

Advancing the Progressive Climate Innovation Agenda Through **Executive Action**

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The Administration can and should use its existing authority to immediately start implementing a progressive climate innovation strategy. The White House and the Department of Energy have already begun moving in this direction, but we will be looking for the follow-through. The executive branch and Congress can make progress on all three pillars (expansion, emissions, and equity) without new authorizing legislation.

EXPANSION:

Federal climate innovation programs are drastically underfunded. President Biden committed to addressing this issue by investing \$400 billion over ten years in clean energy innovation to improve critical decarbonization technologies. Achieving this goal will require sustained, large increases in the annual budgets for DOE and other agencies, not just one-time investments. Figure 2 shows an illustrative pathway to invest \$400 billion by 2030, requiring a steep budget increase starting next year: **Here are three actions the Biden-Harris Administration can take under existing authority this year to expand the federal climate innovation ecosystem:**

- Request and secure significant increases in FY22 funding for DOE research and development (R&D) programs and programs that get pre-

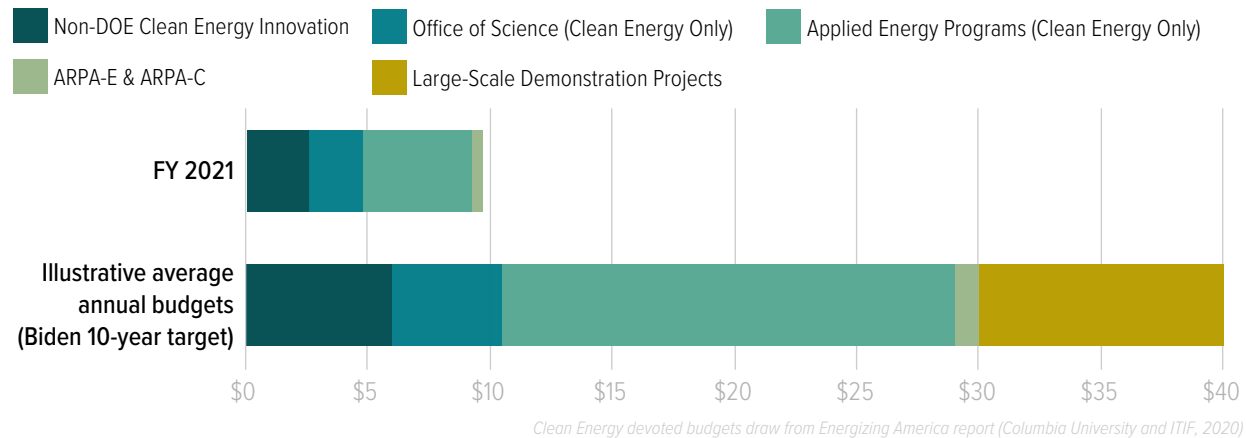
commercial technologies to market, including demonstration projects, support for state, tribal, and local governments, and new analysis and tool development.

- Expand later-stage innovation activities, including technical assistance and deployment efforts, within today's budget.
- Increase collaboration with the Departments of Transportation, Agriculture, and Housing and Urban Development, as well as the Federal Emergency Management Agency, to drive innovation through federal grant and infrastructure programs.

EMISSIONS:

Existing innovation programs were not designed to focus on addressing climate change. Today's programs lack the direction and criteria to ensure that every project supported with federal dollars contributes to deep decarbonization. Moreover, compared to the sectoral distribution of climate-warming emissions, a disproportionate share of innovation funding goes to the power sector, leaving heavy industry, transportation, and buildings programs particularly underfunded. Within the power sector, fossil and nuclear resources receive a much larger share of funding than their share of electricity generation in the IPCC's mitigation scenarios, while renewables and storage

What would it take to meet the Biden campaign's commitment to \$400 billion in clean energy innovation over 10 years?



are underfunded. **Here are three actions the Biden-Harris Administration can take under existing authority this year to orient the federal climate innovation ecosystem around emissions:**

- Start to balance the portfolio by requesting large funding increases for innovation programs focused on buildings, transportation, heavy industry, and energy storage in the FY22 budget. According to [our latest polling](#), voters support the federal government expanding funding to research, develop, and deploy new clean energy technologies focused on hard-to-abate industries by a 51-percentage-point margin (68% support, 17% oppose).
- Deploy the \$40 billion in existing Loan Programs Office (LPO) loan authority to support clean technologies, including by using fossil energy capital for industrial decarbonization.
- Impose a climate screen across innovation programs to ensure that federal funding only supports projects that could be compatible with the Administration's goals of 100% clean electricity by 2035 and net-zero emissions economy-wide no later than mid-century.

EQUITY:

Existing innovation programs fail to properly acknowledge the unequal impact of historic pollution or ensure equitable access to the benefits of new technologies. Realizing President Biden's commitments to put environmental justice and social equity at the

center of federal climate policy will require major changes to innovation policy. **Here are three actions the Biden-Harris Administration can take under existing authority this year to advance equity in clean energy innovation:**

- Impose diversity, equity, environmental and energy justice, and job quality screens across DOE innovation programs, with an intent to combat injustice, increase the benefits of DOE programs for communities with greatest need, and increase the diversity of innovators who receive DOE grants and loans.
- Secure funding in the FY22 budget for: health, equity, and justice analysis and tool development; equity-focused programs like the Weatherization Assistance Program; Historically Black Colleges and Universities and other Minority Serving Institutions; and support for states, tribal, and local governments to advance equity and justice.
- Expand engagement to include underrepresented communities and groups in the design and implementation of innovation programs, including setting technology priorities and targets, siting of demonstration projects, grantmaking criteria, and more. By a 32-point margin, [our latest polling](#) finds that voters support targeting government R&D support to HBCUs, women- and minority-owned businesses, and other groups that are historically underrepresented in public innovation efforts (60 percent support, 28 percent oppose).