

ENERGY, TRANSPORTATION, AND ENVIRONMENT (ETE)

Resolution ETE-24-12

GREENHOUSE GAS REDUCTION FUND

WHEREAS, the Inflation Reduction Act, which President Biden signed into law on August 16, 2022, invests \$27 billion to rapidly deploy low- and zero-emission technologies and accelerate the transition to an equitable and inclusive clean energy economy;

WHEREAS, the Greenhouse Gas Reduction Fund (GGRF) is a first-of-its-kind program at the Environmental Protection Agency (EPA) divided into 3 competitions;

WHEREAS, the \$14 billion National Clean Investment Fund is devoted to creating centralized, long-term financing institutions to deploy capital for clean technologies across the country, with 40% of funds allocated to low-income and disadvantaged communities;

WHEREAS, the \$6 billion Clean Communities Investment Accelerator is devoted to expanding the capacity of community lenders to ensure financing for clean energy projects that benefit low-income and disadvantaged communities;

WHEREAS, the \$7 billion Solar for All competition is devoted to expanding or creating solar programs that benefit low-income and disadvantaged communities;

WHEREAS, the GGRF has three objectives: to reduce emissions of greenhouse gases and other pollutants; deliver benefits of GHG- and air pollution-reducing projects to communities across the United States and its territories, particularly low-income and disadvantaged communities; and mobilize financing and private capital to stimulate additional deployment of greenhouse gas- and air pollution-reducing projects;

WHEREAS, the Biden Administration has set climate goals to reduce greenhouse gas emissions 50-52 percent below 2005 levels by 2030 and achieve net-zero emissions by no later than 2050;

WHEREAS, low-income and disadvantaged communities disproportionately bear the negative impacts of air pollution and climate change;

WHEREAS, 64 percent of people living in disadvantaged communities are Hispanic or Latino, Black, or American Indian or Alaska Native;

WHEREAS, these same communities lack access to green finance and have been excluded from the benefits of low- and zero-emission technologies, including improved health, cost savings, and job creation;

WHEREAS, Black and Hispanic or Latino individuals are significantly more likely to live in areas with the highest increases in childhood asthma diagnoses caused by climate-related changes in particulate matter exposure;

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WHEREAS, the Greenhouse Gas Reduction Fund (GGRF) upholds President Biden's Justice 40 Initiative to advance environmental justice and dedicates at least 69 percent of program funds to make critical investments in communities that have been underserved by traditional financial markets;

WHEREAS, the GGRF will capitalize on the successful model and track records of green banks and community-based lenders to spur public and private co-investment to stretch dollars even further, leveraging \$20 billion into an estimated \$250 billion over ten years;

WHEREAS, the GGRF is expected to reduce at least 850 metric megatons of climate pollution over a decade, accounting for one-sixth of the reductions needed over the next ten years to avoid the most damaging impacts of climate change;

WHEREAS, \$20 billion in green financing programs will help create one million direct jobs over a decade, with 380,000 of those jobs located in low-income and disadvantaged communities;

WHEREAS, Americans will realize at least \$100 billion in cost savings, with nearly one-third of those savings concentrated in low-income and disadvantaged communities, reducing energy burdens;

WHEREAS, projects supported by the GGRF will avoid thousands of early deaths by reducing air pollution, especially in communities that bear the greatest pollution burden;

WHEREAS, awardees must demonstrate that investments will provide economic and non-economic benefits for the impacted community without causing inadvertent harms such as displacement, worsening pollution burdens, or exacerbating existing disparities; and

WHEREAS, this program will ensure that consumers, homeowners, and businesses across the country can participate in and benefit from the transition to a low-cost, low-carbon economy.

THEREFORE, BE IT RESOLVED, that the National Black Caucus of State Legislators (NBCSL) urges Congress to support the EPA in its efforts to implement the GGRF so that benefits truly flow to low-income and disadvantaged communities and to categorically reject any cuts to the program;

BE IT FURTHER RESOLVED, that the NBCSL believes that to ensure that these benefits are realized, the EPA must prioritize accountability, robust safeguards, and transparency in evaluating applications and making award decisions including ensuring financing offers better than market rates to all consumers;

BE IT FURTHER RESOLVED, that the NBCSL believes that the EPA should select applicants with internal structures, processes, decision-making bodies, and investment criteria that are developed through community engagement and reflect representation and accountability to low-income and disadvantaged communities;

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BE IT FURTHER RESOLVED, that the NBCSL believes that the EPA should require awardees to provide detailed reporting on impacts of investments and benefits conferred to low-income and disadvantaged communities and make this reporting publicly available; and

BE IT FINALLY RESOLVED, that a copy of this resolution be transmitted to the President of the United States, the Vice President of the United States, members of the United States House of Representatives and the United States Senate, and other federal and state government officials as appropriate.

Resolution ID: ETE-24-12

Sponsored by: Sen. Paul A. Lowe, Jr. (NC)

Policy Committee: Energy, Transportation, and Environment (ETE)