

Cozen Currents: Will the Blue Wall Hold?

The Cozen Lens

- Michigan was a reliably blue state in national elections for much of the last 30 years until former President Trump broke through the “blue wall” in 2016. Although President Biden won the state in 2020, he looks to be having problems reassembling his winning coalition for November.
- The Farm Bill reauthorization didn’t make much progress in 2023, but Agriculture Committee members and lawmakers with rural districts are looking to gain momentum in 2024.
- The specter of nuclear plant closures reshaped traditional political alliances and prompted a bipartisan effort to save the industry. The question is whether solar can now gain the same sort of political protection.

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Will Michigan Go Blue?

A Blue State Turned Purple. Former President Trump’s win in Michigan in 2016 was the first time a GOP candidate won the state since 1988, and Trump will be looking to repeat that feat this November.

- Democrats rebounded with President Biden’s victory in 2020 and a blue wave in 2022 that saw them take control of the state legislature for the first time in over 40 years. However, 2020 was the Democrats’ smallest margin of victory there since 1960.
- One reason that Republican success has become more possible in recent years is the GOP’s growing appeal to white adults without a college degree, who are the majority of Michigan’s electorate. Trump won this group in 2020 by 17 percent, but Biden was able to make up the ground with strong turnout among other demographics, such as young voters and minorities.
- Maintaining this coalition will be crucial for Biden to win Michigan again, but current polling suggests that he is falling short. The RealClearPolitics average has Trump ahead by 5.3 percent. While it is too early to take these results literally, they should be taken seriously and suggest that Biden and the Democrats have their work cut out for them in the Great Lakes State.

Biden’s Bet on Labor. Michigan holds one of the highest proportions of unionized workers in the country, making it a critical demographic.

- Given the size of the state’s auto industry, the United Auto Workers (UAW) plays an outsized role in Michigan. Biden has tried to portray himself as the most pro-labor president in history.
- Biden’s relationship with the UAW has run hot and cold, but the White House’s bet that his appearance on the UAW picket line last year can compensate for other bumps in the road appears to have paid off with him finally gaining their endorsement last week.

Caught in the Middle (East). For Biden to replicate his success in 2020, maintaining enthusiasm among his base will be critical, but his continued support for Israel poses particular challenges with the Democratic base in Michigan.

- Biden’s backing of Israel has particularly irked Michigan’s Muslim population, consisting of about 240,000 voters and is one of the largest Arab-American communities in the country (note that Biden won Michigan in 2020 by 150,000 votes). This group has tended to back Democrats, but Biden’s stance on the war in Israel could have real electoral consequences.



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- In addition to Muslim voters, many younger voters have taken issue with Biden's support for Israel. In 2022, this group turned out at historic levels in Michigan and was seen as a key factor in the ensuing blue wave.

Watching for Farm Bill's Green Shoots

Cause for Delay. The long-awaited Farm Bill reauthorization from Congress didn't make any headway last year, but lawmakers are hoping for a breakthrough in 2024.

- It has been a rough start to the year for the Farm Bill, a legislative package reauthorized by Congress every five years that provides billions in funding for farmers, nutrition programs, and agricultural research and development. The bill was last reauthorized in 2018 and was set to expire in 2023, but Congress extended the legislation until September 30, 2024. The bill traditionally receives bipartisan support for its many provisions that benefit farmers in numerous congressional districts, but the most recent reauthorization bill has been delayed by government funding fights and tricky House politics.
- Lawmakers on both the Senate and House Agriculture Committees are hoping to pass a new five-year bill by this summer. The timeline may be wishful thinking, however. Lawmakers are just now receiving budget scores on their proposals for Farm Bill programs they submitted last July. It will take months at least for negotiators to forge any compromise, expected to total roughly \$1.5 trillion. Moreover, the legislation will need to garner the support of House Speaker Mike Johnson (R-LA) who will need to navigate opposition from his conservative members.
- As with all things in Congress, the devil is in the details. The debt ceiling deal struck between former House Speaker Kevin McCarthy (R-CA) and Senate Majority Leader Chuck Schumer (D-NY) reduced funding for some Farm Bill programs. As a result, Republicans and Democrats on the Senate Agriculture Committee are crafting their own, competing proposals.

Farming's Tech Boom. While much of the Farm Bill focuses on nutrition and crop pricing, increasingly tech-focused farming techniques are garnering greater attention.

- The growth of high-tech equipment in farming is a hot topic. In particular, precision agriculture, the use of interconnected sensors and machinery to increase crop yields while reducing farm labor, is making waves. In a hearing late last fall, both Senate Agriculture Committee Chair Debbie Stabenow (D-MI) and Ranking Member John Boozman (R-AR) voiced support for legislation that would help farmers finance precision agriculture equipment and expand networks across farms.
- One technology-focused bill that could be included in the Farm Bill is the Precision Agriculture Loan (PAL) Act. The bipartisan legislation would establish a Department of Agriculture (USDA) program that would offer loan financing to farmers interested in purchasing precision agriculture equipment. A similar proposal that would expand existing USDA financing options for new technologies is also under consideration.
- In a fitting complement to the PAL Act, lawmakers may also include legislation to improve internet connectivity in rural areas. The Linking Access to Spur Technology for Agriculture Connectivity in Rural Environments (LAST ACRE) Act would create a new grant and loan program to help finance broadband connections to farm and rangeland. All told, precision agriculture's ability to expand production and lower climate impacts makes it ripe for bipartisan support.

Agriculture Moonshot. Lawmakers in both parties are introducing bills to boost funding for food production and climate research with hopes of adding their priorities to the final bill.

- Congress is laying the groundwork for a revamp of agriculture research and development (R&D) funding. Stabenow recently said, "I really believe we need a moonshot in agriculture research for the future." While funding in this year's bill is tight, lawmakers released a steady stream of bipartisan R&D proposals throughout 2023 that could be added to the final package.
- One idea is to increase funding for the existing Agriculture Advanced Research and Development Authority through USDA. The program supports high-risk, high-reward research to help farmers boost productivity. Other ideas in play include legislation to fund further

research into genomic sequencing, improve manure management to lower methane emissions, and streamline coordination between federal agencies on innovative research.

- Of course, everything cannot be bipartisan. A major area of disagreement between Republicans and Democrats is how to manage \$20 billion in funding from the Inflation Reduction Act (IRA) for forward-thinking climate solutions for farmers. The legislation bolsters the Farm Bill's conservation programs through support for new farming techniques that improve carbon capture and sequestration. Republicans oppose the IRA and would prefer to reallocate the money, while Democrats are fighting tooth and nail to preserve President Biden's signature legislation.

Bringing the Energy in DC

Solar Energy Faces Political Risk. A Republican sweep this November and resulting major changes to the Inflation Reduction Act (IRA) are realistic possibilities.

- It goes without saying that without Republican unified government, there will not be major changes to the IRA. However, in the event of a GOP sweep, Republicans have both practical and ideological reasons to repeal and/or modify large portions of it. Large pay-fors will need to be found to cover the costs of major tax reform coming in 2025.
- That doesn't mean the entire IRA will be repealed. One key question is whether solar can build enough support to gain the sort of political protection nuclear already has. While Democrats support it ideologically, Republicans are actually receiving the majority of the benefits resulting from clean energy tax breaks.

How Nuclear Energy Was Saved. Nuclear was able to become depoliticized and took advantage of shifting dynamics and political leverage to reinvent itself and forge a new bipartisan consensus.

- Before the Biden administration took office, more than half of the nuclear plant fleet was predicted to retire. Democrats generally opposed nuclear energy due to waste and accident concerns while Republicans faulted its cost and lack of public support. The fear of mass plant closures changed priorities in both parties.
- As emphasis on climate change grows, greenhouse gas-free nuclear has rebranded itself as green and now commands majority support (50 percent) from Democrats, up from a low of 37 percent. Republicans like the energy independence the plants provide. Besides increasing popular support, politicians on both sides of the aisle are loath to let plants in their districts shut down, which would cost hundreds of jobs and raise prices.
- As a result, the industry has drummed up support in recent years. The Infrastructure Investment and Jobs Act included a \$6 billion credit to prevent premature plant shutdowns and billions more for advanced reactor demonstrations. The IRA contained a \$15 per megawatt-hour tax credit for electricity sourced from existing nuclear plants. The Congressional Budget Office projected the provision to provide \$30 billion over the eligibility period (2024-2032).

Can Solar Save Itself? The extent of solar credits' survival under a unified Republican government depends, in part, on the level of investment red states and districts receive over the next year.

- While Republicans are firmly opposed to the IRA, analyses from Bloomberg, Politico, Credit Suisse, and the Rocky Mountain Institute all agree: red states and red districts are generally reaping the most benefits from the IRA, both in total and per capita. Two-thirds of new major projects announced since the IRA's passage are in red districts. The more money flows in, the more reluctant members of Congress will be to bite the hand that feeds them.
- Democrats are split in their priorities over solar energy. The green faction wants to promote clean electricity under any circumstances while labor, industry, and national security groups would rather build solar components in the US.
- The next year of investment will be crucial for potentially locking in solar's gains. The IRA credits utilized may be twice or three times larger than originally expected and support for solar and wind projects is high. On the other hand, renewables are being politicized, few people have heard about the IRA, and many projects are being held up in permitting or

