

Blog research 6.14.21

<https://www.nytimes.com/2021/06/13/us/politics/G7-climate-Biden.html>

Mr. Biden and six other leaders of the Group of 7 nations promised to cut collective emissions in half by 2030 and to try to stem the [rapid extinction](#) of animals and plants, calling it an “equally important existential threat.” They agreed that by next year they would stop international funding for any coal project that lacked technology to capture and store carbon dioxide emissions and vowed to achieve an “overwhelmingly decarbonized” electricity sector by the end of the decade.

But energy experts said the failure of the G7 nations, which together produce about a quarter of the world’s climate pollution, to agree on a specific end date for the use of coal weakened their ability to lean on [China to curb its own still-growing coal use](#). It may also make it more difficult to convince 200 nations to strike a bold climate agreement at a United Nations summit in Scotland later this year.

Manchin protects coal

At the summit, the seven countries addressed biodiversity loss, calling it a crisis on the same scale as climate change.

They said they would champion a global push to conserve at least 30 percent of the planet’s land and water by 2030 and would set up such protections within their own countries. These measures are needed, scientists say and the G7 reiterated, to help curb extinctions, ensure water and food security, store carbon and reduce the risk of future pandemics.

Today, about 17 percent of the planet’s land and 8 percent of its oceans are protected, according to the United Nations.

<https://www.cnn.com/2021/06/14/politics/china-nuclear-reactor-leak-us-monitoring/index.html>

**(CNN)**The US government has spent the past week assessing a report of a leak at a Chinese nuclear power plant, after a French company that part owns and helps operate it warned of an “imminent radiological threat,” according to US officials and documents reviewed by CNN.

The warning included an accusation that the Chinese safety authority was raising the acceptable limits for radiation detection outside the Taishan Nuclear Power Plant in Guangdong province in order to avoid having to shut it down, according to a letter from the French company to the US Department of Energy obtained by CNN.

Despite the alarming notification from Framatome, the French company, the Biden administration believes the facility is not yet at a “crisis level,” one of the sources said.

While US officials have deemed the situation does not currently pose a severe safety threat to workers at the plant or Chinese public, it is unusual that a foreign company would unilaterally reach out to the American government for help when its Chinese state-owned partner is yet to acknowledge a problem exists. The scenario could put the US in a complicated situation should the leak continue or become more severe without being fixed.

You have to wonder if the people running the Taishan Nuclear Power Plant who environmental readings for both the plant and its surrounding area were "normal." Came from the same group that approved a race where 21 people died in China?

[www.reuters.com/business/energy/exclusive-biden-mulls-giving-refiners-relief-us-biofuel-laws-sources-2021-06-11/](http://www.reuters.com/business/energy/exclusive-biden-mulls-giving-refiners-relief-us-biofuel-laws-sources-2021-06-11/)

President Joe Biden's administration, under pressure from labor unions and U.S. senators including from his home state of Delaware, is considering ways to provide relief to U.S. oil refiners from biofuel blending mandates, three sources familiar with the matter said. The issue pits two of the administration's important political constituencies against each other: blue-collar refinery workers and farmers who depend on biofuel mandates to prop up a massive market for corn.

The credits, known as RINs, are currently at their highest price in the program's 13-year history, and refiners have said the policy threatens to bankrupt fuel makers already slammed by sinking demand during the pandemic.

Biofuel advocates counter that fuel makers should have invested in biofuel blending facilities years ago and can pass through added costs for buying credits.

Renewable fuel credits [traded down 15% on Friday morning after the news](#). Credits traded at \$1.70 each, down from \$2.00 on Thursday, traders said. Prices later traded at \$1.85 each.

6.15

<https://www.chicagotribune.com/news/environment/ct-illinois-pritzker-coal-clean-energy-20210615-lgx35ouufjfsvgimmfoqa37qdu-story.html>

Cautionary tale for stranded assets and bad decision making.

Phasing out the combustion fuels — coal by 2035 and gas a decade later — is a key element of Gov. J.B. Pritzker's plans to move Illinois into a clean energy future. If the Chicago Democrat can muscle his [legislation](#) through the General Assembly this week, new government requirements would speed up a transition to climate-friendly electric generation and transportation that already is embraced by some in the private sector.

Among other things, the bill would [double the state's commitment to renewable energy](#), with a goal of raising the amount of wind and solar power to 40% of the state's electric generation by the end of the decade, up from 8% in 2019.

Pritzker already compromised on his target to phase out coal, giving Prairie State, Dallman and three plants owned by NRG Energy five more years to operate beyond the 2030 deadline in an earlier draft of the energy legislation. The latest version would enforce increasingly stringent caps on the amount of carbon dioxide allowed from fossil fuel plants, mirroring President Joe Biden's plan to [shutter all U.S. coal plants by 2035](#).

<https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/23/fact-sheet-biden-administration-outlines-key-resources-to-invest-in-coal-and-power-plant-community-economic-revitalization/>

<https://www.chicagotribune.com/news/environment/ct-biden-climate-illinois-coal-20210121-27fuo4lzovdejp2lf3ptpt2vqe-story.html>

<https://www.documentcloud.org/documents/20461120-2020-12-supplementary-material-for-grubert-paper-in-science>

Grubert, the Georgia Tech researcher, thinks meeting Biden’s target for electricity providers could be one of the easiest ways to decarbonize the country.

Grounding [her analysis](#) on federal data and the typical retirement age for power plants using the same technologies, she concluded that 85% of the coal- and gas-fired plants operating during 2018 could be scrapped by the middle of the next decade.

In a [three-page summary](#) of her findings, Grubert urged elected officials and other policymakers to be straight with Americans about impending job losses in the fossil fuel industry. Leaders should begin preparing now for a decline in local tax revenues after power plants close, she added.

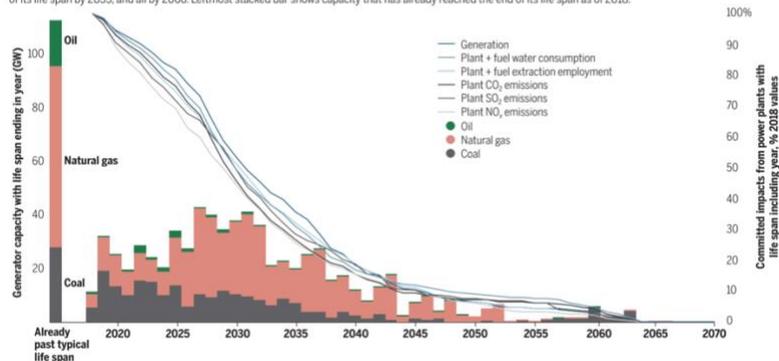
Planning for the transition to carbon-free electricity is vital, Grubert wrote, because coal and gas plants expected to still be around in 2035 are disproportionately located in states with poverty rates higher than the national average.

“States are starting to talk about it, but the states that need to talk about it aren’t,” Grubert said.

<https://www.documentcloud.org/documents/20460414-2020-12-4-fossil-electricity-retirement-deadlines-for-a-just-transition>

#### Most capacity reaches the end of its life span by 2035

U.S. fossil fuel-fired power plant capacity by fuel and date generator reaches fuel- and technology-specific life span (left axis), and system characteristics (generation, water consumption, employment, CO<sub>2</sub> emissions, SO<sub>2</sub> emissions, and NO<sub>x</sub> emissions) as percentage of 2018 value (right axis), 2018–2070. Most capacity reaches the end of its life span by 2035, and all by 2066. Leftmost stacked bar shows capacity that has already reached the end of its life span as of 2018.



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<https://thehill.com/homenews/senate/558567-schumer-to-trigger-reconciliation-process-on-wednesday>

Getting ready for the process...

Schumer tacitly noted that a budget resolution would set the stage for passing elements of Biden’s \$2.25 trillion American Jobs Plan and \$1.8 trillion American Families Plan with simple majority votes.

[https://www.cfr.org/global/global-monetary-policy-tracker/p37726?utm\\_source=steilfriends&utm\\_medium=email&utm\\_campaign=FriendsSteilOct2020GMPT&utm\\_term=FriendsSteil](https://www.cfr.org/global/global-monetary-policy-tracker/p37726?utm_source=steilfriends&utm_medium=email&utm_campaign=FriendsSteilOct2020GMPT&utm_term=FriendsSteil)

Always a good check in with CFR's global monetary policy tracker to see the breadth of central banks with easy policy and central banks with tighter policy. Turkey, Brazil, Argentina, Russia and Bangladesh are only ones with tighter policy indicating problems with currency, capital account and inflation.

<https://www.axios.com/china-28-planes-taiwan-foreign-forces-warning-087485d2-a585-4fc2-bc8e-0399c6f40e9b.html>

China's government issued a warning to "foreign forces" after Taiwan reported a record 28 Chinese military planes flew over the self-governed island's airspace Tuesday, [per Reuters](#). **Why it matters:** The warning and deployment of aircraft including fighter jets and bombers comes after [G7 leaders](#) issued a statement Sunday urging the Chinese government to respect human rights and calling on peace and "stability across the Taiwan Strait."

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[https://www.washingtonpost.com/politics/manchin-narrows-his-demands-on-voting-legislation-bringing-democrats-closer-to-unity/2021/06/16/f588093e-cec4-11eb-8014-2f3926ca24d9\\_story.html](https://www.washingtonpost.com/politics/manchin-narrows-his-demands-on-voting-legislation-bringing-democrats-closer-to-unity/2021/06/16/f588093e-cec4-11eb-8014-2f3926ca24d9_story.html)

[https://www.washingtonpost.com/context/manchin-memo-on-voting-legislation/7f38ab4b-3224-4dce-bf89-7e0a28d18b96/?itid=lk\\_inline\\_manual\\_3](https://www.washingtonpost.com/context/manchin-memo-on-voting-legislation/7f38ab4b-3224-4dce-bf89-7e0a28d18b96/?itid=lk_inline_manual_3)

"You should not pass any type of a voter bill in the most divisive time of our life," he said. "Unless you have some unity on this thing, because you just divide the country further."

The Manchin ice is breaking!

including provisions mandating at least two weeks of early voting and measures meant to eliminate partisan gerrymandering of congressional districts

But Manchin's memo also sketches out several provisions that have historically been opposed by most Democrats, including backing an ID requirement for voters and the ability of local election officials to purge voter rolls using other government records.

<https://secjanetyellen.medium.com/the-state-of-the-housing-market-2f3cece054e>

Interesting push using Medium for housing

\$55 billion in LIHTCs

\$35 billion investment in the HOME Investment Partnerships program,  
\$45 billion for the Housing Trust Fund,  
\$12 billion for the Capital Magnet Fund, and  
\$2 billion for new project-based rental assistance agreements.  
\$40 billion to rehabilitate and revitalize America's public housing.  
\$5 billion incentive program to reward jurisdictions that take action to eliminate these exclusionary policies and reduce barriers to the creation of affordable housing.  
Total=\$194B

<https://www.wsj.com/articles/behind-fed-confidence-on-inflation-some-anxiety-creeps-in-11623883639>

The problem is that this didn't happen as anticipated under a new policy [framework unveiled last year](#). Because inflation had been running below its 2% target, the Fed wanted inflation to run a bit above 2% so that over time it would average 2%. To achieve this it would let the economy overheat, pushing unemployment down to pre-pandemic levels below 4%. That would nudge inflation a bit above 2% for a while, a process it assumed would take several years.

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[https://www.wsj.com/articles/west-risks-blackouts-as-hydroelectric-power-dries-up-11624008601?mod=djem\\_EnergyJournal](https://www.wsj.com/articles/west-risks-blackouts-as-hydroelectric-power-dries-up-11624008601?mod=djem_EnergyJournal)

Another risk for renewables

As US moves towards renewable power, we should expect more price volatility as these sources are variable and subject to climate.

Hoover Dam's current generation capacity is 1,567 megawatts, down 25% from its peak of 2,074, said Bureau of Reclamation spokeswoman Patti Aaron.

<https://droughtmonitor.unl.edu/CurrentMap.aspx>

<https://podcasts.apple.com/us/podcast/stephanomics/id1038108799?i=1000525839911>

The wealthiest nations are emerging from the pandemic stronger than anyone thought, nervous about inflation but otherwise feeling they've dodged a bullet. That's not the case for developing countries, with many still overwhelmed by Covid-19 and certainly unable to dole out stimulus checks. On this week's podcast, World Bank Chief Economist Carmen Reinhart tells

host Stephanie Flanders why she worries the recent surge in inflation could be around for awhile, hitting the world's poorest hardest.