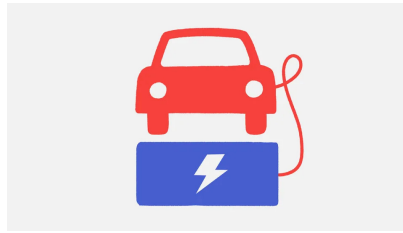


On energy and climate, Trump and Harris are different by degrees



Green subsidies will probably survive Mr Trump's re-election, and Big Oil will probably do just fine under Ms Harris

The next president will inherit the most ambitious climate policies in American history. Under Joe Biden a trio of laws—the CHIPS and Science Act, the Bipartisan Infrastructure Law and especially the Inflation Reduction Act (IRA)—have put in place a sweeping industrial policy that seeks to subsidise an ambitious decarbonisation of the economy. Left-wingers, who think the investments are not ambitious enough, hope that a President Kamala Harris will go further. Conservatives are confident a re-elected President Donald Trump will tear it all down.

It is worth setting aside campaign rhetoric to ask: would a President Harris go much greener than Mr Biden? And could a re-elected President Trump really kill Mr Biden's clean-energy policies?

Consider first the Biden energy legacy. Goldman Sachs, a bank, reckons that, if kept in place, the IRA alone will generate over \$3trn in public and private investment in clean technologies by 2030. But Mr Biden has also presided over a fossil-fuel boom. His administration encouraged hydrocarbon production to offset the impacts on energy markets of war in Ukraine and the Middle East, so America is now the world's biggest oil-and-gas exporter.

Ms Harris cast the deciding vote for the IRA and has raised hopes on the left because of her past greenery. As California's attorney-general she sued energy companies over pipeline leaks and offshore oil development. During her failed presidential bid in 2019 she supported a ban on shale fracking and the Green New Deal. Some environmentalists dream that, if elected, she might declare a national "climate emergency" to promote even more ambitious action than Mr Biden did.

Yet there are clear indications that Ms Harris will embrace both clean energy and fossil fuels. She now explicitly supports domestic oil-and-gas production and fracking, and she openly endorses such green bugbears as nuclear power and reform of the permit process (which would allow all types of new energy infrastructure to be built more quickly).

If a Harris presidency is likely to offer continuity, could a Trump presidency represent a radical reversal? When he was in the White House Mr Trump embraced fossil fuels and tried to roll back environmental regulations. He might again launch an assault on the Environmental Protection Agency and its regulation of exhaust-pipe and power-plant emissions, but his record in the courts last time was poor, and a recent Supreme Court ruling curtailing the interpretive powers of agencies like EPA will complicate matters. During this year's campaign Mr Trump's energy mantra has been "Drill, baby, drill!" and he has mocked climate science and electric vehicles (EVs). Big Oil bosses have openly endorsed him. Thanks to Mr Trump's earlier success in appointing conservative judges, courts may look more favourably on his agenda. Yet experts agree that the wholesale scrapping of the IRA is highly unlikely.

The Trump administration's withdrawal from the Paris Agreement on climate change did not notably retard international efforts. Mr Trump might undermine pledges by the Biden administration to reduce methane emissions, but such acts of self-isolation would hardly come as a shock abroad. At home, a Trump victory would not mean a collapse in climate efforts either, but it would still give Wall Street pause. Wood Mackenzie, a consultancy, reckons a Trump presidency would reduce investment in America's energy transition by \$1trn by 2050, to roughly \$6trn. So the choice voters will make in November will either hold steady America's current pace of decarbonisation or slow it. Either way, the direction of travel will remain largely unchanged.

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