



# **How will the Presidential Election impact U.S. energy policies?**

October 3, 2024

Beginning with the 2016 Presidential election in the U.S., ADI has been publishing a summary of energy policy proposals by the leading candidates. Our summary has typically collected the positions of the two candidates on key energy issues, and we have tried to be objective by using their own words -- made through statements reported in the media or through policy positions articulated on their websites.

We tried attempting the same this year but were held back because neither Vice President Kamala Harris nor former President Donald Trump have articulated their energy policy proposals in any specific depth to allow for a comprehensive summary. Even so, our clients have been asking us for our thoughts on the implications from the Presidential election given the importance of policy on energy. So ADI has assessed the impact either candidate is likely to have as President on key energy topics and segments.

1

**Both candidates have agreed on sidestepping detail on energy policy.**

Harris and Trump have both chosen to avoid stating their positions on energy topics and policies in any substantive fashion. Harris mentioned climate change once in her acceptance speech at the Democratic National Convention, while Trump has chosen to emphasize his support for oil & gas through slogans such as "Drill, baby, drill." Harris' campaign staff have told journalists that their decision to avoid specifics was on purpose. This strategic ambiguity on energy policies was necessary because of the complexity of the topics and wide variance in positions held on specific aspects of energy policy across the aisle but also within various sections of the individual parties.

2

**Energy prices and costs to consumers are driving underlying positions on energy policies.**

Both candidates have chosen to frame their positions on energy policies as strategies to reduce energy prices and help consumers cut their spending on energy. Harris, however, has made climate another key driver in determining her energy policies. While pursuing similar outcomes, both candidates are taking very different approaches. At a high level, Trump is favoring fossil fuels with limited and seemingly arbitrary support to specific aspects of clean energy. Harris, on the other hand, has a more consistent theme around strongly supporting renewables and clean power and professing a more pragmatic approach to oil & gas that includes a change in her prior views, for example, on fracking.

3

**We can't emphasize enough that the actual impact on energy policy will be limited, and any shifts will occur over a long period of time.**



Market forces and the laws of supply and demand, division of power in Congress, rapid growth in litigiousness of policy changes, and the long timelines of effecting policy changes will all reduce both the scope and bite of changes to energy policies by Presidential administrations. As a result, Trump's decision to open leasing of federal lands for more drilling is unlikely to have a huge impact on oil and gas production. Further, notwithstanding the criticism of the Inflation Reduction Act (IRA), we think it is unlikely Trump will repeal it as discussed in a prior blog. Similarly, we are confident that Harris will not ban fracking and will also end President Joe Biden's pause of LNG export permits -- for a wide variety of reasons that we have addressed previously.

4

**Even so, there will be some transaction costs for the energy industry with a new President.**



A new Presidential Administration will extract some costs -- even if we see them as limited and spread over a long time -- from the energy industry. This will manifest mainly through additional hurdles in the day-to-day blocking and tackling of operating energy assets and businesses. For example, although Harris will most likely end the pause of LNG export permits, her Administration may require additional diligence and new steps for new export permits. Similarly, her strong support for Environmental Justice could delay permitting of new infrastructure projects or nuclear energy and overall scrutiny by the various agencies will likely rise. Finally, Trump may in his second term choose to slow roll appropriations to some elements of the IRA even if not completely repealing it.

# Impact of the U.S. Presidential Election on energy markets ... 1 of 2

					
1	Oil & gas	Upstream / exploration & production	●	●	<ul style="list-style-type: none"> <li>▪ Trump will open up public lands and simplify leasing and permitting; Harris will constrain leasing and permitting but not ban fracking notwithstanding her 2019 remarks.</li> <li>▪ Harris will solidify Biden's methane emissions and flaring limits under CAA 0000b/c forcing new capex; Trump may drop the rules.</li> </ul>
		Midstream infrastructure	●	●	<ul style="list-style-type: none"> <li>▪ Harris will solidify CAA 0000b/c methane rules forcing new capex; Trump will drop them.</li> <li>▪ Trump may be more supportive of pipelines, LNG, and other midstream infrastructure versus Harris.</li> </ul>
		LNG exports	●	●	<ul style="list-style-type: none"> <li>▪ Both candidates will end Biden's pause on LNG export permits but Harris may require additional steps for developers to secure permits.</li> <li>▪ Trump's plan to levy tariffs on Chinese imports may potentially impact LNG exports to China.</li> </ul>
2	Fossil fuel power	Coal-fired power	●	●	<ul style="list-style-type: none"> <li>▪ Harris will increase environmental compliance costs while Trump may offer some support.</li> </ul>
		Natural gas-fired power	●	●	<ul style="list-style-type: none"> <li>▪ Trump will be supportive of gas-fired power while Harris will likely enforce carbon capture requirements.</li> </ul>
		Renewable power (utility-scale)	●	●	<ul style="list-style-type: none"> <li>▪ Harris will bring consistent and supportive policy (e.g., IRA) implementation while Trump's harsher China stance may slow the sector.</li> </ul>
3	Clean power	Solar - Photovoltaic / residential	●	●	<ul style="list-style-type: none"> <li>▪ Harris may sweeten IRA policies if other cleantech is struggling; Trump unlikely to help but states will continue to support.</li> </ul>
		Offshore wind	●	●	<ul style="list-style-type: none"> <li>▪ Trump will slow leasing and permitting for projects while Harris support for IRA will help.</li> </ul>
		Nuclear power (45U)	●	●	<ul style="list-style-type: none"> <li>▪ Both candidates are likely to support nuclear although Harris may require a longer permitting process.</li> </ul>

Impact on the segment >> ● Positive ● Neutral ● Negative

# Impact of the U.S. Presidential Election on energy markets ... 2 of 2

					
4	<b>Grid infrastructure</b>	Energy storage (grid-scale)	●	●	▪ Harris may sweeten the IRA policies for energy storage and Trump may likely just ignore the segment.
		Power grid infrastructure	●	●	▪ Trump will weaken federal oversight of permitting new grid infrastructure while Harris will drive more intervention.
5	<b>Mobility</b>	Electric vehicles (EV, 30D, 25E, 45W)	●	●	▪ Trump is now softer on EVs under Elon Musk's influence but may make EV credit eligibility stricter to exclude Chinese components. ▪ Trump will weaken or repeal fuel economy and tailpipe emission standards.
		EV charging infrastructure (30C)	●	●	▪ Trump's softer stand on EVs will not extend to charging network, which will be a key focus area for Harris.
6	<b>Supply chain</b>	Cleantech supply chain (45X)	●	●	▪ Both administrations will likely be supportive albeit for various reasons (Trump for anti-China stance and Harris for IRA support).
7	<b>Energy transition</b>	CCUS and DAC (45Q)	●	●	▪ Harris will firm up the IRA while Trump may slow down its implementation although he may selectively support CCUS and DAC.
		Hydrogen (45V)	●	●	▪ Harris will firm up the IRA while Trump may slow down its implementation especially for green or low-carbon hydrogen.
		Renewable diesel and SAF (40B/45Z)	●	●	▪ Harris will preserve the IRA and its support for renewable fuels while Trump may trim some of the incentives.

Impact on the segment >> ● Positive ● Neutral ● Negative



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