

Climate Change Alert

Akin Gump
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House Democrats Unveil Sweeping Climate Legislation to Transform Country's Energy Mix

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On Tuesday, March 2, Democrats on the House Energy and Commerce (E&C) Committee introduced a sweeping climate proposal—the [Climate Leadership and Environmental Action for our Nation's \(CLEAN\) Future Act](#)—an amended version of draft legislation released last year in the 116th Congress. The measure, which authorizes \$565 billion in spending over 10 years, sets two overarching goals with respect to national greenhouse gas pollution: (1) achieving net-zero emissions nationwide by 2050 (a goal endorsed by President Joe Biden); and (2) a 50 percent reduction in nationwide greenhouse gas pollution from 2005 levels by 2030.

One path forward is to incorporate this legislation into a broader, second reconciliation package this spring designed to provide stimulus to the economy through clean energy jobs, tax incentives and infrastructure investments and help the United States meet its Paris Agreement commitments. The CLEAN Future Act aims to reduce greenhouse gas emissions by investing significantly in several areas, including clean energy, infrastructure modernization, sustainability and environmental justice initiatives. The bill would establish a “Clean Electricity Standard” that requires 100 percent clean electricity generation by 2035, a goal President Biden also backed on the campaign trail. While some progressive Democrats have called for a price on carbon emissions, the CLEAN Future Act does not include such language, as E&C Chairman Frank Pallone (D-NJ) acknowledged that such an approach lacked sufficient political support from more moderate Democrats and Republicans in both the House and Senate.

The legislation contains many similarities to last year's initial draft (which we outlined [here](#)), but also contains several additions, including language directing the Securities and Exchange Commission (SEC) to require public companies to disclose information about their exposure to climate-related risks.

Notably, it authorizes funds for environmental justice protections, including a stipulation that 40 percent of available funds be dedicated to environmental justice communities (to implement President Biden's Justice40 Initiative), and it provides for a new program to fund lead service line removal at no cost to homeowners, creates a new Office of Energy Equity at the Department of Energy (DOE) and adds a new climate justice grants program. Entirely new to this year's draft text are provisions introducing waste reduction measures (including a moratorium on the permitting of

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new plastic production facilities) and programs intended to help workers impacted by the transition away from a fossil-based economy. Finally, this year's iteration omits a number of provisions that Congress enacted in its late 2020 appropriations legislation, which included programs providing rural grants, weatherization assistance, energy efficiency improvements in buildings, the "National Smart Manufacturing Plan" and motor vehicle rebates.

A slew of climate-related executive actions from President Biden's Climate Day on January 27 preceded the House package. As congressional Democrats continue to develop and advance their climate agenda and use the CLEAN Future Act as a starting point for broader climate discussions, the United States will convene a climate summit on April 22 to reassert its climate leadership to the global community. The White House continues to refine its greenhouse gas emission reduction goals as part of its new nationally determined contribution (NDC) under the Paris Agreement, which we anticipate will be announced before the April 22 summit.

Bill text for the CLEAN Future Act is available [here](#), and a section-by-section summary is available [here](#). Further, a summary of changes in the revised version is available [here](#).

Akin Gump's public law and policy practice and team of dedicated environmental and climate lawyers will continue to monitor for real-time legislative and regulatory climate updates and keep clients apprised of any significant developments through our [Speaking Sustainability blog](#) and related Twitter feed [@SpeakingSustain](#).

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