

Congress Makes a Downpayment on Our Clean Energy Future



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On Winter Solstice, not only did Congress finally step up with a last-minute deal to fund the government and provide COVID-19 relief to millions in need. Lawmakers also called for the largest boost in support for clean energy in the past decade. This bipartisan energy package authorizes increased investments in innovation; technical assistance; tax credits; and grants for technologies across the clean energy spectrum.

It's not everything the United States needs to get to net-zero by 2050. But it is a downpayment that will provide the incoming Biden Administration with the tools to invest in American clean energy companies, create new jobs, and help us compete globally as more and more countries look to cleaner electricity, industry, and transportation for their futures. In 2021, Congress must view this legislation as the floor for their clean energy and climate ambition and back it up with sufficient appropriations.

What's in the Bill?

WHAT'S IN THE BILL:

The energy package is the culmination of an all-too-rare team effort by both parties in both the House and Senate. Its provisions will help renewables, energy storage, the electric grid, nuclear power, carbon management, and energy efficiency at a scale we have not seen in a long time. Among its hundreds of provisions, the bill increases authorized spending levels within the Department of Energy (DOE) over multiple years for:

- Demonstration projects and a competitive grant pilot program for energy storage to reduce the need to build out new transmission and allow renewables to contribute even more to our energy mix (\$1 Billion)
- Improvements to US electric grids, including the reauthorization of an existing smart grid demonstration program (\$2.36 Billion)
- RD&D for renewable energy sources, including wind (\$625 Million), solar (\$1.5 Billion), water power (\$930 Million), and advanced geothermal (\$850 Million)
- RD&D in support of a whole new generation of advanced nuclear fission technologies and their fuels (\$5.5 Billion)
- A new nuclear fusion program to help these technologies develop (\$4.7 Billion)
- New and expanded carbon capture, utilization, and storage (CCUS) RDD&D programs to benefit power providers and industry, among others (\$5.91 Billion)
- Additional R&D into carbon removal through natural and technological means (\$450 Million)
- An updated and expanded set of tools and capabilities within the Weatherization Assistance Program (\$1.73 Billion)
- Continued innovation through the ARPA-E program that supports breakthrough energy technologies in their early stages (\$2.93 Billion)
- Creating a program for RD&D and commercialization focused on cutting energy waste and emissions from industry (\$500 Million)
- Technical assistance support for combined heat and power technologies under one new program (\$60 Million)

The package also:

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- Extends existing tax credits, including a one-year extension of the renewable energy production tax credit that benefits primarily wind energy; a five-year extension of the offshore wind credit; a two-year extension of the credit for permanent storage or use of captured carbon; and an extension and phase-down of the investment tax credit for solar projects, fuel cells, and other technologies
- Provides direction to improve interagency permitting for renewables on federal land
- Allows greater use of DOE programs to promote energy efficiency in schools
- Enshrines the Office of Technology Transitions in law, with a focus on opening up the DOE and national laboratories and helping lab-developed innovations reach commercial markets
- Increases oversight of the Title 17 Loan Guarantee Program in support of innovative domestic technologies that reduce emissions
- Formally begins to phase out dangerous climate-warming hydrofluorocarbons by 85% by 2035

The bill represents a technology-inclusive approach to reducing emissions that leading climate authorities say is necessary to meet our ambitious goals. A small handful of voices on the far left may criticize this package for increasing authorization levels for DOE's Office of Fossil Energy. However, nearly all of those provisions focus on critical climate technologies like CCUS and carbon removal, and they're far outweighed by increased authorization levels within the Office of Energy Efficiency and Renewable Energy, which these same groups had demanded.

What Needs to Happen Next?

Most importantly, Congress must start funding these programs at or closer to the authorization levels contained in the Energy Act. In passing this bill, *both parties* in Congress have expressly indicated that these investments are a priority, and lawmakers should treat them as such when appropriations season approaches. Clean energy innovation and deployment creates jobs, enhances American competitiveness, and reduces carbon pollution. These programs are worth the investment.