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To Reach Net-Zero Emissions by 2050, US Government & Business Must Work in Partnership

New York, NY, July 13, 2023...Today, the Committee for Economic Development, the public policy center of The Conference Board (CED), issued a new Solutions Brief, An Energy Transition Road Map to Net Zero 2050.

The report provides a realistic pathway for the US to attain its goal of reaching net-zero greenhouse gas (GHG) emissions by 2050. As CED emphasizes, the principal task for policymakers and business leaders to achieve this goal is to work in close partnership—not in conflict. Moreover, a comprehensive and resilient strategy must build on the foundation of market principles, accelerate innovation, and preserve US competitiveness in the global economy. The Solutions Brief can be found here and is the latest in CED’s Sustaining Capitalism series.

As detailed in the report, reaching net-zero GHG emissions by 2050 will require significant investment, from both the public and private sectors, in renewables, transmission infrastructure, storage, and energy efficiency technologies. Many of these costs, however, will manifest themselves as profitable opportunities due to the eventual lower cost of energy, greater reliability of supplies, and less volatility of energy prices. The alternative—a future of more severe climate impacts—would be even more costly.

“Climate change is a defining and urgent 21st-century global challenge which threatens global security, economic prosperity, environmental sustainability, and public health. Along with the other largest GHG emitters, the US must set the right path to net zero and position itself as a leader in a greener global economy. The challenges on the path to net zero 2050 are many. To accomplish this important objective, it will require that the US business and policy communities work hand in hand, and that the nation leverages its strengths: Abundant energy, ingenuity, and flexible, market-based regulatory policies will foster innovation and new technologies, and promote global cooperation,” said Dr. Lori Esposito Murray, President of CED.

Achieving Net Zero by 2050: Key Recommendations for the US

- Responsibly implement the historic climate-related funding provisions: Policymakers, in collaboration with business leaders, should wisely implement the climate-related provisions of the Inflation Reduction Act, the Infrastructure Investment and Jobs Act, and the CHIPS and Science Act. Let business do what business does best: Innovate in response to market forces, which is the foundational element of a global solution to the climate and energy transition strategy. Steps include:
  - Make businesses and consumers more aware of credit and funding opportunities available.
  - Provide diligent oversight of contract awards and implementation, as well as apply cost-benefit analysis.
  - Recognize when programs have not succeeded and pivot research funding appropriately.
  - Use investment as a catalyst for further innovation by the private sector.
  - Use public-private partnerships where possible to supplement public expertise and resources and facilitate the consideration of maintenance and full life-cycle costs.
• **Expand the use of zero-carbon energy sources:** Policymakers and business leaders should:
  - Increase use of nuclear power, particularly with small modular reactors, and train a workforce for jobs in the field. This will require ongoing cost reduction and development of a satisfactory and permanent method of nuclear waste storage.
  - Promote greater use of blue and green hydrogen, particularly in sectors of the economy that are difficult to decarbonize.
  - Encourage greater use of solar and wind energy.
  - Support efforts at large-scale carbon capture and storage.

• **Develop a carbon market plan:** In collaboration with the private sector, federal public policy leaders should seek to develop a US carbon market plan that prices carbon and puts market forces in play to promote low-carbon options on the principles of revenue neutrality, net-zero carbon, regional coordination, and a border adjustment mechanism to maintain US competitiveness.

• **Use smart regulation:** Policymakers should use smart regulation to ensure that regulations are based on science and are not overly prescriptive and reevaluate regulations periodically to ensure they are meeting their purpose. Regulations should promote competition and R&D. Streamlining regulatory procedures and cutting red tape across federal, state, and local governments will increase investment, decrease costs, and maximize efficiency.

• **Seek solutions on a sector basis:** Policymakers and business leaders should recognize that each major sector offers opportunities for emissions reductions.

• **Ensure global climate cooperation:** It is essential not only to reduce emissions, but also to preserve US competitiveness. An important strategic goal is to ensure the achievement of net-zero GHG emissions by the world’s largest economies and leading emitters.

• **Provide energy security** and energy independence through reliable, albeit diminishing, supplies of fossil fuels as the US and global community transition to net zero:
  - Utilize natural gas as a transition fuel, as burning natural gas for energy results in lower emissions of nearly all types of air pollutants and CO2 than burning coal or petroleum products to produce an equal amount of energy.
  - Accelerate the transition to clean energy through R&D.

• **Reduce methane and hydrofluorocarbon emissions** in all sectors.

• **Promote equity:** The energy transition can promote equity by conducting community-informed data analysis; ensuring that remediation proceeds at the same pace as new investments; avoiding bias in all aspects of construction and operation of new infrastructure; and promoting opportunities for disadvantaged and vulnerable communities to benefit from grant programs.

• **Mitigate cost and supply risks:** Including the costs of the energy transition and the reliability of supplies of critical materials and minerals, by encouraging private investment, and relying on market forces to deliver long-term sustainability.

• **Prioritize modernization of the power grid:** States should not block regional transmission lines or other new renewable energy projects that would be subject to federal preemption. Impose stricter requirements to challenge permitting decisions and provide that inaction by a certain date will deem a project approved.

• **Provide workforce training** for jobs in clean energy and the energy transition.
About CED
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