CED Provides Roadmap for the US to Reach Net-Zero Emissions by 2050

New York, NY, December 6, 2022...Today, the Committee for Economic Development, the public policy center of The Conference Board (CED), issued a new Solutions Brief, A Road Map for a Sustainable Clean Energy Transition During Economic and Geopolitical Uncertainty.

The Solutions Brief—the latest in CED’s Sustaining Capitalism series—provides a practical US energy transition plan to meet the 2050 Paris Agreement goal of net-zero emissions. It includes a series of recommendations for accelerating the transition to renewable and other zero-carbon energy, while also recognizing that fossil fuels are a necessary energy source today and will continue playing a vital role in the nation’s energy security. As the report emphasizes, a cohesive and comprehensive transition will require that government work in close partnership—not in conflict—with business leaders.

The roadmap from CED comes at a critical time, when achieving a sustainable energy transition strategy has become more challenging in a world rife with geopolitical and economic turmoil. Above all else, Russia’s weaponization of energy—which has only intensified since its invasion of Ukraine—has threatened the energy security of both the US and its allies. The consequent supply disruptions have further fueled inflation, setting back the global economic recovery.

“A comprehensive and resilient US energy transition must support our national security, economic vitality, and health and well-being. It should build on the foundation of market principles, the acceleration of innovation, and preservation of US competitiveness in the global economy,” said Dr. Lori Esposito Murray, President of CED. “Every sector—both public and private, working in close cooperation—has a critical role in addressing climate change, as none can do it alone.”

Key Recommendations from the Solutions Brief:

CED recommends the following solutions for a sustainable energy transition:

Ensure energy security through reliable supplies of fossil fuels and collaboration with the private sector through the transition to net-zero 2050:

- **Reliable supplies:** The US should be a reliable supplier to our allies, increasing production of oil and gas to help stabilize prices around the world, meet the demands of current market disruptions, and avoid releasing resources from the Strategic Petroleum Reserve (SPR). Reforming permitting to increase production quickly is essential to meet this goal.
- **Natural gas as transition fuel:** The US should encourage the use of natural gas as an alternative to the increasing global use of coal and as a transition fuel to net-zero to reduce emissions of carbon dioxide and air pollutants.
- **Collaboration with fossil fuel producers:** The Administration should collaborate more closely with fossil fuel producers as partners—not adversaries—responding together to the great geopolitical challenges of our time. The White House should establish a public/private leadership Task Force on Climate, Energy, and the Environment to develop a strategic plan for achieving our net-zero objectives while maintaining energy security for the US and its allies.
Accelerate the clean energy transition by promoting R&D and reductions in carbon and other greenhouse gases:

- **Increase investment in clean energy R&D:** The public and private sectors should use the Inflation Reduction Act (IRA) as a catalyst for increased investment in R&D to build American global leadership in nuclear, hydrogen, wind, and solar power and energy storage, but without picking winners and losers among technologies.
- **Encourage use of nuclear power:** Federal and state governments should encourage the use of nuclear power, including newer designs.
- **Carbon reduction:** In collaboration with the private sector, federal public policy leaders should seek to develop a US carbon market plan on the principles of revenue-neutrality, net-zero carbon, regional coordination, and a border adjustment mechanism to maintain US competitiveness.
- **Carbon capture and storage:** The public and private sectors should accelerate investments in carbon capture and storage.

Implement a smart regulation policy:

- **Promote innovation, avoid market distortions:** Government should avoid regulatory mandates that could stifle productivity and inhibit research into other promising technologies, distort markets, and require reliance on outdated technologies.
- **Private/public collaboration:** The SEC should engage collaboratively with business in determining appropriate disclosure requirements on sustainability goals.
- **Regularly review and update regulation:** The Administration should conduct periodic regulatory reviews of regulation related to climate transition goals and make sure that standards are kept up to date.

Provide international leadership to achieve collaboration:

- **Global cooperation with China and India:** The Paris Agreement goals cannot be met without true global collaboration, and to achieve this, US leadership is critical. The US should work to restart climate talks with China, which is responsible for 27 percent of global emissions. Cooperation is also needed with India, where demand for energy is expected to grow faster than any other country over the next couple of decades.
- **Provide assistance:** The US should lead with allies and partners to push for legally binding commitments from “non Annex 1” developing countries, including major economies such as China and India, on emissions reduction and, in return, be willing to provide technical assistance with climate adaption and energy transitions, while respecting US intellectual property. For less developed economies, the US and its allies should be willing to assist financially.
- **Prioritize the Global Methane Pledge:** The Administration should continue progress both at home and abroad to meet the Global Methane Pledge.

The new Solutions Brief, A Road Map for a Sustainable Clean Energy Transition During Economic and Geopolitical Uncertainty, can be accessed here.

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