The Biden Administration's Landmark Day in the Fight for the Climate

By Bill McKibben
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January 27th was the most remarkable day in the history of America's official response to the climate crisis, at least since that June afternoon in 1988, when nasa's James Hansen told a congressional committee that the planet had begun to heat. On Wednesday, in the course of a few hours, the Biden Administration took a series of coördinated actions that, considered together, may well mark the official beginning of the end of the fossil-fuel era.

The Biden Administration temporarily paused the new leasing of federal lands and waters for fossil-fuel production, while speeding up the process of permitting renewables. The President pledged that the federal government would start buying electric cars in volume. His order sets up or strengthens offices in the Justice Department, the Energy Department, and the Environmental Protection Agency to focus on what he called "environmental justice." He announced that climate change would become a national-security priority for the Pentagon. And all of this came after his earlier pledges to rejoin the Paris climate accord and to cancel the Keystone XL pipeline. There's a shock-and-awe feel to the barrage of actions, and that is the point: taken together, they send a decisive signal about the end of one epoch and the beginning of another. And that signal, most of all, is aimed at investors: fossil fuel, Biden is making clear, is not a safe bet, or even a good bet, for making real money. Coal, oil, and gas are the past, not the future. They're the present, too, of course—but you don't make big-money bets on the present.

We may not get to that future fast enough to stave off truly disastrous global warming—the natural world made some announcements of its own this week, including the news that the melt from glaciers and ice sheets is in line with the worst-case scenarios that scientists have produced—and we won't get to that safer future easily. The fossil-fuel industry is already hitting back hard against the Biden announcements, using the only argument it has left: jobs. But the Administration's team was prepared for the onslaught—Biden styled his announcements as a job-creation scheme, predicting, for instance, that electric cars would create a million new jobs for autoworkers. And his aides made clear that they understood the need to cushion the blow in areas where oil, gas, and coal jobs are disappearing. “We’re going to make sure that nobody is left behind,” the domestic climate czar Gina McCarthy told reporters. “We need to put people to work in their own communities. That’s where their home is. That’s where the vision is. So we are creatively looking at those opportunities for investment, so that we can get people understanding that we are not trying to take away jobs.”

The difference between these actions and the responses of previous Administrations is that Biden isn’t hedging his bets. Probably the day’s most important development was the least remarked upon. The White House made clear that America would stop letting public funds from agencies such as the Export-Import Bank flow to fossil fuels, and that it would use its leverage at the World Bank and the International Monetary Fund to support the goals of the Paris accord. And then, crucially, John Kerry, who is coördinating the Administration’s global climate policy, made clear in a speech to virtual Davos that this dictum applied to natural gas. “The problem with gas is, if we build out a huge infrastructure for gas now to continue to use it as the bridge fuel—when we haven’t really exhausted the other possibilities—we’re going to be stuck with stranded assets in ten, twenty, thirty years,” he said. “Gas is primarily methane, and we have a huge methane problem, folks.”

This statement is enormously important, because gas has always been the Democratic Party’s climate vice. The Obama Administration was willing to take on filthy coal, but did little to rein in fracking for gas—Kerry’s predecessor as Secretary of State, Hillary Clinton, initiated a program within the State Department to encourage fracking abroad. It was that Administration’s concession to the power of the fossil-fuel industry, which has wagered much of its future on gas; since coal is in terminal decline and oil will see a slow but steady fall as the world electrifies its vehicle fleets, fracked gas was the last chance for real growth for the fossil majors. What Kerry is trying to do is foreclose that gas boom, and it’s likely to work. If you want a straw in the wind, consider the career of Heather Zichal, whose job put her at the center of the Obama Administration’s gas plan, and who, for a period after that Administration left office, served on the board of one of the nation’s largest liquefied-natural-gas exporters. Now she is the head of a new lobby called the American Clean Power Association, and on Wednesday she gave unflinching backing to the Biden plan. “If we’re going to remove 51 billion tons of greenhouse gas emissions annually and get to zero emissions in 30 years,” she told the Washington *Post*, “this is going to require drastic action.” Her members, she said, are prepared to invest a trillion dollars in the coming years on clean energy projects. “We see nothing but opportunity.”

And the fossil-fuel firms see nothing but trouble. Liam Denning, who edited the “Heard on the Street” column for the *Wall Street Journal* and wrote the “Lex” column for the *Financial Times*, explained yesterday for Bloomberg that two of the climate movement’s strategies for cutting off financial support for oil and gas are “delay and doubt.” He said, “The first erodes an investment’s value via the magic of the time value of money. The second does it by raising the cost of capital going in; if something looks riskier, it must clear a higher hurdle before anyone cuts a check to finance it.” Yesterday’s announcements “effectively cast a pall over the longer-term cash flows from oil and gas investments,” he added. “After a decade defined by easy financing and the safe assumption of continued growth, the past week’s politics reaffirm the

2020s present a far murkier prospect for oil and gas. Capital markets will price accordingly—and thereby shape the outcome."

The climate fight is far from over—battles with the fossil-fuel industry will continue for the foreseeable future, and the outcome will determine the pace of the transition toward clean energy. (Keep an eye on the fate of the Dakota Access Pipeline and the Line 3 tar-sands pipeline in Minnesota—the new Administration's climate logic should mean their cancellation, but it would be a heavy political lift.) But this week's actions mark an unmistakable turning point. The climate movement has, finally, shifted the zeitgeist far enough for an Administration to act decisively, and Joe Biden has risen to the moment.

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