

## Advancing the Progressive Climate Innovation Agenda Through New Authorizing Legislation

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While much of the progressive climate innovation agenda may be achievable under existing authority—whether through executive action, the standard budget process, or a jobs and infrastructure package—we cannot address the climate innovation gap without bold action from Congress to authorize and fund new programs. Progressive legislators should look to codify the pillars of expansion, emissions, and equity in innovation programs across the federal government.

## **EXPANSION:**

Expanding the innovation portfolio means not only increasing the size of the budget but also expanding federal activities to include the full innovation cycle necessary to combat the climate crisis at scale. As we discuss in our original report, Congress has long prioritized early stage research, but scaling up clean energy technologies at the pace climate science demands requires much greater investment in later stage innovation activities. While proposals to keep the United States on the cutting edge of scientific research, such as the Endless Frontier Act, are laudable, they are insufficient upgrades to the innovation portfolio without comparable expansion of applied

demonstration, commercialization, demand-pull, and mass deployment activities at specialized agencies like the Department of Energy. Here are <u>three</u> legislative actions Congress should take to expand the federal climate innovation ecosystem:

- Raise the authorized funding levels for DOE's
  innovation portfolio to at least double the budget
  by 2025 and update the Loan Programs Office to
  unlock the program's existing capital, including
  by authorizing the Advanced Technology Vehicle
  Manufacturing loan program to support mediumand heavy-duty vehicle manufacturing.
- Establish Buy Clean procurement standards to gradually decrease the emissions intensity of federal procurement while driving demand for domestic clean manufacturing.
- Establish a <u>National Investment Authority</u> or other major public investment body to finance infrastructure projects and deploy innovative clean energy technologies. The American Jobs Plan includes \$27 billion for a Clean Energy and Sustainability Accelerator.

## **EMISSIONS:**

To ensure federal innovation programs are focused on climate change, Congress needs to cement that goal in statute. The pro-fossil fuel agenda advanced by the Trump DOE is a clear example of how mere executive action to orient agency activities around climate can be swiftly undone. Here are <a href="three">three</a> legislative actions Congress should take to orient the federal climate innovation ecosystem around emissions:

- Update DOE's mission to include addressing the climate crisis, achieving net-zero greenhouse gas emissions across the economy, and cutting harmful pollution and require DOE to implement screens and new grant criteria to advance this mission. Our polling finds that more than two-thirds of voters, including 87 percent of Democrats and nearly half of Republicans, support "the government officially updating the Department of Energy's mission to include addressing climate change, achieving net-zero greenhouse gas emissions across the economy, advancing environmental and energy justice, and cutting harmful pollution."
- Expand authorizations for underfunded efforts and cross-cutting programs that reflect pathways to address the climate crisis, including transportation decarbonization, clean hydrogen production and use, building decarbonization, and carbon management.
- Expand clean energy research, development, and commercialization programs at other key agencies that work on difficult-to-decarbonize sectors of the economy, such as DOT, USDA, and HUD. According to our latest polling, increasing collaboration on energy innovation between DOE and these other agencies receives strong support from Democrats (87 percent support), Independents (72 percent support), and Republicans (62 percent support).

## **EQUITY:**

Racial and socioeconomic inequities are pervasive in the energy system. Low-income people and communities of color live with the brunt of energy-related pollution, spend a disproportionate share of their income on energy bills, and face greater risk from grid outages and extreme weather events. Climate change will exacerbate these inequities. To address these systemic issues, we need to integrate equity and justice practices and outcomes into federal innovation policy, including through legislation that builds capacity and aligns goals at federal agencies. Here are three legislative actions Congress should take to advance equity in clean energy innovation:

- Authorize a new whole-of-government equity screen, such as through the <u>Climate Equity Act</u>.
- Establish and fund a permanent cross-cutting energy justice, health, and affordability grants program at DOE, along the lines of the Title XI provisions the House passed in H.R. 4447, and require DOE to expand its stakeholder engagement processes to include frontline, environmental justice, and energy transition communities in program design and implementation.
- Authorize new programs dedicated to both driving innovation and advancing equity, justice, and diversity, including initiatives focused on tribal electrification, grid flexibility for resilience, low-income solar and efficiency programs, a just transition for fossil fuel workers and communities, and increasing the diversity of innovators supported by federal programs.