

NATIONAL CLIMATE BANK PROPOSALS IN THE 117TH CONGRESS



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Developing, deploying, and scaling low- and zero-carbon technologies in time to avoid the worst impacts of climate change—while also bolstering resilience to climate impacts—will require an unprecedented infusion of capital in a very short time frame. Over the past decade, green banks have emerged as a critical mechanism to strategically deploy public financial resources in ways that can leverage private capital and accelerate the transition to a decarbonized, resilient future. This factsheet compares six climate bank proposals introduced in the 117th Congress (2020–2021).

The idea of a national climate bank has gained renewed attention. Congress last seriously considered a climate bank proposal in 2009 that would create the Clean Energy Development Administration (CEDA), with key functions based on the green bank model. Since then, national climate bank proposals have been introduced in the last several Congresses. This factsheet summarizes and compares six climate bank proposals that have been introduced so far in the 117th Congress (2021–2022), highlighting similarities and differences:

- Clean Energy and Sustainability Accelerator Act (H.R. 806) introduced by Rep. Debbie Dingell (D-Mich.) on February 4, 2021
- National Climate Bank Act (S. 283) introduced by Sen. Ed Markey (D-Mass.) on February 8, 2021
- CLEAN Future Act (H.R. 1512) introduced by Rep. Frank Pallone (D-N.J.) on March 2, 2021
- America's Clean Future Fund Act (S. 685 and H.R. 2451) introduced by Sen. Dick Durbin (D-Ill.) on March 10, 2021 and by Rep. Marie Newman (D-Ill.) on April 12, 2021
- LIFT America Act (H.R. 1848) introduced by Rep. Frank Pallone (D-N.J.) on March 11, 2021
- The U.S. Green Bank Act (S. 1208 and H.R. 2656) introduced by Sen. Chris Murphy (D-Conn.) and Rep. James Himes (D-Conn.) on April 19, 2021

All of these climate bank proposals would operate as a revolving fund, but differ in terms of design and scope. The Dingell proposal has been included in the CLEAN Future Act and the LIFT America Act. While the majority of these proposals would establish an independent, nonprofit green bank, the Murphy-Himes proposal would establish a government-run Green Bank and the Durbin proposal would establish a Climate Change Finance Corporation (C2FC) that would operate as an independent agency.

All except one proposal would be capitalized through appropriations. The Markey and Dingell proposals would capitalize their respective banks with an initial \$50 billion and appropriate an additional \$50 billion over five years. The DeFazio proposal would appropriate \$20 billion over six years for its Clean Energy and Sustainability Accelerator. The Durbin proposal would initially capitalize its C2FC with \$30 billion in appropriations over two years and then provide annual funding from some of the revenues from a carbon fee. In contrast, the Murphy-Himes proposal would initially capitalize its Green Bank through the issuance of \$10 billion in green bonds and would have a maximum capitalization of \$50 billion at any one time.

All of the proposals would allow their respective climate banks to provide some type of financing or capital to state and local green banks. Almost all of the propos-

als would also provide technical assistance and start-up capitalization to help establish state and local green banks to foster investments in markets that are better served by a local entity.

All but one proposal would allow their respective climate banks to directly invest in eligible projects. The Murphy-Himes proposal would only be able to finance projects through eligible state and local green banks. The proposals offer similar investment and financing tools, but differ in offering assistance to “special projects.” For instance, the Dingell proposal would also provide low- and zero-interest loans to schools, metropolitan planning organizations, or nonprofit organizations seeking financing to deploy zero-emission vehicles and related infrastructure. The Markey proposal would also establish a cash for carbon program to use market mechanisms (e.g., reverse auctions) to remove greenhouse gas emissions from the power sector. The Durbin proposal would also provide grants to state and local governments, research and development institutions to develop and deploy clean energy and help communities build climate resilience.

All of the proposals would make eligible a range of projects that would deploy clean energy technologies, clean transportation, decarbonization of industry, and climate resilience. Several proposals—such as the Dingell, Durbin, and Markey proposals—would include agriculture projects that reduce greenhouse gas emissions. The Durbin proposal also includes research and

development of clean energy and clean technologies such as carbon capture utilization and storage and direct air capture.

The proposals also differ in prioritizing projects. The Dingell proposal would prioritize projects that would: maximize the reduction of emissions for every dollar deployed by the Clean Energy and Sustainability Accelerator; benefit climate-impacted communities (e.g., communities of color, frontline communities, low-income communities, and small rural communities) and ensure that 40 percent of the Accelerator’s investment activity is directed towards these communities; benefit consumers and affected communities; and ensure workers financed directly by the Accelerator are paid a prevailing wage. The Markey proposal would prioritize projects that would: ensure that 40 percent of the National Climate Bank’s investment activity is directed towards disadvantaged communities, give priority to projects that provide jobs, reduce greenhouse gas emissions, and serve disadvantaged communities or rural communities. The Durbin proposal would prioritize projects that would serve: prioritized communities (e.g., environmental justice communities, communities of color, indigenous communities, and low-income communities), deindustrialized or fossil-fuel reliant communities, and low-income communities at risk of climate impacts. The Durbin proposal would also require 40 percent of the grants be given to prioritized communities.

	NAME	MANDATE	STRUCTURE / ORGANIZATION TYPE
<p><i>Clean Energy and Sustainability Accelerator Act (H.R. 806)</i></p> <p><i>CLEAN Future Act (H.R. 1512)</i></p> <p><i>LIFT America Act (H.R. 1848)</i></p>	Clean Energy and Sustainability Accelerator	Combat climate change through deployment of mature technologies and commercialization and scaling of new technologies (mitigation and resilience).	Nonprofit, 30-year charter
<p><i>National Climate Bank Act (S. 283)</i></p>	National Climate Bank	Combat climate change through deployment of mature technologies and commercialization and scaling of new technologies (mitigation and resilience).	Nonprofit, 30-year charter
<p><i>America’s Clean Future Fund Act (S. 685 and H.R. 2451)</i></p>	Climate Change Finance Corporation	Combat and reduce effects of climate change (mitigation and resilience) and to meet the economy goal of net-zero emissions by 2050.	Public
<p><i>U.S. Green Bank Act (S. 1208 and H.R. 2656)</i></p>	Green Bank	To increase the pace of investments in clean energy, mitigation and adoption projects at the state and local level.	Public, 40-year charter

	FUNDING / CAPITALIZATION	GOVERNANCE
<p><i>Clean Energy and Sustainability Accelerator Act (H.R. 806)</i></p> <p><i>CLEAN Future Act (H.R. 1512)</i></p> <p><i>LIFT America Act (H.R. 1848)</i></p>	<p>\$50 billion upon enactment, \$10 billion per year for five years thereafter.</p>	<p>Seven-member Board of Directors (3 members appointed by president and confirmed by senate, 4 members elected by appointed members). CEO appointed by board.</p>
<p><i>National Climate Bank Act (S. 283)</i></p>	<p>\$50 billion upon enactment, \$10 billion per year for five years thereafter.</p> <p>Bank may accept and use philanthropic funds.</p>	<p>Seven-member Board of Directors (Treasury Secretary, Energy Secretary, CFP Director, and 4 members appointed by the president and confirmed by senate). CEO appointed by board.</p>
<p><i>America’s Clean Future Fund Act (S. 685 and H.R. 2451)</i></p>	<p>\$15 billion for first two years, additional funding provided by carbon fee, 15% of revenue for first ten years increasing to 20% thereafter.</p>	<p>Seven-member Board of Directors appointed by the president and confirmed by senate. Chair and Vice Chairperson appointed by president and confirmed by senate.</p>
<p><i>U.S. Green Bank Act (S. 1208 and H.R. 2656)</i></p>	<p>Initial capitalization of \$10 billion from sale of Green Bonds, additional capitalization cannot exceed \$50 billion at any one time.</p>	<p>Nine-member Board of Directors (Treasury Secretary, Energy Secretary, Transportation Secretary, EPA Administrator, and Defense Secretary, and four appointed by the President and confirmed by the senate.</p>

	TYPES OF ASSISTANCE / INVESTMENT TOOLS
<p><i>Clean Energy and Sustainability Accelerator Act (H.R. 806)</i></p> <p><i>CLEAN Future Act (H.R. 1512)</i></p> <p><i>LIFT America Act (H.R. 1848)</i></p>	<p>Directly finance qualifying projects or indirectly by providing capital to state and local green banks.</p> <p>Capital for qualified projects in the form of:</p> <ul style="list-style-type: none"> • senior, mezzanine, and subordinated debt • credit enhancements including loan loss reserves and loan guarantees • aggregation and warehousing; • equity capital • other financial products approved by the board. <p>Within a year of establishment, the accelerator will explore the establishment of a program to provide low- or zero-interest loans to schools, metropolitan planning organizations, or nonprofit organizations seeking financing for zero emission vehicle fleets and related infrastructure.</p>
<p><i>National Climate Bank Act (S. 283)</i></p>	<p>Directly finance projects that reduce emissions and provide financing to green banks.</p> <p>Capital for projects in the form of:</p> <ul style="list-style-type: none"> • equity investments in clean energy projects • direct lending, co-lending, and credit enhancements. <p>Appropriate debt and risk mitigation, and equity products must be approved by the Investment Committee of the Board and be consistent with the mission of the Bank.</p> <p>Within a year of establishment, the Accelerator will explore the establishment of a program to accelerate the transition to zero-emissions power generation and to invest in communities affected by the transition away from carbon-intensive facilities or assets.</p> <p>Explore establishing a cash for carbon program, which can use “market mechanisms” to remove GHG from the power system.</p>

	TYPES OF ASSISTANCE / INVESTMENT TOOLS
<p><i>America’s Clean Future Fund Act (S. 685 and H.R. 2451)</i></p>	<p>Loan guarantees to eligible lenders (chartered banks, chartered credit unions, ag credit unions, green banks, community development financial institution, minority depository institution) issuing loans to eligible borrowers for approved practices.</p> <p>Other investment tools and products include:</p> <p>warehousing and aggregation credit facilities</p> <ul style="list-style-type: none"> • zero interest loans • credit enhancements • construction finance • other investment tools and products approved by the Board. <p>Grants to eligible entities (i.e., states and local government, Indian tribe, and R&D institutions including national labs). 40% of grants should be given to prioritized communities (i.e., environmental justice communities, communities of color, indigenous communities, and low-income communities).</p>
<p><i>U.S. Green Bank Act (S. 1208 and H.R. 2656)</i></p>	<p>Green Bank will provide competitive financing to state and local green banks to invest in qualify projects.</p> <p>This includes:</p> <ul style="list-style-type: none"> • loans • loan guarantees • credit buy downs • other financing that the Green Bank determines as appropriate.

	ELIGIBLE PROJECTS
<p><i>Clean Energy and Sustainability Accelerator Act (H.R. 806)</i></p> <p><i>CLEAN Future Act (H.R. 1512)</i></p> <p><i>LIFT America Act (H.R. 1848)</i></p>	<p>Renewable energy (i.e., solar, wind, geothermal, hydropower, ocean and hydrokinetic, fuel cell)</p> <p>Building energy electrification, fuel switching, and electrification</p> <p>Industrial decarbonization</p> <p>Grid technology (e.g., transmission, distribution, storage to support clean energy distribution, including smart-grid applications)</p> <p>Agriculture and forestry projects that reduce net greenhouse gas emissions</p> <p>Clean transportation (i.e., battery electric vehicles, plug-in hybrid electric vehicles, hydrogen vehicles, other zero-emission fueled vehicles, related vehicle charging and fueling infrastructure)</p> <p>Climate resilient infrastructure</p> <p>Any other key areas identified by the Board as consistent with the mandate of the accelerator</p>
<p><i>National Climate Bank Act (S. 283)</i></p>	<p>Renewable energy</p> <p>Energy storage</p> <p>Transportation, including: low- and zero-emission vehicle infrastructure, transit-oriented development, and active transportation</p> <p>Transmission for clean energy</p> <p>Climate resiliency measures</p> <p>Energy and water efficiency, including residential, commercial, and industrial efficiency</p> <p>Reforestation of degraded land</p> <p>Agricultural projects</p> <p>Electrification and decarbonization of industrial processes</p> <p>Any other key areas identified by the Board as consistent with the purpose of the Bank</p>

	ELIGIBLE PROJECTS
<i>America’s Clean Future Fund Act (S. 685 and H.R. 2451)</i>	<p>Energy efficiency upgrades to infrastructure</p> <p>Clean transportation programs and deployment, including programs to:</p> <ul style="list-style-type: none"> purchase personal vehicles, commercial vehicles, and public transportation fleets and school bus fleets deploy electric vehicle charging and hydrogen infrastructure develop and deploy low carbon sustainable aviation fuels <p>Development or purchase of equipment for agricultural decarbonization</p> <p>RD&D for clean energy and vehicle manufacturing, battery storage, and natural infrastructure</p> <p>Development and deployment of clean energy technologies on:</p> <ul style="list-style-type: none"> carbon capture, utilization, and sequestration, bioenergy with carbon capture and sequestration, direct air capture, and infrastructure associated with those processes energy storage and grid modernization geothermal energy commercial and residential solar wind energy other clean technology, as determined by the Board <p>Climate resilient infrastructure</p> <p>Weatherization assistance for low-income households</p> <p>Agricultural sector resilience</p>
<i>U.S. Green Bank Act (S. 1208 and H.R. 2656)</i>	<ul style="list-style-type: none"> Qualified clean energy projects Qualified energy efficiency projects Qualified climate change mitigation or adaptation projects

	PROJECT PRIORITIZATION
<p><i>Clean Energy and Sustainability Accelerator Act (H.R. 806)</i></p> <p><i>CLEAN Future Act (H.R. 1512)</i></p> <p><i>LIFT America Act (H.R. 1848)</i></p>	<p>The accelerator should:</p> <ul style="list-style-type: none"> • maximize emission reductions for every dollar spent • prioritize program benefits and investments for climate-impacted communities • ensure that at 40% of investment activity is directed toward climate-impacted communities • prioritize qualified projects according to benefits for consumers • ensure laborers are paid prevailing wage.
<p><i>National Climate Bank Act (S. 283)</i></p>	<p>National Climate Bank should ensure that:</p> <ul style="list-style-type: none"> • at least 40% of the investment activity is directed toward disadvantaged communities • give priority to projects that provide jobs, reduce GHG emissions, and serve low-income, minority, distressed neighborhoods or rural communities • projects provide access to low-carbon infrastructure at affordable rates to families in low-income minority, and distressed neighborhood or a rural area • ensure projects comply with the Consumer Credit Protection Act, and large projects utilize a project-labor agreement.
<p><i>America’s Clean Future Fund Act (S. 685 and H.R. 2451)</i></p>	<p>C2FC will give priority to:</p> <ul style="list-style-type: none"> • prioritized communities • deindustrialized communities or communities with a significant reliance on carbon-intensive industries • low-income communities at risk of climate impacts • public or nonprofit entities serving dislocated workers/veterans • communities with minimal climate investments.
<p><i>U.S. Green Bank Act (S. 1208 and H.R. 2656)</i></p>	<p>Not specified.</p>

	OVERSIGHT / REPORTING	OTHER
<p><i>Clean Energy and Sustainability Accelerator Act (H.R. 806)</i></p> <p><i>CLEAN Future Act (H.R. 1512)</i></p> <p><i>LIFT America Act (H.R. 1848)</i></p>	<p>DOE Inspector General has oversight of the accelerator.</p> <p>The accelerator should publish an annual report and the accounts of the accelerator will be audited annually.</p>	<p>Start-up division to help localities establish their own green banks.</p>
<p><i>National Climate Bank Act (S. 283)</i></p>	<p>The Comptroller of the Currency within the Treasury Department will have oversight of the Bank.</p>	<p>Start-up division to help localities establish their own green banks.</p>
<p><i>America's Clean Future Fund Act (S. 685 and H.R. 2451)</i></p>	<p>C2FC will publish a biennial report assessing progress to date and project recommendations that should be prioritized, quantifies the total given to prioritized communities, and identifies barriers for disadvantaged groups to receive funding and recommendations to address those barriers.</p>	<p>Funding from carbon fee.</p>
<p><i>U.S. Green Bank Act (S. 1208 and H.R. 2656)</i></p>	<p>State and local green banks receiving financial support required to provide quarterly progress reports on fulfilling the objectives of such support.</p>	<p>New bank division to help localities establish their own green banks.</p>



The Center for Climate and Energy Solutions (C2ES) is an independent, nonpartisan, nonprofit organization working to forge practical solutions to climate change. We advance strong policy and action to reduce greenhouse gas emissions, promote clean energy, and strengthen resilience to climate impacts.