for his new opponent, Harris, among independents, and started to describe the Harris campaign as "radical left" in his eagerness to stave off defections from both part of Republican supporters and independents, thereby once again agitating for division in U.S. society. Yet, some Republicans are concerned that Trump's personal attacks against Harris, such as regarding the issue of race,

* The views expressed in this paper are solely the author's own and do not represent those of his affiliation.

¹ <https://news.gallup.com/poll/15370/party-affiliation.aspx>

are likely to cause a loss of support among independents.

With regard to the energy sector, the policy platform of the Democratic party calls for strengthening measures on climate change, the elimination of subsidies for the oil and gas sectors, the expansion of renewable energy projects using the Inflation Reduction Act (IRA), the reduction of energy costs, and increasing employment in the field of clean energy. The platform also opposes the Republican Party's favoring of Big Oil and their "war on clean energy" that downplays climate change, and stresses the importance of reinforcing U.S. energy independence by expanding its own clean energy production and exerting global leadership on climate change.²

In comparison, the policy platform of the Republican party calls for the repeal of the current Biden administration's Green New Deal, the elimination of environmental regulations on oil, gas, and coal, the cancellation of electric vehicle (EV) mandate, and making the U.S. the dominant energy producer in the world.³ Incidentally, even while Trump calls out to his supporters to "Drill, baby, drill," the production volumes of oil and natural gas in the U.S. reached new historic highs under the Biden administration despite its focus on clean energy.⁴

As far as the two parties' platforms are compared, the Democratic Party underlines the acceleration of promoting clean energy, whereas the Republican Party puts an emphasis on fossil fuels. However, both campaigns are heading into the presidential election with partial course corrections to avoid extreme positions, in consideration of the battleground states in particular. For example, Harris no longer opposes hydrofracking, which is indispensable for shale oil and gas extraction, although the Republicans criticize that she was against this method of production during her time as a Senator from California. Meanwhile, Trump has softened his position on EVs compared to the past, considering not only concentration of EV-related investments in some battleground states, including Georgia, but also the support of Tesla CEO Elon Musk.

On August 16, 2024 – the second anniversary since the enactment of the IRA, the White House announced that there has been a total of \$900 billion of investment in clean energy and manufacturing since the start of the Biden administration, of which \$265 billion used the IRA, and it was announced that over 330,000 new

² Adopted August 19, 2024. <https://democrats.org/wp-content/uploads/2024/08/FINAL-MASTER-PLATFORM.pdf>

³ Adopted July 15, 2024. https://prod-static.gop.com/media/RNC2024-Platform.pdf?_gl=1*bwo9ex*_gcl_au*OTQ0Mzk4MjA2LjE3MjQxMjk0OTg.&_ga=2.223913051.1363014916.1724129498-857923558.1724129498

⁴ U.S. Energy Information Administration, March 11, 2024. <https://www.eia.gov/todayinenergy/detail.php?id=61545>; May 27, 2024. <https://www.eia.gov/todayinenergy/detail.php?id=61646>

jobs were created.⁵ If Harris were to win the U.S. presidential election, the new administration would likely continue the path of accelerating the promotion of clean energy and strengthening environmental regulations, and that of proactive investments, based on the IRA, with regard to climate change.

To what extent will regulations on fossil fuels be strengthened, if the Harris administration were to be born? One important question, we should watch out in the short run, concerns whether the U.S. will set a new target that exceeds the current target of reducing its greenhouse gas (GHG) emissions by 50-52% below 2005 levels in 2030, given that Washington needs to submit a revised version of the NDC (Nationally Determined Contributions) targets for 2035 to the United Nations by February 2025 in accordance with the Paris Agreement. If the Democrats were to fail to win a majority of seats in the congressional elections for the House of Representatives, being held concurrently with the presidential election, then it would be difficult to pass new acts on clean energy. And even if the Democrats won the presidency and a majority in the House, many say that it wouldn't be easy for them to maintain a majority of seats in the Senate since the Democrats are facing more contested seats than the Republicans this time. If that is the case, the Democratic Party will find management of the Congress quite challenging.

If a second Trump administration were to emerge, the U.S. would declare its withdrawal from the Paris Agreement again, and regulations on the fossil fuel sector would be relaxed (e.g. lifting the temporary freeze on new permits for LNG exports), as Trump has pledged. At the same time, there still remain uncertainties regarding the extent of the negative approach toward clean energy. While they may particularly wish to eliminate the IRA as a negative legacy of the Biden administration, however, it was enacted as a 10-year budget measure that cannot be eliminated or modified by an executive order. If the Republican party were able to not only win the presidency but also maintain a majority in the House, it can be said that they would likely try to establish a new act to emasculate or weaken the IRA, but such a process would not be straightforward. This is because many of the regions that have benefitted from investments in the area of clean energy, thanks to the IRA, include red states or swing (or battleground) states.

According to a poll conducted by ABC Television and research firm Ipsos in early August, nationwide support for Harris has exceeded that of Trump at 49% vs. 45%. Incidentally, Trump was ahead of Biden as recently as early July, when Biden withdrew from the race, at 43% for Trump vs. 42% for Biden (the Washington Post, August 18t).⁶ Focusing on the battleground states, a survey by RealClearPolitics (collated on the same day) found a close battle between Harris (H) and Trump (T) in every state, with Arizona at 47.1% (H) vs. 47.3% (T), Nevada at 46.0% (H) vs. 47.3% (T), Wisconsin at 48.6% (H) vs. 47.6% (T), Michigan at

⁵ The White House, August 16, 2024. <https://www.whitehouse.gov/briefing-room/statements-releases/2024/08/16/fact-sheet-two-years-in-the-inflation-reduction-act-is-lowering-costs-for-millions-of-americans-tackling-the-climate-crisis-and-creating-jobs/>

⁶ <https://www.washingtonpost.com/politics/2024/08/18/harris-trump-post-abc-ipsos-poll/>

48.6% (H) vs. 46.6% (T), Pennsylvania at 47.7% (H) vs. 47.8% (T), North Carolina at 46.4% (H) vs. 47.6% (T), and Georgia at 47.1% (H) vs. 48.1% (T).⁷

The first Harris-Trump presidential debate will be held on September 10th, to be followed by the vice-presidential debate on October 1st. Whether “Harris’s whirlwind” will continue, and whether an “October surprise” will take place, remain to be seen until the presidential election day on November 5. Either way, the outcome will have a significant impact not only on the U.S. and the energy sector, but also on world politics and economy.

Contact: report@tky.ieej.or.jp

⁷ <https://www.realclearpolling.com/polls/president/general/2024/trump-vs-harris>