

## In Latest Flailing Attempt To Slow Soaring Energy Costs, Biden Invokes Defense Production Act To Push Green Agenda

### Description

USA: Solar and fuel cell names are going to continue to be on watchlists this week one day after President Biden prioritized the two sources of energy as part of a manufacturing push in the U.S.

On Monday, Biden invoked the Defense Production Act, targeting the country's solar production capacity and fuel cell production, among other forms of green energy.

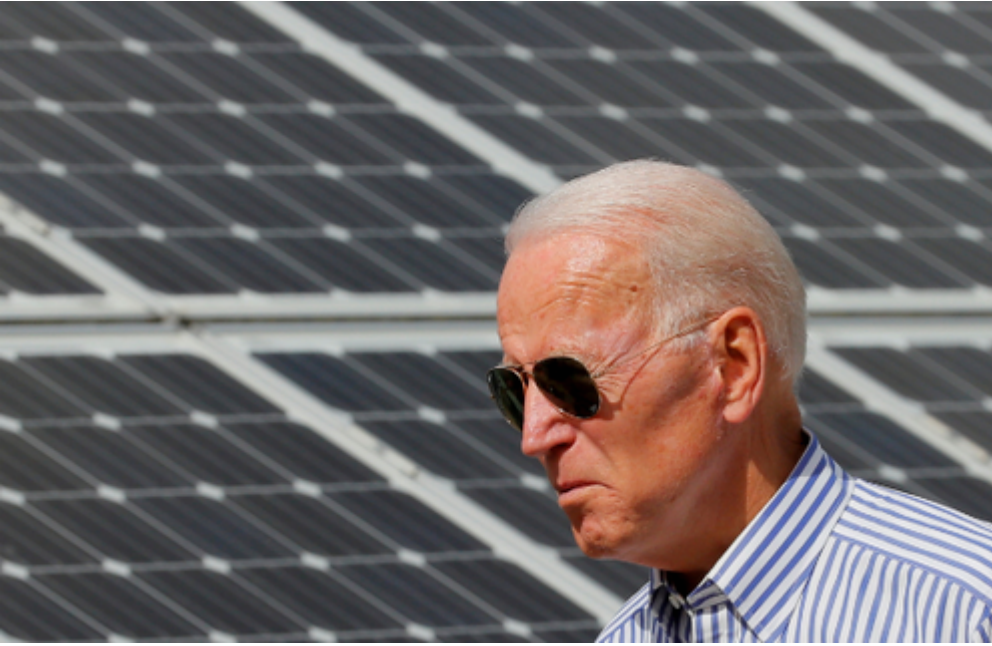
**It's the latest "drop in the ocean" response to a massive, looming energy cost crisis that has resulted from out of control money printing and geopolitical volatility.**

But not unlike releasing more petroleum reserves, the Biden administration has a new, inept plan to try and show the American consumer it is doing something...*anything*...to try and address the issue.

This week Biden invoked the Defense Production Act as a response to rising energy costs in the country, [a DOE release Monday noted](#).

**The purpose of the Presidential determinations is to "accelerate domestic production of five key energy technologies: (1) solar; (2) transformers and electric grid components; (3) heat pumps; (4) insulation; and (5) electrolyzers, fuel cells, and platinum group metals," the release says.**

U.S. Secretary of Energy Jennifer M. Granholm commented: "President Biden has invoked the Defense Production Act so that the U.S. can take ownership of its clean energy independence. For too long the nation's clean energy supply chain has been over-reliant on foreign sources and adversarial nations. With the new DPA authority, DOE can help strengthen domestic solar, heat pump and grid manufacturing industries while fortifying America's economic security and creating good-paying jobs, and lowering utility costs along the way."



Deputy Secretary of Defense Dr. Kathleen Hicks added: “Reducing America’s dependence on gas and oil is critical to U.S. national security. In conflict, fossil fuel supply lines are especially vulnerable. The actions President Biden announced today will help strengthen our supply chains and ensure that the United States is a leader in producing the energy technologies that are essential to our future success. **They will also help accelerate DoD’s transition toward clean energy technologies that can help strengthen military capability while creating good jobs for American workers.**”

***“This approach allows the Biden team to appear to be responsive to repeated requests for intervention. However, the issue may still be challenged in court, and it is unclear on potential impact of tariffs that may be announced on past shipments,”*** Jeff Osborne, an analyst at Cowen & Co., wrote in a [note](#) on June 6.

The action focuses on the following areas, per the release:

**Solar** — Solar photovoltaic (PV) energy is the largest source of new U.S. electricity generation capacity and the cheapest new electricity source in many regions of the country. However, domestic solar PV production does not meet current demand. By supporting a secure, stable, diversified, and competitive domestic solar supply chain, President Biden’s actions will increase national security, promote energy independence, help to address the urgent threat of climate change, and drive down energy costs for American consumers.

**Transformers and Grid Components** —The U.S. is highly reliant on foreign-sourced critical electric grid components. Traditional industrial efforts are insufficient to meet the unprecedented growth in electrification necessary to support U.S. decarbonization, defense against cyber-security attacks, and critical infrastructure maintenance, and are not positioned to respond to the demands of U.S. electricity needs in the near-term. By expanding the domestic production of transformers and critical grid components to enable the reliable and increased use of the electric power system, the U.S. would immediately enhance its domestic energy security, decrease vulnerability of U.S. infrastructure, and

*ultimately support climate security and stability worldwide. Supply chain delays are leading to wait times in rural and urban parts of the U.S. of up to two years for crucial grid components. Independent estimates indicate that we need to expand electricity transmission systems by 60% by 2030 and may need to triple it by 2050 to meet the country's increase in renewable generation and expanding electrification needs. President Biden's invocation of the DPA will support a robust domestic supply of modern grid components, which is necessary to strengthen and modernize the nation's grid and will accelerate customers' ability to get electricity from clean sources.*

**Heat Pumps** — *Our nation's buildings, homes, offices, schools, hospitals, military bases, and other critical facilities drive more than 40% of all U.S. energy consumption. To reduce the amount of energy needed in our buildings, leading to less reliance by the U.S. and allies on adversaries such as Russia for oil and gas, heat pumps are an important solution. Their use by the U.S. and allies can shrink Russian revenue for war and reduce climate instability. However, currently, U.S. HVAC manufacturers are not producing heat pumps at the rate needed. The Biden-Harris Administration can help American manufacturing expand and expedite the installation of heat pumps in homes and residential buildings by qualified building professionals.*

**Insulation** — *About half of all homes in the U.S. were built before modern-day building energy codes, meaning they lack contemporary insulation, causing energy to seep out. At a time when conserving energy means limiting the reliance by the U.S. and allies on adversaries such as Russia for oil and gas, building retrofits can reduce energy use by 50% or more. In addition to lowering energy costs for families and increasing the domestic clean energy workforce, well-insulated buildings also provide "passive survivability," meaning that they can retain a safe indoor temperature for longer in the event of energy disruptions, reducing casualties from extreme weather. While U.S. insulation production is currently sufficient to cover new construction and some retrofits, we must also rapidly insulate older buildings to further reduce energy demand. President Biden's actions will help expand insulation manufacturing to meet this need.*

**Electrolyzers, Fuel Cells, and Platinum Group Metals** — *Electrolyzers, fuel cells, and platinum group metal (PGM) catalysts are vital for increasing domestic production and utilization of clean hydrogen, a versatile energy carrier. Clean hydrogen produced through electrolysis is projected to contribute significantly to achieving U.S. decarbonization goals. President Biden's actions supporting domestic supply chains for electrolyzers, fuel cells, and PGM catalysts will enhance national and energy security by reducing U.S. reliance on imported fossil fuels, particularly Russia (the world's second-largest producer of PGMs) and China. Consumers will benefit from clean hydrogen's price stability relative to fossil fuels, cost reductions as the hydrogen economy scales up, and resilient domestic supply chains.*

**It sure seems like a lot of work to go through just to avoid bringing more oil and gas infrastructure online.**

But hey, that doesn't sound *nearly as good* as buzzwords like "fuel cells" and it certainly isn't "ESG"...

by Tyler Durden

**Category**

1. Economy-Business-Fin/Invest
2. Main
3. Politics-Geopolitics-Gov.-Events

**Date Created**

06/08/2022