

To: Friends in the United States

8/25/2021, eddreby@gmail.com

From: The Eco-Justice Collaborative of Philadelphia Yearly Meeting

Re: A National 100% Clean Electricity Standard and a Clean Energy Accelerator

As we now know, Senate Democrats aim to pass a bill with many of the Biden Administration's proposals to address social injustice and the climate crisis through the process of budget reconciliation. Republicans in Congress have already said that none of them will vote for it. So this will require the votes of all fifty Democratic and Independent senators. Then it must also pass in the House.

The budget framework that the Senate approved 50 to 49 includes a 100% Clean Electricity Standard and a Clean Energy and Sustainability Accelerator. It's now being developed into actual legislation, and some Democratic senators have already said that changes are needed if they are to vote for it. So Democrats in the Senate will need to determine what all fifty of them, and the Democrats in the House, are willing to vote for.

We urge all Friends to contact your senators and representatives. Please ask them to insist that both the Clean Electricity Standard and the Clean Energy Accelerator are included and as fully funded as is politically possible in the reconciliation bill they pass this fall. When you e-mail or call senators and representatives, try to use some of this information to make the reason for your request more specific, and something from your own experience that makes investing in clean energy important to you.

As the IPPC has told us again, we must transition to a carbon-neutral, or carbon net-zero, economy by 2050 to be able to forestall a future climate catastrophe for everyone and everything. (Carbon neutrality meaning to release no more carbon dioxide equivalence than the biosphere absorbs, and ideally to release less.)

All the economic justice and climate-related issues addressed in the budget framework for reconciliation are important for advancing Friends testimonies in our nation's policies and programs, but we are convinced that the 100% Clean Electricity Standard and the Clean Energy and Sustainability Accelerator are especially important to reach carbon-neutrality by 2050. Here's why.

About a National 100% Clean Electricity Standard

In order to electrify our residential, commercial, agricultural, industrial and transportation sectors to de-carbonize them by 2050, we must first de-carbonize our electric power sector. A 100% Clean Electricity Standard (also called a renewable portfolio standard) is essential to do this.

Many people are familiar with clean electricity standards because they are already in place in thirty states. They require electric utilities to gradually but steadily increase the amount of fossil-free power in the electricity they sell. This drives investments in energy efficiency in all economic sectors, and can be managed to lower utility bills for many ratepayers. It also creates a great many new jobs, and reduces the damage to public health and the environment caused by air and water pollution from burning fossil fuels.

A national Clean Electricity Standard would do this for all of us, and their existence in states has demonstrated that with the right policies, we can successfully meet the 100% clean energy goal by 2050. Eleven states have already adopted 100% clean energy goals. Most recently, Washington state's Governor Jay Inslee released a Clean Energy for America plan, that includes establishing a 100% Clean Electricity Standard by 2035.

The budget framework that the Senate approved calls for a Clean Electricity Standard with a target of 100% clean electricity by then, and an interim target of 80% clean electricity by 2030. It includes providing federal incentives to electric utilities to accelerate their use of renewable electricity, and penalties for falling behind in the transition to fossil-free power. Utilities would also be required to use their federal funding to increase energy efficiency in the entire system so customers use less and reduce their costs as well.

Pollutants from fossil fuel power plants cause respiratory, cardiac, and other illnesses, and communities of color suffer the worst impacts. For example, black children are twice as likely to develop asthma as white children. A recent study found that achieving 80% clean electricity by 2030 would avoid more than \$1 trillion in health care costs. A 100% Clean Electricity Standard would also power America's clean energy economic recovery by creating thousands of good-paying jobs and saving working families money on their utility bills.

Friends Committee on National Legislation will be actively engaged in lobbying to fully fund the measures in the reconciliation legislation to achieve a 100% clean electricity standard by 2035. For more information see <https://www.fcnl.org/updates/2021-08/clean-electricity-standard-and-road-low-carbon-economy>.

About a Clean Energy and Sustainability Accelerator

Unlike a clean energy standard, which many people are already familiar with, few people have ever heard of the Clean Energy Accelerator, and its name is far from self-explanatory. Yet it may be one of the most important means to develop a carbon-neutral economy in a way that is both decentralized and equitable.

Legislation to authorize and fund The Clean Energy and Sustainability Accelerator had previously been introduced in the Senate and passed in the House, and was re-introduced in this session by Senators Markey and Van Hollen (S 283) and Representative Dingell (HR 806). It's also in President Biden's American Jobs Plan, and now in the Senate Democrats' budget framework for reconciliation legislation, though with much less funding than in the House and Senate bills.

The Accelerator has already been incorporated as an independent, non-profit loan fund with a 30 year charter and a 501 (c)(3) tax exempt status. Although the Senate bill calls it a national climate bank, the Accelerator is more like a green non-profit loan fund than what most people think of as a bank. And because it already exists, it can be funded through budget reconciliation.

The Accelerator's mission is to partner with 22 state and regional green banks, and other financial institutions, to mobilize private investment for reducing carbon pollution in seven sectors: renewable electricity; building efficiency and electrification; industrial de-carbonization; clean transportation; grid infrastructure; reforestation and sustainable agriculture; and climate-resilient infrastructure.

The legislation being developed would authorize the President to appoint its initial three trustees, and the EPA to provide it with equity capital as seed money. Its self-perpetuating governing board would hire its CEO and other officers, and name a 25 member advisory board drawn from a large number of stakeholders, including government agencies, business, labor, foundations, advocacy organizations, and disadvantaged communities.

The Accelerator would provide technical support and targeted low interest loans to state and local green banks and other financial institutions. Its lending would enable them to make less expensive loans to help finance both public and private investments that reduce carbon emissions. And 40% of its lending would be legally required to target "disadvantaged communities facing climate impacts." Most of the projects the Accelerator would help finance would be initiated within communities, counties, or states, be undertaken by local businesses, and provide thousands of jobs and job training in clean energy technologies.

Although the Accelerator would report regularly to Congress and the White House, and be audited by the Government Accounting Office, once established it would otherwise be completely independent from the federal government, and have no effect on either the federal budget or national debt. It's been estimated that if the Accelerator had \$100 billion in equity capital, what the House and Senate bills call for but not the budget framework, it would be able over 10 years to help finance more than \$880 billion in clean energy investment, and produce 20% of the emission reductions needed to be on a carbon neutral path.

The Accelerator can seek additional equity capital from foundations and other investors, and its 30 year charter means that until and beyond 2050 it would be continuing to attract private investment for helping to finance the huge de-centralized changes needed to develop a carbon neutral economy. And 40% of its lending would be for projects initiated by and/or for low-income, largely rural and minority communities. This is why our Yearly Meeting's "climate activists" view the Accelerator as such an important tool for advancing the transition to a low carbon economy in a way that is decentralized and equitable.

We hope especially others will agree about the importance of the Accelerator, and ask your senators and representatives to insist that the Accelerator be included in the reconciliation legislation and provided with as much "seed money" as is politically possible.

For more information about the Accelerator, see Senate testimony by Reed Hundt, CEO of the Coalition for Green Capital, at <http://coalitionforgreencapital.com/wp-content/uploads/21.04.27-reed-hundt-written-testimony-epw-clean-air-sub.pdf>, and an Accelerator Impact Assessment at <https://coalitionforgreencapital.com/wp-content/uploads/Accelerator-Impact-Vivid-Economics-11.22.20.pdf>.