Harnessing Local Politics to Ensure Lasting Clean Energy Policies

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Averting the worst impacts of climate change requires transitioning away from reliance on fossil fuels, and this can seem like a politically intractable challenge. To avoid the backlash that has been associated with some climate policy efforts, U.S. President Joe Biden's administration tried a new approach centered on creating benefits for key constituencies. The Biden era climate policy program–enacted through the Inflation Reduction Act (IRA), CHIPS and Science Act, and Infrastructure Investment and Jobs Act–did not prove as durable as its designers had hoped, which raises new questions about how to design climate policies that last.

This experience raises three actionable insights for designing policy to ensure its own durability. Policy designers should (1) develop a deliberate and clear communication strategy that does not assume that benefits will be self-evident, (2) enhance the organization potential of local beneficiaries, and (3) consider the interplay between federal programs and policy and politics at lower levels of government.

Can Industrial Policy Build Political Momentum for the Clean Energy Transition?

The IRA contained tax incentives, grants, and loans designed to encourage development, adoption, and manufacturing of clean-energy technologies in American communities. The designers of the law hoped that the investments it facilitated would ensure that its programs received continued support. Advocates hoped that the federal incentives would create jobs and local investment, and that communities and groups would value those benefits, link them to federal policy, and mobilize politically to defend the programs that produced them. In this way, industrial policy could become politically self-reinforcing.

Despite the wave of clean-energy manufacturing investments announced after the IRA's passage, actions taken by the subsequent President and new Congressional majority curtailed many of the law's grant and loan programs and accelerated the phase-out of key tax credits. These developments raise a puzzle: if the law generated substantial local economic benefits, why did those benefits not translate into stronger political protection for the programs that produced them?

To answer this question, my research examines local reactions to two large electric vehicle (EV) battery manufacturing projects. I find that, while the projects generated strong local enthusiasm for job growth and related economic benefits, the workers that would benefit most directly from the projects were not locally concentrated in a way that would enable politically consequential mobilization. This could take the form of attending town meetings where projects are debated, or contacting legislators to advocate for the continuation of programs that matter to the projects' viability.

Moreover, even those who actively worked to attract the projects did not always view federal policies as pivotal to the projects' success. Federal legislators did not communicate project benefits or the link between federal policy and local benefits. To the contrary, opposition to the projects proved more politically advantageous than support.

How to Position Those With the Most to Gain as Natural Supporters

Workers are likely to benefit most immediately from investments in the clean-energy supply chain. In the cases I examined–in Marshall, MI and Glendale, KY–job-creation was viewed as a transformative benefit. Leaders from the construction and electrical industries emphasized that these are comparatively high-quality jobs, featuring a long duration, high pay, apprenticeship and overtime opportunities, job security, and benefits. The construction and electrical workers unions in both places also increased their membership substantially as a result of the projects, and this growth in union membership is one way in which the projects could reshape politics.

The catch is that the structure of the job market in the building trades may have limited worker incentives to become politically active. Workers in the skilled trades (such as electricians and construction workers) often feel more loyalty to their union, relative to their employer. This is because jobs in the trades are fundamentally temporary, and the union trains workers and places them in new jobs. The higher allegiance that trades workers feel to their union, relative to their employer, is important because it could undercut the importance of any particular employer, job, or, crucially for this context, policy, associated with a specific employment opportunity. This could, in turn, weaken the incentive to take political action in defense of any particular job.

The location of these projects in rural, agricultural areas may have also limited the potential for worker mobilization. Workforce training professionals expected to face challenges in recruiting enough local workers to operate the plants. This means that, prior to the plants' opening, the plants' future operating workers did not all live in the same town as the plant and thus, were less invested in supporting the projects on the basis of location. Construction jobs started quickly after project announcements, and union loyalty could lend the union strong influence in mobilizing workers to support the projects. But workers were also drawn from a wide geographic radius to build these projects. Thus, even if building trades union members show up to county commission meetings and other forums, low density of local union membership constrains their show of force.

By contrast, residents who experienced or anticipated costs were physically present, locally attached, and primed for activation. In Marshall in 2024, three township board candidates challenged the incumbents in a primary election campaign that appealed to local concerns about the project's aesthetic, environmental, and other unwanted impacts. These challengers unseated the incumbents by wide margins.

Future policy could be designed to enhance the organization potential of local beneficiaries. The IRA sought to direct investment toward communities historically tied to fossil fuel industries by offering tax credit bonuses for projects located in designated "energy communities." But designation as an energy community alone does not ensure that local residents are well positioned to work in these new facilities or that those who benefit will organize or mobilize. A better design that accounts for these factors, for instance, might provide a bonus to companies who locate facilities in communities with unemployment rates exceeding a specified threshold.

Communicating the Federal Role

State governments spend tremendous amounts of time and effort to court manufacturers, and they offer substantial incentive packages to secure projects like the ones I examined. In this sense, federal policy operated more as a tailwind than as a catalyst, and as a result many local actors interpreted federally supported projects primarily through the lens of state economic development efforts. Many expressed confidence that the facilities, and the EV transition more broadly, would proceed "inevitably," despite a potential (at the time of my site visits) rollback of federal incentives. They grounded their confidence in a belief that the companies had already invested enough that they would not pull back on their plans. Some recognized that the companies may pivot production to adapt to policy or market changes, but they did not anticipate the massive layoffs and delays that could be associated with such a pivot.

Even among those who did perceive and support federal subsidies, local impacts did not necessarily lead to generalized support for clean-energy incentives. Instead, project boosters articulated particularistic support for incentives to be used for "this project." This limited focus undermines the idea that the creation of local benefits would increase the durability of policies to promote the energy transition more broadly.

Political leaders could have created a link between project impacts and public policy, but hyperpartisanship disincentivized legislators from communicating the benefits of the investments. In the years following the announcements of both projects, Republican legislators representing these districts drew a clear and consistent negative connection between federal policy and state or local impacts. They highlighted Chinese dominance of the EV supply chain; doubts about consumer demand for EVs, workforce opportunities associated with them, and government policies to promote them; and the negative impacts, for the state or district, of federal investment spending and auto regulations.

Policy Actors Should Connect Federal Policy to Local Gains

When federal policy is less visible in local narratives its political benefits are harder to translate. In the future, policy champions should do the following:

- Create a communication strategy that clearly articulates the link between federal policy and local impacts and does not rely on legislators bucking their partisan interests. Educate local champions on the relevance of federal policy levers.
- To generate self-reinforcing political support, consider and enhance the organizational power of local beneficiaries, including workers. For example, the Conversion Grants Program does this by incentivizing operators of existing auto manufacturing facilities to shift production to electric vehicles and components.
- Support project champions in local political conflicts.

The IRA reflected a crucial lesson for passing federal climate laws: to ensure that policy lasts, design it to create short-term benefits rather than costs. But these cases show that climate policy advocates failed to build grassroots support (a mistake for which advocates had been criticized in prior rounds of federal climate policy debate). The clean energy industry has the potential to transform communities, but policy champions must communicate the link between federal policy and local benefits, and empower and mobilize local beneficiaries around this link.

Read more in Parrish Bergquist and Michael E. Shepherd. "Breaking down or charging up? Why place-based clean-energy manufacturing investments failed to generate a political return for the Democratic

Party." (2025).