



THE PENINSULA

Unraveling Threads of the United States' Clean Tech Future

Published March 3, 2025

Author: Tom Ramage

Category: Current Events



There is much speculation about the future of certain funding awards and tax breaks under the U.S. Inflation Reduction Act (IRA). The IRA is a federally enacted legislation, meaning its repeal would require an act of Congress. However, so far under Trump 2.0, the executive branch has been testing the full extent of its power. Presidential authority has been used to dismantle executive agencies, implement government-wide reductions in staff, and unilaterally impose sweeping tariffs that are bound to reshape global trade dynamics.

Trump came into his second term with clear plans to eliminate the IRA. His executive order entitled "Unleashing American Energy," signed on his first day in office, paused any disbursement of IRA funds. Going along with this, the new administration halted the permitting of offshore wind projects until a review could be completed and suspended a USD 5 billion rollout of country-wide electric vehicle (EV) infrastructure.

The nature of the USD 369 billion climate-oriented law makes it difficult to evaporate overnight. The Office of Management and Budget (OMB) has clarified that the pausing of funds only applies to sections of the IRA allocated for climate-change mitigation and policies surrounding the Joe Biden administration's "electric vehicle mandate," referring to the 2021 Executive Order calling for 50 percent of new cars to be zero-emission vehicles by 2030. Adding to this, legal experts speculate that IRA-affiliated tax credits are likely outside the scope of the executive authority presented in the January 20 order.

Republican states have enjoyed more than USD 130 billion from the legislation's clean-energy investments, making the IRA's full congressional abrogation difficult to imagine. Indeed, foreign investments in U.S. clean energy under its auspices still appear to be proceeding undeterred. On February 24, South Korean photovoltaic (PV) subsidiary OCI Energy **announced** a joint-venture investment to build a 260MW solar plant in Texas, citing the IRA's "30 percent Investment Tax Credit (ITC)" as a main incentive—while many others may be simply deliberating.

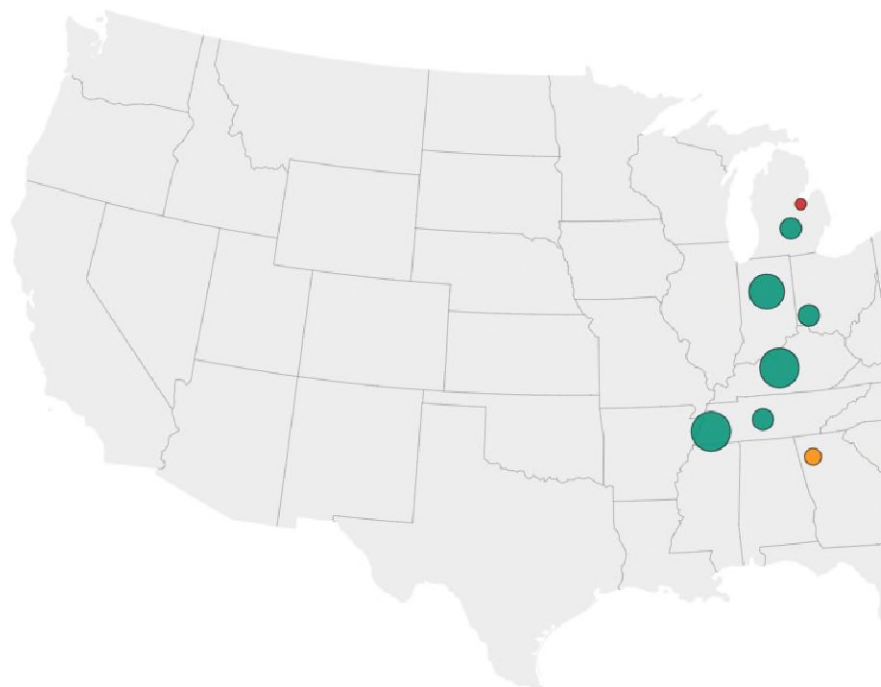
The retooling of government power under the new administration might provide other avenues to implement the president's will. The White House has famously empowered a reconstituted United States Digital Service (USDS) into the newly minted Department of Government Efficiency (DOGE) under the reins of tech entrepreneur Elon Musk. Its **mission statement** declares aims to "moderniz[e] Federal technology and software to maximize governmental efficiency and productivity," and this could end up being a powerful implementer of Trump's **Agenda 47**, which is capable (or not) of sidestepping the formal legislative process to dismantle the Biden administration's investment programs.

For example, the IRA supersized the Department of Energy's Loan Programs Office (LPO) to oversee over USD 400 billion in lending capacity outside of the direct spending involved in the IRA for large-scale climate and clean energy projects. This includes billions of dollars in commitments by the Energy Department for Korean EV investments under the **Advanced Technology Vehicles Manufacturing Loan (ATVM) Program** and **Title 17 Clean Energy Financing Program**. The autonomy of the office, including its broad discretion for funding picks, has led detractors to label it an "**energy slush fund**." Accordingly, in the leadup to the 2024 presidential election, recipients began to **fear** for their ultimate disbursement under a new administration.

DOE LPO Awards to Korean Affiliate Projects

Advanced Technology Vehicle Manufacturing (ATVM) and Title 17 Funding Awards by the Department of Energy Loan Programs Office (LPO)

Battery EV Technology Solar



Map: Tom Ramage, Korea Economic Institute of America (KEI). Source: Department of Energy Loan Programs Office. Last updated March 3, 2025. • [Get the data](#) • Created with [Datawrapper](#)

Reinforcing their cause for consternation, the LPO has already been targeted by the DOGE's cost-cutting efforts. The Wall Street Journal has **reported** roughly 25 percent of the LPO's workers have departed from their jobs amidst the Trump administration's push for reconstituting the U.S. energy portfolio in favor of low-cost fossil fuels—and some estimate this could go on to reach as high as 50 percent.

With this in mind, the elimination of the LPO through executive authority could have significant effects on the United States' clean technology capacity and the home states of those sites. Projects funded by the LPO are expected to create tens and thousands of operational and construction jobs in locales that have heretofore missed out on the United States' rapid integration into globalization. While the role of the president in handling agency offices and congressionally allocated funding raises questions of its own, the direction Washington takes toward these programs will inextricably alter the future of the United States' position in clean tech, with significant job and investment consequences for the communities it seeks to involve.

Tom Ramage is an Economic Policy Analyst at the Korea Economic Institute of America. The views expressed here are the author's alone.

Photo from [Shutterstock](#).

KEI is registered under the FARA as an agent of the Korea Institute for International Economic Policy, a public corporation established by the government of the Republic of Korea. Additional information is available at the Department of Justice, Washington, D.C.

Return to the Peninsula

13
Shares

Tweet

Share

Share

Email