

# United States

75%

of business leaders say geopolitical instability has made electrification more urgent

**In today's volatile energy markets, clean electrification is increasingly seen by business as a more secure energy option than continued reliance on fossil fuels.**

## What Business Needs

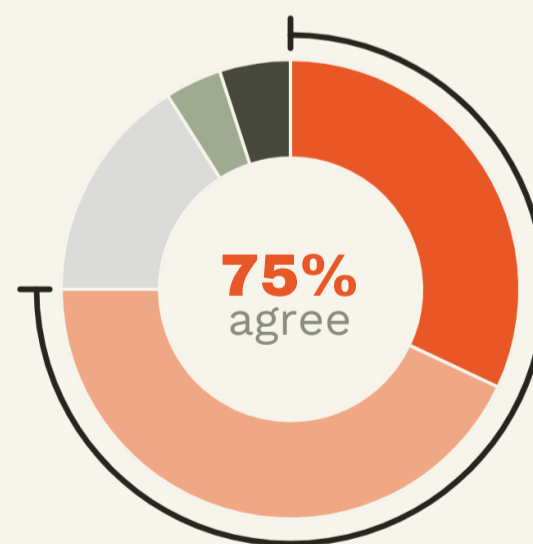
Senior executives say that rewarding the use of renewables via electricity market reforms comprises the biggest single impetus to the rapid roll-out of clean electrification.

## Policy Context

Over the last two years, the administration of President Donald Trump has systematically dismantled the whole-of-government approach to electrification policy pursued by the previous government (2021-2024). Current policy promotes conventional fossil fuel-based generation (particularly coal and natural gas) under the rubric of “consumer choice” and affordability. One of the effects of this policy positioning is to put an emphasis on users’ interests. As such, the government is consequently sensitive to rising electricity costs—an issue of growing concern to householders and business owners in the wake of the Strait of Hormuz closure and the disruptions to international energy supply that have ensued. Indeed, 58% of business leaders believe that geopolitical instability will increase energy costs. A further 42% say it will have a similar inflationary effect on trade into and out of the United States (US).

The business community widely sees electrification as a necessary and near-term solution to the problems of energy insecurity and price volatility. In the view of three-quarters (75%) of senior executives, in fact, today's increasingly unstable geopolitical conditions increase the urgency of the economy's rapid electrification.

**75% of American business leaders say geopolitical instability has made electrifying more urgent**



Strongly agree Somewhat agree Neither Somewhat disagree  
Strongly disagree Don't know

**To what extent do you agree or disagree with the following statements? : Geopolitical instability has made electrifying more urgent**

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While the government's analysis of the problem may well differ, policymakers share business fears that energy insecurity will damage competitiveness and economic growth. Likewise, both groups believe electrification can lower energy bills—a conviction voiced by 85% of business leaders. Fortunately, despite the current administration's stated antipathy towards federal subsidies and other financial incentives for new renewable energy production, grid reliability and connectivity remain priorities within its power policy.

To this end, the US Department of Energy operates a \$2.5-billion revolving fund to build long-distance, interregional transmission lines. The bipartisan SPEED Act is also serving to streamline the permitting process for energy infrastructure permitting, including for new renewable projects.

## Business Viewpoints

Business support for electrification sits alongside a clear preference for clean energy: nearly all senior executives (94%) say the US should transition away from fossil fuels. As in markets across the world, basic economics is putting renewable electricity high on the agenda of US businesses.

Even without the generous subsidies of the now largely defunct Inflation Reduction Act, dramatic reductions in equipment costs are bringing down the wholesale price of clean electricity year on year. This is evident in the fact that most (91%) business leaders now say that electrifying their operations would increase their competitiveness—the highest percentage of all advanced markets surveyed.

That said, as business demand for clean electrification expands, the country's power infrastructure is struggling to keep up. Nearly two-thirds (65%) of executives say their business is electrifying faster than the government's plans for the power system. Similarly, three-quarters (75%) confirm that the system is not keeping pace with the need to electrify. This imbalance is particularly acute in the tech sector as it races to meet the infrastructure needs of the country's artificial intelligence boom. Tellingly, more than half (54%) of the business leaders surveyed point out that weak grid capacity is making it difficult for their companies to electrify. This needs to be reversed, business leaders insist; indeed, nearly six in ten (56%) would consider relocating overseas within the next decade if government support for electrification fails to improve.