

DIVISION Z - ENERGY ACT OF 2020 AND DIVISION S - INNOVATION FOR THE ENVIRONMENT

FACT SHEET

The “Energy Act of 2020” and the “Innovation for the Environment” divisions of this package make long-overdue reforms to U.S. energy and environment policy and authorize investments in the transition to a low-carbon future. This legislation includes programs to develop and deploy renewable and distributed energy resources; improve the efficiency of our homes and businesses; modernize the grid and enhance its resilience and reliability; reduce carbon pollution from industrial and traditional power sources; and much more. **Taken together, these measures provide a path towards modernizing our energy system while taking an important step to addressing the climate crisis and growing our economy.**

Clean Energy:

- Supports the transition to a low-carbon economy by investing in clean energy, distributed energy resources, energy storage systems, and microgrids – all of which build resilience and are crucial to reducing greenhouse gas emissions.
- Authorizes nearly \$4 billion for research, development, demonstration, and commercial application (RDD&CA) to advance cutting-edge renewable energy technologies, including solar, wind, geothermal, and water power.
- Invests in existing and advanced nuclear energy RDD&CA, with a strong emphasis on project demonstration and scale-up.
- Establishes new RDD&CA programs and authorizes over \$1 billion to accelerate the development of innovative energy storage systems.
- Brings clean, reliable energy to marginalized communities, including \$75 million for grants to deploy energy storage and microgrids in rural communities.
- Modernizes existing hydroelectric infrastructure by providing incentives for facility efficiency improvements.
- Promotes additional renewable energy development on public lands.
- Authorizes new investments and programs to significantly advance and assess promising fusion energy pathways.
- Includes language ensuring workers are paid good, prevailing wages for the first time in five programs: solar, wind, water power, grid modernization, and carbon removal research and development.

Reducing Climate Pollution and Promoting American Manufacturing:

- Directs the Environmental Protection Agency (EPA) to phase down the production and consumption of hydrofluorocarbons (HFCs), a highly potent greenhouse gas, by 85 percent over 15 years. Enacting this provision will position the U.S. to lead the world in avoiding up to 0.5 degree Celsius of warming.

- A recent study by the University of Maryland found that a structured HFC phasedown will create 33,000 new high-quality U.S. manufacturing jobs, add \$12.5 billion to the U.S. economy every year for the next decade, and make U.S. industry more competitive globally.

Efficiency:

- Authorizes \$1.73 billion over five years for the popular Weatherization Assistance Program for low-income energy efficiency retrofits and makes other improvements to the program. This funding would result in approximately 300,000 units receiving weatherization services. This program will help fund employment of workers across the country in good paying jobs that will reduce greenhouse gas pollution and save consumers money.
- Supports energy efficiency in federal buildings by codifying the Federal Energy Management Program.
- Advances the development of smart buildings by establishing a Federal Smart Building Program and requiring the Department of Energy to survey smart buildings across the country.
- Establishes rebate programs for energy efficient motor systems and transformers.
- Supports energy and water sustainability by enabling the Department of Energy and other agencies to coordinate and conduct research, development, and demonstration to consider the use of water in energy systems and use of energy in water extraction and treatment.

Grid Modernization and Supply Chain Security:

- Invests over \$1 billion in grid related RDD&CA projects and other measures to modernize the electric grid, including programs to improve resilience and reliability and advance efficient, integrated energy systems.
- Directs the Department of Energy to establish a national strategy to address issues related to the critical materials supply chain.
- Authorizes RDD&CA activities to identify alternatives and enhance the recycling and reuse of critical materials, which are needed to fuel our clean energy economy.

Clean Transportation:

- Reauthorizes the Diesel Emissions Reduction Act (DERA), a critical EPA grant program to improve air quality by reducing harmful emissions from diesel engines. DERA projects reduce vulnerable communities' exposure to diesel pollution and the improved air quality provides immediate health benefits. To date, every federal dollar invested in DERA has leveraged as much as \$3 from non-federal sources, and has generated up to \$30 in public health benefits.

- Authorizes over \$2.5 billion to support innovative sustainable transportation technologies at the Department of Energy, including electric vehicles, biofuels, and hydrogen and fuel cell technologies.

Modernizing the Federal Approach to Innovation:

- Drives investment in clean energy innovation by significantly increasing funding for the Advanced Research Projects Agency–Energy (ARPA-E).
- 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.
- Reforms the Department of Energy’s long-dormant Title XVII Loan program to unlock \$23.9 billion in existing loan guarantee authority for projects that deploy innovative emission-reducing technologies and pay prevailing wages for workers.

Reducing Carbon Pollution and Enhancing Industrial Innovation:

- Establishes new RDD&CA programs to accelerate the deployment of technologies that reduce emissions from the industrial sector, including \$500 million in grants for demonstration projects.
- Invests in carbon capture, utilization, and storage RDD&CA, including carbon removal, to significantly reduce net emissions from all sectors of the economy as quickly as possible, consistent with the recommendations set forth by the Intergovernmental Panel on Climate Change special report for limiting global warming to 1.5 degree Celsius.