To establish a Clean Energy and Sustainability Accelerator, and for other purposes.

A BILL

To establish a Clean Energy and Sustainability Accelerator, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Clean Energy and Sustainability Accelerator Act”.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Clean Energy and Sustainability Accelerator.
“Subtitle C—Clean Energy and Sustainability Accelerator

“Sec. 1621. Definitions.
“In this subtitle:

“(1) ACCELERATOR.—The term ‘Accelerator’ means the Clean Energy and Sustainability Accelerator established under section 1622.

“(2) BOARD.—The term ‘Board’ means the Board of Directors of the Accelerator.

“(3) CHIEF EXECUTIVE OFFICER.—The term ‘chief executive officer’ means the chief executive officer of the Accelerator.

SEC. 3. CLEAN ENERGY AND SUSTAINABILITY ACCELERATOR.

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

“Subtitle C—Clean Energy and Sustainability Accelerator

“SEC. 1621. DEFINITIONS.
“(4) CLIMATE-IMPACTED COMMUNITIES.—The term ‘climate-impacted communities’ includes—

“(A) communities of color, which include any geographically distinct area the population of color of which is higher than the average population of color of the State in which the community is located;

“(B) communities that are already or are likely to be the first communities to feel the direct negative effects of climate change;

“(C) distressed neighborhoods, demonstrated by indicators of need, including poverty, childhood obesity rates, academic failure, and rates of juvenile delinquency, adjudication, or incarceration;

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

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

“(i) an amount equal to 80 percent of the median income of the area in which the household is located, as reported by the
Department of Housing and Urban Development; and

“(ii) 200 percent of the Federal poverty line;

“(F) Tribal communities;

“(G) persistent poverty counties, defined as any county that has had a poverty rate of 20 percent or more for the past 30 years as measured by the 2000, 2010, and 2020 decennial censuses;

“(H) communities disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects; and

“(I) communities that are economically reliant on fossil fuel-based industries.

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

“(A) is planned, designed, and operated in a way that anticipates, prepares for, and adapts to changing climate conditions; and
“(B) can withstand, respond to, and recover rapidly from disruptions caused by these climate conditions.

“(6) ELECTRIFICATION.—The term ‘electrification’ means the installation, construction, or use of end-use electric technology that replaces existing fossil-fuel-based technology.

“(7) ENERGY EFFICIENCY.—The term ‘energy efficiency’ means any project, technology, function, or measure that results in the reduction of energy use required to achieve the same level of service or output prior to the application of such project, technology, function, or measure, or substantially reduces greenhouse gas emissions relative to emissions that would have occurred prior to the application of such project, technology, function, or measure.

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

“(9) GREEN BANK.—The term ‘green bank’ means a dedicated public or nonprofit specialized finance entity that—
“(A) is designed to drive private capital into market gaps for low- and zero-emission goods and services;

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

“(C) does not take deposits;

“(D) is funded by government, public, private, or charitable contributions; and

“(E) invests or finances projects—

“(i) alone; or

“(ii) in conjunction with other investors.

“(10) QUALIFIED PROJECTS.—The terms ‘qualified projects’ means the following kinds of technologies and activities that are eligible for financing and investment from the Clean Energy and Sustainability Accelerator, either directly or through State, Territorial, and local green banks funded by the Clean Energy and Sustainability Accelerator:

“(A) Renewable energy generation, including the following:

“(i) Solar.

“(ii) Wind.

“(iii) Geothermal.

“(iv) Hydropower.
“(v) Ocean and hydrokinetic.

“(vi) Fuel cell.

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

“(C) Industrial decarbonization.

“(D) Grid technology such as transmission, distribution, and storage to support clean energy distribution, including smart-grid applications.

“(E) Agriculture and forestry projects that reduce net greenhouse gas emissions.

“(F) Clean transportation, including the following:

“(i) Battery electric vehicles.

“(ii) Plug-in hybrid electric vehicles.

“(iii) Hydrogen vehicles.

“(iv) Other zero-emissions fueled vehicles.

“(v) Related vehicle charging and fueling infrastructure.

“(G) Climate resilient infrastructure.

“(H) Any other key areas identified by the Board as consistent with the mandate of the Accelerator as described in section 1623.
“(11) RENEWABLE ENERGY GENERATION.—

The term ‘renewable energy generation’ means electricity created by sources that are continually replenished by nature, such as the sun, wind, and water.

“SEC. 1622. ESTABLISHMENT.

“(a) IN GENERAL.—Not later than 1 year after the date of enactment of this subtitle, there shall be established a nonprofit corporation to be known as the Clean Energy and Sustainability Accelerator.

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

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

“(d) NONPROFIT STATUS.—The Accelerator shall maintain its status as an organization exempt from taxation under the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.).

“SEC. 1623. MANDATE.

“The Accelerator shall make the United States a world leader in combating the causes and effects of climate change through the rapid deployment of mature technologies and scaling of new technologies by maximizing the reduction of emissions in the United States for every dollar deployed by the Accelerator, including by—
“(1) providing financing support for investments in the United States in low- and zero-emissions technologies and processes in order to rapidly accelerate market penetration;

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

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

“(4) providing support for workers and communities impacted by the transition to a low-carbon economy;

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

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

“SEC. 1624. FINANCE AND INVESTMENT DIVISION.

“(a) IN GENERAL.—There shall be within the Accelerator a finance and investment division, which shall be responsible for—
“(1) the Accelerator’s greenhouse gas emissions mitigation efforts by directly financing qualifying projects or doing so indirectly by providing capital to State, Territorial, and local green banks;

“(2) originating, evaluating, underwriting, and closing the Accelerator’s financing and investment transactions in qualified projects;

“(3) partnering with private capital providers and capital markets to attract co-investment from private banks, investors, and others in order to drive new investment into underpenetrated markets, to increase the efficiency of private capital markets with respect to investing in greenhouse gas reduction projects, and to increase total investment caused by the Accelerator;

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

“(5) ensuring appropriate debt and risk mitigation products are offered; and

“(6) overseeing prudent, noncontrolling equity investments.

“(b) PRODUCTS AND INVESTMENT TYPES.—The finance and investment division of the Accelerator may provide capital to qualified projects in the form of—

“(1) senior, mezzanine, and subordinated debt;
“(2) credit enhancements including loan loss reserves and loan guarantees;

“(3) aggregation and warehousing;

“(4) equity capital; and

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

“(c) State, Territorial, and Local Green Bank Capitalization.—The finance and investment division of the Accelerator shall make capital available to State, Territorial, and local green banks to enable such banks to finance qualifying projects in their markets that are better served by a locally based entity, rather than through direct investment by the Accelerator.

“(d) Investment Committee.—The debt, risk mitigation, and equity investments made by the Accelerator shall be—

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

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

“SEC. 1625. Start-up Division.

“There shall be within the Accelerator a Start-up Division, which shall be responsible for providing technical
assistance and start-up funding to States and other political subdivisions that do not have green banks to establish green banks in those States and political subdivisions, including by working with relevant stakeholders in those States and political subdivisions.

“SEC. 1626. ZERO-EMISSIONS FLEET AND RELATED INFRASTRUCTURE FINANCING PROGRAM.

“Not later than 1 year after the date of establishment of the Accelerator, the Accelerator shall explore the establishment of a program to provide low- and zero-interest loans, up to 30 years in length, to any school, metropolitan planning organization, or nonprofit organization seeking financing for the acquisition of zero-emissions vehicle fleets or associated infrastructure to support zero-emissions vehicle fleets.

“SEC. 1627. PROJECT PRIORITIZATION AND REQUIREMENTS.

“(a) EMISSIONS REDUCTION MANDATE.—In investing in projects that mitigate greenhouse gas emissions, the Accelerator shall maximize the reduction of emissions in the United States for every dollar deployed by the Accelerator.

“(b) ENVIRONMENTAL JUSTICE PRIORITIZATION.—

“(1) IN GENERAL.—In order to address environmental justice needs, the Accelerator shall, as ap-
applicable, prioritize the provision of program benefits and investment activity that are expected to directly or indirectly result in the deployment of projects to serve, as a matter of official policy, climate-impacted communities.

“(2) MINIMUM PERCENTAGE.—The Accelerator shall ensure that over the 30-year period of its charter 40 percent of its investment activity is directed to serve climate-impacted communities.

“(c) CONSUMER PROTECTION.—

“(1) PRIORITY.—Consistent with the mandate under section 1623 to maximize the reduction of emissions in the United States for every dollar deployed by the Accelerator, the Accelerator shall prioritize qualified projects according to benefits conferred on consumers and affected communities.

“(2) CONSUMER CREDIT PROTECTION.—The Accelerator shall ensure that any residential energy efficiency or distributed clean energy project in which the Accelerator invests directly or indirectly complies with the requirements of the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.), including, in the case of a financial product that is a residential mortgage loan, any requirements of title I of that Act relating to residential mortgage loans
(including any regulations promulgated by the Bureau of Consumer Financial Protection under section 129C(b)(3)(C) of that Act (15 U.S.C. 1639c(b)(3)(C))).

“(d) LABOR.—

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

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

“SEC. 1628. EXPLORATION OF ACCELERATED CLEAN ENERGY TRANSITION PROGRAM.

“Not later than 1 year after the date on which the Accelerator is established, the Board shall explore the establishment of an accelerated clean energy transition program—
“(1) to expedite the transition within the power sector to zero-emissions power generation facilities or assets; and

“(2) to simultaneously invest in local economic development in communities affected by this transition away from carbon-intensive facilities or assets.

“SEC. 1629. BOARD OF DIRECTORS.

“(a) IN GENERAL.—The Accelerator shall operate under the direction of a Board of Directors, which shall be composed of 7 members.

“(b) INITIAL COMPOSITION AND TERMS.—

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

“(A) APPOINTED MEMBERS.—Three members shall be appointed by the President, with the advice and consent of the Senate, of whom no more than two shall belong to the same political party.

“(B) ELECTED MEMBERS.—Four members shall be elected unanimously by the 3 members appointed and confirmed pursuant to subparagraph (A).

“(2) TERMS.—The terms of the initial members of the Board shall be as follows:
“(A) The 3 members appointed and confirmed under paragraph (1)(A) shall have initial 5-year terms.

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

“(c) SUBSEQUENT COMPOSITION AND TERMS.—

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

“(2) DISQUALIFICATION.—A member of the Board shall be disqualified from voting for any position on the Board for which such member is a candidate.

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

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

“(1) the fields of clean energy, electric utilities, industrial decarbonization, clean transportation, resiliency, and agriculture and forestry practices;

“(2) climate change science;

“(3) finance and investments; and
“(4) environmental justice and matters related to the energy and environmental needs of climate-impacted communities.

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

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

“(g) BYLAWS.—

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

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

“(A) designate the officers of the Accelerator; and

“(B) prescribe the duties of those officers.

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

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

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

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

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

“(1) hiring employees of the Accelerator;

“(2) establishing the 2 divisions of the Accel-
erator described in sections 1624 and 1625; and

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

“(m) ADVISORY COMMITTEE.—

“(1) ESTABLISHMENT.—The Accelerator shall
establish an advisory committee (in this subsection
referred to as the ‘advisory committee’), which shall
be composed of not more than 13 members ap-
pointed by the Board on the recommendation of the
president of the Accelerator.
“(2) MEMBERS.—Members of the advisory committee shall be broadly representative of interests concerned with the environment, production, commerce, finance, agriculture, forestry, labor, services, and State Government. Of such members—

“(A) not fewer than 3 shall be representatives of the small business community;

“(B) not fewer than 2 shall be representatives of the labor community, except that no 2 members may be from the same labor union;

“(C) not fewer than 2 shall be representatives of the environmental nongovernmental organization community, except that no 2 members may be from the same environmental organization;

“(D) not fewer than 2 shall be representatives of the environmental justice nongovernmental organization community, except that no 2 members may be from the same environmental organization;

“(E) not fewer than 2 shall be representatives of the consumer protection and fair lending community, except that no 2 members may be from the same consumer protection or fair lending organization; and
“(F) not fewer than 2 shall be representatives of the financial services industry with knowledge of and experience in financing transactions for clean energy and other sustainable infrastructure assets.

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

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

“(A) advise the Accelerator on the programs undertaken by the Accelerator; and

“(B) submit to the Congress an annual report with comments from the advisory committee on the extent to which the Accelerator is meeting the mandate described in section 1623, including any suggestions for improvement.

“(n) CHIEF RISK OFFICER.—

“(1) APPOINTMENT.—Subject to the approval of the Board, the chief executive officer shall appoint a chief risk officer from among individuals with experience at a senior level in financial risk management, who—

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

“(B) shall be removable only by a majority vote of the Board.
“(2) DUTIES.—The chief risk officer, in coordination with the risk management and audit committees established under section 1632, shall develop, implement, and manage a comprehensive process for identifying, assessing, monitoring, and limiting risks to the Accelerator, including the overall portfolio diversification of the Accelerator.

“SEC. 1630. ADMINISTRATION.

“(a) CAPITALIZATION.—

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

“(A) $50,000,000,000 on the date on which the Accelerator is established under section 1622; and

“(B) $10,000,000,000 on October 1 of each of the 5 fiscal years following that date.

“(2) AUTHORIZATION OF APPROPRIATIONS.—For purposes of the transfers under paragraph (1), there are authorized to be appropriated—

“(A) $50,000,000,000 for the fiscal year in which the Accelerator is established under section 1622; and
“(B) $10,000,000,000 for each of the 5 succeeding fiscal years.

“(b) CHARTER.—The Accelerator shall establish a charter, the term of which shall be 30 years.

“(c) USE OF FUNDS AND RECYCLING.—To the extent and in the amounts provided in advance in appropriations Acts, the Accelerator—

“(1) may use funds transferred pursuant to subsection (a)(1) to carry out this subtitle, including for operating expenses; and

“(2) shall retain and manage all repayments and other revenue received under this subtitle from financing fees, interest, repaid loans, and other types of funding to carry out this subtitle, including for—

“(A) operating expenses; and

“(B) recycling such payments and other revenue for future lending and capital deployment in accordance with this subtitle.

“(d) REPORT.—The Accelerator shall submit on a quarterly basis to the relevant committees of Congress a report that describes the financial activities, emissions reductions, and private capital mobilization metrics of the Accelerator for the previous quarter.

“(e) RESTRICTION.—The Accelerator shall not accept deposits.
“(f) COMMITTEES.—The Board shall establish committees and subcommittees, including—

“(1) an investment committee; and

“(2) in accordance with section 1631—

“(A) a risk management committee; and

“(B) an audit committee.

“SEC. 1631. ESTABLISHMENT OF RISK MANAGEMENT COMMITTEE AND AUDIT COMMITTEE.

“(a) IN GENERAL.—To assist the Board in fulfilling the duties and responsibilities of the Board under this subtitle, the Board shall establish a risk management committee and an audit committee.

“(b) DUTIES AND RESPONSIBILITIES OF RISK MANAGEMENT COMMITTEE.—Subject to the direction of the Board, the risk management committee established under subsection (a) shall establish policies for and have oversight responsibility for—

“(1) formulating the risk management policies of the operations of the Accelerator;

“(2) reviewing and providing guidance on operation of the global risk management framework of the Accelerator;

“(3) developing policies for—

“(A) investment;

“(B) enterprise risk management;
“(C) monitoring; and

“(D) management of strategic, reputational, regulatory, operational, developmental, environmental, social, and financial risks; and

“(4) developing the risk profile of the Accelerator, including—

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

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

“(c) DUTIES AND RESPONSIBILITIES OF AUDIT COMMITTEE.—Subject to the direction of the Board, the audit committee established under subsection (a) shall have oversight responsibility for—

“(1) the integrity of—

“(A) the financial reporting of the Accelerator; and

“(B) the systems of internal controls regarding finance and accounting;

“(2) the integrity of the financial statements of the Accelerator;

“(3) the performance of the internal audit function of the Accelerator; and
“(4) compliance with the legal and regulatory requirements related to the finances of the Accelerator.

SEC. 1632. OVERSIGHT.

“(a) EXTERNAL OVERSIGHT.—The inspector general of the Department of Energy shall have oversight responsibilities over the Accelerator.

“(b) REPORTS AND AUDIT.—

“(1) ANNUAL REPORT.—The Accelerator shall publish an annual report which shall be transmitted by the Accelerator to the President and the Congress.

“(2) ANNUAL AUDIT OF ACCOUNTS.—The accounts of the Accelerator shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of the jurisdiction in which the audit is undertaken.

“(3) ADDITIONAL AUDITS.—In addition to the annual audits under paragraph (2), the financial transactions of the Accelerator for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the Government Accountability Office in accordance with
such rules and regulations as may be prescribed by the Comptroller General of the United States.”.