

# AMERICA'S PLEDGE

## Opportunities for Stimulus and Recovery to Support the Non-Federal Clean Energy Transition

States, cities, businesses, and other non-Federal actors have increasingly been implementing ambitious climate policies that are providing benefits and driving down overall US greenhouse gas emissions. Federal economic recovery and stimulus packages provide a critical opportunity to maintain and expand this climate action momentum and set the stage for enhanced national action. Importantly, policies aimed at keeping state and local governments solvent are likely to be key to continued momentum in the years ahead—without this infusion, progress could slow, resulting in an inability to achieve the needed 2030 emissions reductions.

The recent America's Pledge report, [Delivering on America's Pledge: Achieving Climate Progress in 2020](#), identified key stimulus opportunities across five major sectors that could accelerate progress toward needed 2030 emissions reductions and help address risks to that progress. Investments in public transit and methane leak reduction are particularly critical to avoid recent threats to modeled emissions reductions. Other key opportunities across the five sectors are described below.



### Electricity

- ✓ **Realign renewable energy financial incentives** by extending the phasedown period for the Production and Investment Tax Credits, expanding the list of eligible technologies to include storage and load management, and creating direct pay options to address industry concerns about liquidity; as well as phasing out or eliminating fossil fuel subsidies.
- ✓ **Invest in grid modernization** including long-distance high voltage transmission infrastructure, as well as distributed energy technologies such as smart grid, storage, and load management.
- ✓ **Support a just transition** for fossil fuel workers and communities by covering income, training, and optional relocation for workers facing job loss, as well as transition programs to help diversify economic activity in communities currently reliant on fossil fuels.



### Transportation

- ✓ **Support public transit** with operational assistance to help reinstate and maintain transit service, implement measures to keep drivers and riders safe, and transition to zero-emission vehicles, while also reforming federal funding structures to compensate transit agencies based on frequency of service instead of low operating costs.
- ✓ **Invest in electric vehicles** including funding for domestic vehicle and battery manufacturing, charging infrastructure, and purchase incentives across all vehicle sizes and sectors.
- ✓ **Provide workforce training** to support the new skills required in these changing industries.
- ✓ **Support complete streets** with infrastructure that prioritizes pedestrians and cyclists.

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## Methane

- ✓ **Address idle and abandoned infrastructure** by cleaning up and plugging oil and gas wells.
- ✓ **Invest in advanced monitoring and efficiency** to rapidly and comprehensively deploy leak detection and repair technologies and practices at new and modified facilities.
- ✓ **Support state and local governments and at-risk communities** by focusing funding, job programs, and environmental co-benefits on highly impacted regions and communities.



## Buildings

- ✓ **Promote zero-emissions buildings and appliances** by incentivizing leading states and cities to adopt net-zero energy codes, driving commercial retrofits through tax incentives, updating standards, and providing financial incentives to replace home appliances (e.g., gas stoves and furnaces) with clean electric appliances (e.g., induction stoves and heat pumps).
- ✓ **Invest in weatherization and efficiency retrofits**, for example by reauthorizing the Energy Efficiency and Conservation Block Grant program and increasing funding to the Weatherization Assistance Program (WAP).
- ✓ **Prioritize low-income housing** to address current health and housing access inequities by (a) establishing a federal bank that dedicates a portion of efficiency and electrification upgrades to underserved and low-income communities and provides accessible financial models to support adoption, (b) increasing funding and coordination for WAP and the Low-Income Home Energy Assistance Program to better align with population needs, and (c) expanding Low-Income Housing Tax Credit projects to require them to be all-electric and zero-energy ready.



## Hydrofluorocarbons (HFCs)

- ✓ **Provide tax credits for HVAC installers** to provide much-needed funds that could be used to adapt to the changing needs of consumers and prepare the industry for future crises.
- ✓ **Incentivize consumers** to properly repair and replace existing HVAC systems, including by extending energy efficiency tax credits to cover electrification and low-HFC refrigerants.
- ✓ **Fund end-of-life HFC disposal** through existing and new state programs that collect and destroy end-of-life, high-global warming potential HFCs.