

National Climate Bank Act of 2019

ONE-PAGE SUMMARY

The National Climate Bank Act of 2019 was introduced in the U.S. House of Representatives by Congresswoman Debbie Dingell on December 12. The purpose of the bill is to fight climate change through public and private investment while supporting a clean economy transition. This bank will serve as an important implementation tool and will help drive investments in clean infrastructure to address the climate crisis, while seizing the opportunity to build a clean and robust economy.

The bill was originally cosponsored by Rep. Paul Tonko, Lisa Blunt Rochester, and Cindy Axne. A Senate version of the bill was introduced by Senators Markey, Van Hollen, Schatz and Blumenthal. The bill is also informed by the Green Bank Act of 2019, introduced by Senator Chris Murphy and Representative Jim Himes.

The bill establishes a National Climate Bank as an independent non-profit capitalized with \$35 billion of federal funds spread over a six-year period. The National Climate Bank will finance clean energy and emissions reductions projects across several sectors, as well as efforts focused on climate resiliency. It will use proven Green Bank techniques to leverage private co-investment and support a clean energy economy without raising consumer costs. Analysis by the Coalition for Green Capital has found that a National Climate Bank could mobilize up to \$1 trillion in total investment. Key features of the National Climate Bank include:

Mobilizing direct investment into clean energy and emissions reduction projects. This includes renewable power generation, clean transportation, electric vehicles, transmission, storage, efficiency, industrial decarbonization, and forestry. As an independent institution, the National Climate Bank will be able to actively seek out projects that will maximize both emissions reductions, consumer benefits, and local economic benefits. National Climate Bank capital and technical assistance will make more projects economically competitive in more areas, to the benefit of investors, energy consumers, workers, and local economies.

Supporting environmental justice and quality job creation. The National Climate Bank will prioritize investments in frontline, rural, low-income, and environmental justice communities that face the harshest impacts of climate change and pollution. It will also aim to invest in communities economically affected by the transition away from fossil fuels and towards a clean economy to support job creation and economic development. To ensure good jobs for American workers, the bank will prioritize project labor agreements and ensure prevailing wages.

Establishing new Green Banks where they don't exist. The National Climate Bank's techniques are informed by the successful track record of state and local Green Banks already operating across the United States. These institutions have strong ties to their communities and deep understanding of local markets, resulting in nearly \$4 billion of investment. To expand this model to all communities, the National Climate Bank will provide technical assistance and start-up operating funds to launch new Green Banks across the country.

Capitalizing state and local Green banks. The National Climate Bank will provide capital to existing and new state and local Green Banks to invest in small-scale and distributed energy projects where local context is key. These institutions have proven their ability to invest in underserved communities, helping to make clean energy affordable and accessible to all.

These features make the National Climate Bank an integral part of comprehensive policy for a clean energy transition, one that heeds the call of the scientific and international communities to reach net-zero emissions by 2050. It will make the United States a leader in manufacturing and deployment of clean technology, secure and grow good jobs, and create enormous opportunities for private investment. The National Climate Bank will ensure that this transition benefits all Americans by avoiding consumer cost impacts, investing in communities affected by the climate crisis, and accelerating the transition to a clean economy by mobilizing private capital.

There's no time to waste if we are to avoid the worst climate change impacts. This will require everyone to continue to work together to build a cleaner, fairer, and more prosperous economy.