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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R. _____

To establish a National Climate Bank.

IN THE HOUSE OF REPRESENTATIVES

Mrs. DINGELL introduced the following bill; which was referred to the
Committee on _____

A BILL

To establish a National Climate Bank.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Climate Bank
5 Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents of this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. National Climate Bank.

“Subtitle C—National Climate Bank

“Sec. 1621. Definitions.

- “Sec. 1622. Establishment.
- “Sec. 1623. Mandate.
- “Sec. 1624. Finance and investment division.
- “Sec. 1625. Start-up Division.
- “Sec. 1626. Zero-emissions fleet and related infrastructure financing program.
- “Sec. 1627. Project prioritization and requirements.
- “Sec. 1628. Board of Directors.
- “Sec. 1629. Administration.
- “Sec. 1630. Establishment of risk management committee and audit committee.
- “Sec. 1631. Oversight.
- “Sec. 1632. Maximum contingent liability.

1 **SEC. 3. NATIONAL CLIMATE BANK.**

2 Title XVI of the Energy Policy Act of 2005 (Public
3 Law 109–58, as amended) is amended by adding at the
4 end the following new subtitle:

5 **“Subtitle C—National Climate**
6 **Bank**

7 **“SEC. 1621. DEFINITIONS.**

8 “In this subtitle:

9 “(1) **BANK.**—The term ‘Bank’ means the Na-
10 tional Climate Bank established under section 1622.

11 “(2) **BOARD.**—The term ‘Board’ means the
12 Board of Directors of the Bank.

13 “(3) **CHIEF EXECUTIVE OFFICER.**—The term
14 ‘chief executive officer’ means the chief executive of-
15 ficer of the Bank.

16 “(4) **CLIMATE-IMPACTED COMMUNITIES.**—The
17 term ‘climate-impacted communities’ includes—

18 “(A) communities of color, which include
19 any geographically distinct area the population

1 of color of which is higher than the average
2 population of color of the State in which the
3 community is located;

4 “(B) communities that are already or are
5 likely to be the first communities to feel the di-
6 rect negative effects of climate change;

7 “(C) distressed neighborhoods, dem-
8 onstrated by indicators of need, including pov-
9 erty, childhood obesity rates, academic failure,
10 and rates of juvenile delinquency, adjudication,
11 or incarceration;

12 “(D) low-income communities, defined as
13 any census block group in which 30 percent or
14 more of the population are individuals with low
15 income;

16 “(E) low-income households, defined as a
17 household with annual income equal to, or less
18 than, the greater of—

19 “(i) an amount equal to 80 percent of
20 the median income of the area in which the
21 household is located, as reported by the
22 Department of Housing and Urban Devel-
23 opment; and

24 “(ii) 200 percent of the Federal pov-
25 erty line; and

1 “(F) rural areas, which include any area
2 other than—

3 “(i) a city or town that has a popu-
4 lation of greater than 50,000 inhabitants;
5 and

6 “(ii) any urbanized area contiguous
7 and adjacent to a city or town described in
8 clause (i).

9 “(5) CLIMATE RESILIENT INFRASTRUCTURE.—
10 The term ‘climate resilient infrastructure’ means
11 any project that builds or enhances infrastructure so
12 that such infrastructure—

13 “(A) is planned, designed, and operated in
14 a way that anticipates, prepares for, and adapts
15 to changing climate conditions; and

16 “(B) can withstand, respond to, and re-
17 cover rapidly from disruptions caused by these
18 climate conditions.

19 “(6) ELECTRIFICATION.—The term ‘electrifica-
20 tion’ means the installation, construction, or use of
21 end-use electric technology that replaces existing fos-
22 sil-fuel-based technology.

23 “(7) ENERGY EFFICIENCY.—The term ‘energy
24 efficiency’ means any project, technology, function,
25 or measure that results in the reduction of energy

1 use required to achieve the same level of service or
2 output prior to the application of such project, tech-
3 nology, function, or measure, or substantially re-
4 duces greenhouse gas emissions relative to emissions
5 that would have occurred prior to the application of
6 such project, technology, function, or measure.

7 “(8) FUEL SWITCHING.—The term ‘fuel switch-
8 ing’ means any project that replaces a fossil-fuel-
9 based heating system with an electric-powered sys-
10 tem or one powered by biomass-generated heat.

11 “(9) GREEN BANK.—The term ‘green bank’
12 means a dedicated public or nonprofit specialized fi-
13 nance entity that—

14 “(A) is designed to drive private capital
15 into market gaps for low- and zero-emission
16 goods and services;

17 “(B) uses finance tools to mitigate climate
18 change;

19 “(C) does not take deposits;

20 “(D) is funded by government, public, pri-
21 vate, or charitable contributions; and

22 “(E) invests or finances projects—

23 “(i) alone; or

24 “(ii) in conjunction with other inves-
25 tors.

1 “(10) QUALIFIED PROJECTS.—The terms
2 ‘qualified projects’ means the following kinds of
3 technologies and activities that are eligible for fi-
4 nancing and investment from the National Climate
5 Bank, either directly or through State and local
6 green banks funded by the National Climate Bank:

7 “(A) Renewable energy generation, includ-
8 ing the following:

9 “(i) Solar.

10 “(ii) Wind.

11 “(iii) Geothermal.

12 “(iv) Hydropower.

13 “(v) Ocean and hydrokinetic.

14 “(vi) Fuel cell.

15 “(B) Building energy efficiency, fuel
16 switching, and electrification.

17 “(C) Industrial decarbonization.

18 “(D) Grid technology such as trans-
19 mission, distribution, and storage to support
20 clean energy distribution, including smart-grid
21 applications.

22 “(E) Agriculture projects that reduce net
23 greenhouse gas emissions including reforest-
24 ation, afforestation, forestry management, and
25 regenerative agriculture.

1 “(F) Clean transportation, including the
2 following:

3 “(i) Battery electric vehicles.

4 “(ii) Plug-in hybrid electric vehicles.

5 “(iii) Hydrogen vehicles.

6 “(iv) Other zero-emissions fueled vehi-
7 cles.

8 “(v) Related vehicle charging and
9 fueling infrastructure.

10 “(G) Climate resilient infrastructure.

11 “(H) Any other key areas identified by the
12 Board as consistent with the mandate of the
13 Bank as described in section 1623.

14 “(11) RENEWABLE ENERGY GENERATION.—
15 The term ‘renewable energy generation’ means elec-
16 tricity created by sources that are continually replen-
17 ished by nature, such as the sun, wind, and water.

18 **“SEC. 1622. ESTABLISHMENT.**

19 “(a) IN GENERAL.—Not later than 1 year after the
20 date of enactment of this subtitle, there shall be estab-
21 lished a nonprofit corporation to be known as the ‘Na-
22 tional Climate Bank’.

23 “(b) LIMITATION.—The Bank shall not be an agency
24 or instrumentality of the Federal Government.

1 “(c) FULL FAITH AND CREDIT.—The full faith and
2 credit of the United States shall not extend to the Bank.

3 “(d) NONPROFIT STATUS.—The Bank shall—

4 “(1) be an organization described in section
5 501(c) of the Internal Revenue Code of 1986 and
6 exempt from taxation under section 501(a) of that
7 Code;

8 “(2) ensure that no part of the income or assets
9 of the Bank shall inure to the benefit of any direc-
10 tor, officer, or employee, except as reasonable com-
11 pensation for services or reimbursement for ex-
12 penses; and

13 “(3) not contribute to or otherwise support any
14 political party or candidate for elective office.

15 **“SEC. 1623. MANDATE.**

16 “The Bank shall make the United States a world
17 leader in combating the causes and effects of climate
18 change through the rapid deployment of mature tech-
19 nologies and the commercialization and scaling of new
20 technologies by maximizing the reduction of emissions in
21 the United States for every dollar deployed by the Bank,
22 including by—

23 “(1) providing financing support for invest-
24 ments in the United States in low- and zero-emis-

1 sions technologies and processes in order to rapidly
2 accelerate market penetration;

3 “(2) catalyzing and mobilizing private capital
4 through Federal investment and supporting a more
5 robust marketplace for clean technologies, while
6 minimizing competition with private investment;

7 “(3) enabling climate-impacted communities to
8 benefit from and afford projects and investments
9 that reduce emissions;

10 “(4) providing support for workers and commu-
11 nities impacted by the transition to a low-carbon
12 economy;

13 “(5) supporting the creation of green banks
14 within the United States where green banks do not
15 exist; and

16 “(6) causing the rapid transition to a clean en-
17 ergy economy without raising energy costs to end
18 users and seeking to lower costs where possible.

19 **“SEC. 1624. FINANCE AND INVESTMENT DIVISION.**

20 “(a) IN GENERAL.—There shall be within the Bank
21 a finance and investment division, which shall be respon-
22 sible for—

23 “(1) the Bank’s greenhouse gas emissions miti-
24 gation efforts by directly financing qualifying

1 projects or doing so indirectly by providing capital to
2 State and local green banks;

3 “(2) originating, evaluating, underwriting, and
4 closing the Bank’s financing and investment trans-
5 actions in qualified projects;

6 “(3) partnering with private capital providers
7 and capital markets to attract coinvestment from
8 private banks, investors, and others in order to drive
9 new investment into underpenetrated markets, to in-
10 crease the efficiency of private capital markets with
11 respect to investing in greenhouse gas reduction
12 projects, and to increase total investment caused by
13 the Bank;

14 “(4) managing the Bank’s portfolio of assets to
15 ensure performance and monitor risk;

16 “(5) ensuring appropriate debt and risk mitiga-
17 tion products are offered; and

18 “(6) overseeing prudent, noncontrolling equity
19 investments.

20 “(b) PRODUCTS AND INVESTMENT TYPES.—The fi-
21 nance and investment division of the Bank may provide
22 capital to qualified projects in the form of—

23 “(1) senior, mezzanine, and subordinated debt;

24 “(2) credit enhancements including loan loss re-
25 serves and loan guarantees;

1 “(3) aggregation and warehousing;

2 “(4) equity capital; and

3 “(5) any other financial product approved by
4 the Board.

5 “(c) STATE AND LOCAL GREEN BANK CAPITALIZA-
6 TION.—The finance and investment division of the Bank
7 shall make capital available to State and local green banks
8 to enable such banks to finance qualifying projects in their
9 markets that are better served by a locally based entity,
10 rather than through direct investment by the Bank.

11 “(d) INVESTMENT COMMITTEE.—The debt, risk miti-
12 gation, and equity investments made by the Bank shall
13 be—

14 “(1) approved by the investment committee of
15 the Board; and

16 “(2) consistent with an investment policy that
17 has been established by the investment committee of
18 the Board in consultation with the risk management
19 committee of the Board.

20 **“SEC. 1625. START-UP DIVISION.**

21 “There shall be within the Bank a Start-up Division,
22 which shall be responsible for providing technical assist-
23 ance and start-up funding to States and other political
24 subdivisions that do not have green banks to establish
25 green banks in those States and political subdivisions, in-

1 cluding by working with relevant stakeholders in those
2 States and political subdivisions.

3 **“SEC. 1626. ZERO-EMISSIONS FLEET AND RELATED INFRA-
4 STRUCTURE FINANCING PROGRAM.**

5 “Not later than 1 year after the date of establishment
6 of the Bank, the Bank shall explore the establishment of
7 a program to provide low- and zero-interest loans, up to
8 30 years in length, to any school, metropolitan planning
9 organization, or nonprofit organization seeking financing
10 for the acquisition of zero-emissions vehicle fleets or asso-
11 ciated infrastructure to support zero-emissions vehicle
12 fleets.

13 **“SEC. 1627. PROJECT PRIORITIZATION AND REQUIRE-
14 MENTS.**

15 “(a) EMISSIONS REDUCTION MANDATE.—In invest-
16 ing in projects that mitigate greenhouse gas emissions, the
17 Bank shall maximize the reduction of emissions in the
18 United States for every dollar deployed by the Bank.

19 “(b) ENVIRONMENTAL JUSTICE PRIORITIZATION.—

20 “(1) IN GENERAL.—In order to address envi-
21 ronmental justice needs, the Bank shall, as applica-
22 ble, prioritize the provision of program benefits and
23 investment activity that are expected to directly or
24 indirectly result in the deployment of projects to

1 serve, as a matter of official policy, climate-impacted
2 communities.

3 “(2) MINIMUM PERCENTAGE.—The Bank shall
4 ensure that over the 30-year period of its charter 20
5 percent of its investment activity is directed to serve
6 climate-impacted communities.

7 “(c) CONSUMER PROTECTION.—

8 “(1) PRIORITIZATION.—Consistent with man-
9 date under section 1623 to maximize the reduction
10 of emissions in the United States for every dollar de-
11 ployed by the Bank, the Bank shall prioritize quali-
12 fied projects according to benefits conferred on con-
13 sumers and affected communities.

14 “(2) CONSUMER CREDIT PROTECTION.—The
15 Bank shall ensure that any residential energy effi-
16 ciency or distributed clean energy project in which
17 the Bank invests directly or indirectly complies with
18 the requirements of the Consumer Credit Protection
19 Act (15 U.S.C. 1601 et seq.), including, in the case
20 of a financial product that is a residential mortgage
21 loan, any requirements of title I of that Act relating
22 to residential mortgage loans (including any regula-
23 tions promulgated by the Bureau of Consumer Fi-
24 nancial Protection under section 129C(b)(3)(C) of
25 that Act (15 U.S.C. 1639c(b)(3)(C))).

1 “(d) LABOR.—

2 “(1) IN GENERAL.—The Bank shall ensure that
3 laborers and mechanics employed by contractors and
4 subcontractors in construction work financed directly
5 by the Bank will be paid wages not less than those
6 prevailing on similar construction in the locality, as
7 determined by the Secretary of Labor under sections
8 3141 through 3144, 3146, and 3147 of title 40,
9 United States Code.

10 “(2) PROJECT LABOR AGREEMENT.—The Bank
11 shall ensure that projects financed directly by the
12 Bank with total capital costs of \$100,000,000 or
13 greater utilize a project labor agreement.

14 **“SEC. 1628. BOARD OF DIRECTORS.**

15 “(a) IN GENERAL.—The Bank shall operate under
16 the direction of a Board of Directors, which shall be com-
17 posed of 7 members.

18 “(b) INITIAL COMPOSITION AND TERMS.—

19 “(1) SELECTION.—The initial members of the
20 Board shall be selected as follows:

21 “(A) APPOINTED MEMBERS.—Three mem-
22 bers shall be appointed by the President, with
23 the advice and consent of the Senate, of whom
24 no more than two shall belong to the same po-
25 litical party.

1 “(B) ELECTED MEMBERS.—Four members
2 shall be elected unanimously by the 3 members
3 appointed and confirmed pursuant to subpara-
4 graph (A).

5 “(2) TERMS.—The terms of the initial members
6 of the Board shall be as follows:

7 “(A) The 3 members appointed and con-
8 firmed under paragraph (1)(A) shall have initial
9 5-year terms.

10 “(B) Of the 4 members elected under
11 paragraph (1)(B), 2 shall have initial 3-year
12 terms, and 2 shall have initial 4-year terms.

13 “(c) SUBSEQUENT COMPOSITION AND TERMS.—

14 “(1) SELECTION.—Except for the selection of
15 the initial members of the Board for their initial
16 terms under subsection (b), the members of the
17 Board shall be elected by the members of the Board.

18 “(2) DISQUALIFICATION.—A member of the
19 Board shall be disqualified from voting for any posi-
20 tion on the Board for which such member is a can-
21 didate.

22 “(3) TERMS.—All members elected pursuant to
23 paragraph (1) shall have a term of 5 years.

24 “(d) QUALIFICATIONS.—The members of the Board
25 shall collectively have expertise in—

1 “(1) the fields of clean energy, electric utilities,
2 industrial decarbonization, clean transportation, re-
3 siliency, and sustainable agriculture and forestry
4 practices;

5 “(2) climate change science;

6 “(3) finance and investments; and

7 “(4) environmental justice and matters related
8 to the energy and environmental needs of climate-
9 impacted communities.

10 “(e) RESTRICTION ON MEMBERSHIP.—No officer or
11 employee of the Federal or any other level of government
12 may be appointed or elected as a member of the Board.

13 “(f) QUORUM.—Five members of the Board shall
14 constitute a quorum.

15 “(g) BYLAWS.—

16 “(1) IN GENERAL.—The Board shall adopt, and
17 may amend, such bylaws as are necessary for the
18 proper management and functioning of the Bank.

19 “(2) OFFICERS.—In the bylaws described in
20 paragraph (1), the Board shall—

21 “(A) designate the officers of the Bank;

22 and

23 “(B) prescribe the duties of those officers.

24 “(h) VACANCIES.—Any vacancy on the Board shall
25 be filled through election by the Board.

1 “(i) INTERIM APPOINTMENTS.—A member elected to
2 fill a vacancy occurring before the expiration of the term
3 for which the predecessor of that member was appointed
4 or elected shall serve for the remainder of the term for
5 which the predecessor of that member was appointed or
6 elected.

7 “(j) REAPPOINTMENT.—A member of the Board may
8 be elected for not more than 1 additional term of service
9 as a member of the Board.

10 “(k) CONTINUATION OF SERVICE.—A member of the
11 Board whose term has expired may continue to serve on
12 the Board until the date on which a successor member
13 is elected.

14 “(l) CHIEF EXECUTIVE OFFICER.—The Board shall
15 appoint a chief executive officer who shall be responsible
16 for—

17 “(1) hiring employees of the Bank;

18 “(2) establishing the 2 divisions of the Bank
19 described in sections 1624 and 1625; and

20 “(3) performing any other tasks necessary for
21 the day-to-day operations of the Bank.

22 “(m) ADVISORY COMMITTEE.—

23 “(1) ESTABLISHMENT.—The Bank shall estab-
24 lish an advisory committee (in this subsection re-
25 ferred to as the ‘advisory committee’), which shall be

1 composed of not more than 13 members appointed
2 by the Board on the recommendation of the presi-
3 dent of the Bank.

4 “(2) MEMBERS.—Members of the advisory com-
5 mittee shall be broadly representative of interests
6 concerned with the environment, production, com-
7 merce, finance, agriculture, labor, services, and
8 State government. Of such members—

9 “(A) not fewer than 3 shall be representa-
10 tives of the small business community;

11 “(B) not fewer than 2 shall be representa-
12 tives of the labor community, except that no 2
13 members may be from the same labor union;

14 “(C) not fewer than 2 shall be representa-
15 tives of the environmental nongovernmental or-
16 ganization community, except that no 2 mem-
17 bers may be from the same environmental orga-
18 nization;

19 “(D) not fewer than 2 shall be representa-
20 tives of the environmental justice nongovern-
21 mental organization community, except that no
22 2 members may be from the same environ-
23 mental organization; and

24 “(E) not fewer than 2 shall be representa-
25 tives of the consumer protection and fair lend-

1 ing community, except that no 2 members may
2 be from the same consumer protection or fair
3 lending organization.

4 “(3) MEETINGS.—The advisory committee shall
5 meet not less frequently than once each quarter.

6 “(4) DUTIES.—The advisory committee shall—

7 “(A) advise the Bank on the programs un-
8 dertaken by the Bank; and

9 “(B) submit to the Congress an annual re-
10 port with comments from the advisory com-
11 mittee on the extent to which the Bank is meet-
12 ing the mandate described in section 1623, in-
13 cluding any suggestions for improvement.

14 “(n) CHIEF RISK OFFICER.—

15 “(1) APPOINTMENT.—Subject to the approval
16 of the Board, the chief executive officer shall appoint
17 a chief risk officer from among individuals with ex-
18 perience at a senior level in financial risk manage-
19 ment, who—

20 “(A) shall report directly to the Board;
21 and

22 “(B) shall be removable only by a majority
23 vote of the Board.

24 “(2) DUTIES.—The chief risk officer, in coordi-
25 nation with the risk management and audit commit-

1 tees established under section 1631, shall develop,
2 implement, and manage a comprehensive process for
3 identifying, assessing, monitoring, and limiting risks
4 to the Bank, including the overall portfolio diver-
5 sification of the Bank.

6 **“SEC. 1629. ADMINISTRATION.**

7 “(a) CAPITALIZATION.—

8 “(1) IN GENERAL.—To the extent and in the
9 amounts provided in advance in appropriations Acts,
10 the Secretary of Energy shall transfer to the
11 Bank—

12 “(A) \$10,000,000,000 on the date on
13 which the Bank is established under section
14 1622; and

15 “(B) \$5,000,000,000 on October 1 of each
16 of the 5 fiscal years following that date.

17 “(2) AUTHORIZATION OF APPROPRIATIONS.—

18 For purposes of the transfers under paragraph (1),
19 there are authorized to be appropriated—

20 “(A) \$10,000,000,000 for the fiscal year in
21 which the Bank is established under section
22 1622; and

23 “(B) \$5,000,000,000 for each of the 5 suc-
24 ceeding fiscal years.

1 title, the Board shall establish a risk management com-
2 mittee and an audit committee.

3 “(b) DUTIES AND RESPONSIBILITIES OF RISK MAN-
4 AGEMENT COMMITTEE.—Subject to the direction of the
5 Board, the risk management committee established under
6 subsection (a) shall establish policies for and have over-
7 sight responsibility for—

8 “(1) formulating the risk management policies
9 of the operations of the Bank;

10 “(2) reviewing and providing guidance on oper-
11 ation of the global risk management framework of
12 the Bank;

13 “(3) developing policies for—

14 “(A) investment;

15 “(B) enterprise risk management;

16 “(C) monitoring; and

17 “(D) management of strategic,
18 reputational, regulatory, operational, develop-
19 mental, environmental, social, and financial
20 risks; and

21 “(4) developing the risk profile of the Bank, in-
22 cluding—

23 “(A) a risk management and compliance
24 framework; and

1 “(B) a governance structure to support
2 that framework.

3 “(c) DUTIES AND RESPONSIBILITIES OF AUDIT COM-
4 MITTEE.—Subject to the direction of the Board, the audit
5 committee established under subsection (a) shall have
6 oversight responsibility for—

7 “(1) the integrity of—

8 “(A) the financial reporting of the Bank;
9 and

10 “(B) the systems of internal controls re-
11 garding finance and accounting;

12 “(2) the integrity of the financial statements of
13 the Bank;

14 “(3) the performance of the internal audit func-
15 tion of the Bank; and

16 “(4) compliance with the legal and regulatory
17 requirements related to the finances of the Bank.

18 **“SEC. 1631. OVERSIGHT.**

19 “(a) EXTERNAL OVERSIGHT.—The inspector general
20 of the Department of Energy shall have oversight respon-
21 sibilities over the Bank.

22 “(b) REPORTS AND AUDIT.—

23 “(1) ANNUAL REPORT.—The Bank shall pub-
24 lish an annual report which shall be transmitted by
25 the Bank to the President and the Congress.

1 “(2) ANNUAL AUDIT OF ACCOUNTS.—The ac-
2 counts of the Bank shall be audited annually. Such
3 audits shall be conducted in accordance with gen-
4 erally accepted auditing standards by independent
5 certified public accountants who are certified by a
6 regulatory authority of the jurisdiction in which the
7 audit is undertaken.

8 “(3) ADDITIONAL AUDITS.—In addition to the
9 annual audits under paragraph (2), the financial
10 transactions of the Bank for any fiscal year during
11 which Federal funds are available to finance any
12 portion of its operations may be audited by the Gov-
13 ernment Accountability Office in accordance with
14 such rules and regulations as may be prescribed by
15 the Comptroller General of the United States.

16 **“SEC. 1632. MAXIMUM CONTINGENT LIABILITY.**

17 “The maximum contingent liability of the Bank that
18 may be outstanding at any time shall be not more than
19 \$70,000,000,000 in the aggregate.”.