



# CLIMATE PROGRESS IN YEAR-END LEGISLATION

December 21, 2020

The year-end omnibus legislation will help advance climate solutions and clean energy, investing in our nation's resilience and using America's technological leadership to expand opportunities for all Americans through family-sustaining jobs. In addition to federal funding, the legislation includes language supporting energy and environmental innovation, clean energy tax extensions, pipeline safety, and water infrastructure. These provisions implement many of the recommendations from the Select Committee's majority staff report, [Solving the Climate Crisis: The Congressional Action Plan for a Clean Energy Economy and a Healthy, Resilient and Just America](#). The omnibus legislation makes several needed reforms to U.S. energy policy and authorizes key investments highlighted by the Select Committee's plan to reduce emissions and grow the economy. These important steps will help build new industries and supply chains for climate solutions in the United States as we work towards climate policy that meets the urgency of climate science. The legislation will also bring us one step closer to building a prosperous, clean energy economy that values workers, advances environmental justice, and is prepared to meet the challenges of the climate crisis.

The omnibus legislation:

- Directs EPA to phase down the production and consumption of superpollutant hydrofluorocarbons (HFCs) so the United States can lead global efforts to avoid up to 0.5 degrees Celsius of increased average temperatures
- Extends critical clean energy tax credits to support hundreds of thousands of U.S. jobs
  - Extends the production tax credit for one year and the investment tax credit for two years
  - Expands tax incentives for offshore wind, waste heat to power property, and efficient biomass stoves
  - Makes permanent the deduction for certain energy efficient property.
  - Extends credits for energy efficient and renewable energy property for homeowners, new energy efficient homes, EV charging and fuel cell refueling stations, and certain zero-emission vehicles
- Increases federal funding to fight the climate crisis, including providing \$2.86 billion for DOE Energy Efficiency and Renewable Energy and \$427 million for ARPA-E to support the development of clean, affordable, and secure energy; \$7.026 billion for DOE's Office of Science to support energy innovation for the future; and \$182 million for NOAA Climate Research

## CLEAN ENERGY AND GRID MODERNIZATION RESEARCH, DEVELOPMENT, AND DEMONSTRATION

- Authorizes nearly \$6 billion for research, development, demonstration, and commercial application (RDD&CA) for wind, solar, storage, geothermal, water power, and grid modernization and provides grants for microgrids and incentives for efficiency improvements at existing hydroelectric power facilities
- Includes language ensuring workers are paid good, prevailing wages for the first time in five programs: wind, solar, water power, grid modernization, and carbon removal research and development
- Improves coordination and directs the Department of the Interior to set a goal for renewable energy development on public lands and provides \$31 million in funding for this effort
- Ensures the security of clean energy supply chains by establishing a national strategy and authorizing RDD&CA of critical minerals, including identifying alternatives and enhancing reuse and recycling
- Invests in research to promote the safety, resilience, and reliability of existing nuclear reactors while supporting RDD&CA for small modular reactors

## INDUSTRIAL SECTOR RESEARCH, DEVELOPMENT, AND DEMONSTRATION

- Establishes a cross-cutting RDD&CA program for decarbonization and economic competitiveness of the U.S. industrial sector
- Codifies and expands the DOE Combined Heat and Power (CHP) Technical Assistance Partnership Program to encourage deployment of CHP, waste heat to power, and efficient district energy
- Authorizes carbon capture, use, and storage RDD&CA to advance carbon removal, reduce emissions from industry, and accelerate export of carbon capture retrofit technologies for the industrial and power sectors, in order to meet U.S. and global climate goals consistent with findings from the Intergovernmental Panel on Climate Change, International Energy Agency, and National Academies of Science, Engineering, and Medicine

## DOE INNOVATION AND FINANCING

- Increases funding for the DOE ARPA-E program and improves the DOE Indian Energy program
- Reforms the DOE Title XVII Loan Guarantee Program to unlock \$23.9 billion in existing loan guarantee authority to help finance projects that deploy innovative emission-reducing technologies and pay prevailing wages for workers
- Streamlines DOE prize competitions and authorizes DOE to carry out milestone-based demonstration projects
- Establishes programs and processes to accelerate the transition of clean energy technologies from lab to market and to support clean energy professionals and entrepreneurs who come from underrepresented backgrounds

## TRANSPORTATION

- Extends and provides \$90 million for the Diesel Emissions Reduction Act (DERA), a critical EPA grant program to reduce air pollution from diesel engines and protect public health and the climate
- Provides \$13 billion to the Federal Transit Administration to support transit agencies around the country
- Authorizes over \$2.5 billion for innovative sustainable transportation technologies at DOE, including electric vehicles, biofuels, and hydrogen and fuel cell technologies
- Strengthens partnerships among DOT, states, metropolitan planning organizations, and local and tribal governments to assess climate risks and improve the resilience of transportation assets
- Supports technical assistance, training, and research and development for resilient transportation infrastructure

## NATURE BASED CLIMATE SOLUTIONS

- Provides the full \$900 million permanently available from the Land and Water Conservation Fund as a result of the enactment of the Great American Outdoors Act
- Increases discretionary funding for the Department of the Interior, which will help protect and preserve public lands to increase carbon sequestration and build resilience to climate change
- Provides \$1.018 billion to help farmers, ranchers, and landowners conserve and protect land, including \$185 million for infrastructure for watershed and flood prevention projects
- Includes funding for the Coral Reef Program and research to combat harmful algal blooms

## WATER INFRASTRUCTURE

- Authorizes essential water resources and ecosystem restoration projects to protect communities, create good-paying jobs, and maintain vital natural resources
- Ensures Army Corps projects consider needs of communities requesting assistance with sea level rise and supports calculation of sea level rise benefits for Army Corps projects
- Authorizes the Army Corps to help economically disadvantaged communities address repeated flooding through water resources projects and technical assistance
- Helps the Army Corps address the future water supply needs of communities, especially those communities in the nation's arid regions
- Directs the Army Corps to document the consideration of natural and nature-based solutions to floods and coastal storms, including the long-term benefits of these solutions
- Invests in our nation's waterways and ports to increase use of navigable waterways, using less energy and reducing greenhouse gas emissions
- Provides competitive grants to improve port facilities, related transportation, and cargo flows, including projects to support operations safety and resilience, like lighting and stormwater improvements
- Unlocks the Harbor Maintenance Trust Fund by providing the authority for additional funds for harbor maintenance needs

## HOUSING AND COMMUNITY RESILIENCE

- Incorporates resilience in all new projects and directs departments and agencies to identify opportunities to prioritize resilience, equity, regional efforts, and robust stakeholder engagement
- Helps communities rebuild by providing additional allocations of the low-income housing tax credit to states hit by natural disasters
- Directs HUD to support CDBG grantees' efforts to use funds to increase resilience and harden structures to better withstand flooding, severe storms, and other natural hazards.
- Supports HUD efforts to prioritize Native American Program funding and technical assistance resources to mitigate the impacts of climate change and to encourage resilient building and planning practices in Indian Country

## PIPELINE SAFETY

- Improves natural gas pipeline safety and reduces dangerous climate pollution by requiring pipeline operators to conduct leak detection and repair programs that meet minimum performance standards, to repair or replace leaking pipelines within deadlines to be established by PHMSA, and to use advanced leak detection technologies

## ENERGY & WATER EFFICIENCY

- Authorizes \$1.73 billion over five years and expands the Weatherization Assistance Program to include renewable energy
- Promotes energy and water efficiency in Federal buildings and comprehensive approaches for water and energy resilience planning for agencies
- Expands Federal interagency coordination on the energy-water nexus
- Creates a smart energy water efficiency pilot program
- Coordinates energy retrofitting assistance for schools
- Promotes building-to-grid integration for stability and resilience
- Establishes rebate programs to encourage replacement of energy inefficient electric motors and transformers
- Makes technical improvements to efficiency standards for large ceiling fans and requires a report on the benefits of electrochromic glass on energy consumption and occupant comfort in buildings