

Here's How Biden Would Spend \$555 Billion in Climate Funds

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President Joe Biden's \$1.75 trillion tax and spending framework calls for \$555 billion to boost renewable power, electric vehicles and resilience to global warming.

If congressional Democrats go along, the plan would represent a historic investment in fighting global warming that Biden can tout to world leaders at the high-stakes [United Nations](#) climate summit opening Sunday.

The funding could be "the single biggest thing that our nation has ever done to combat the climate crisis and certainly the biggest investment that Congress has ever made in climate and environmental justice jobs by far," said Tiernan Sittenfeld, senior vice president with the League of Conservation Voters.

The framework also is set to provide Biden fresh evidence the U.S. can deliver on its Paris Agreement pledge to at least halve greenhouse gas emissions from 2005 levels by the end of the decade. Tax credits and decarbonization programs in the climate measure would complement coming regulations clamping down on greenhouse gases from automobiles, oil wells and power plants -- a combination that promises to magnify emissions cuts.

While mainstream environmental groups cheered the blueprint, some activists blasted the framework for bypassing an opportunity to slap new fees on polluters and repeal oil industry tax breaks they said have no place in a warming world.

Here's a look at what's in the plan:

Clean Energy Tax Credits

By far the largest component of the climate spending -- some \$320 billion of it -- would go to expanding a slew of tax credits for renewable power. The 10-year tax credits could accelerate investments in both utility-scale and residential clean energy as well as electric transmission, power storage and clean-energy manufacturing.

The investment and production tax credits are designed with more flexibility than previous incentives. For instance, under earlier versions of the plan that were likely to be retained, some project developers may qualify to receive them as a direct payment from the federal government.

Their design is far more aggressive than what we've seen in the past, said Christy Goldfuss, senior vice president of energy and environment policy at the Center for American Progress. "If included with those design elements they will be the backbone of the climate aspects of the package," Goldfuss said.

Some of the tax incentives are specifically designed to encourage investment in the nation's electric transmission system and power storage that is essential to buttressing intermittent renewable power.

Electric Vehicles

Lawmakers also would give a boost to existing tax credits for the purchase of electric vehicles, making them more widely available, even to used cars.

The measure is likely to allow car buyers to claim those refundable tax credits at the point of purchase for new as well as used electric cars and trucks -- effectively a discount that could dramatically accelerate electric vehicle adoption.

The framework also includes a proposal raising the electric vehicle tax credit to as high as \$12,500 for vehicles "made in America with American materials and union labor," according to a White House summary. Democrats have been considering lifting an existing per-manufacturer cap, limiting the opportunity for high-income consumers to take advantage of the credit and increasing the value of the current \$7,500 consumer tax credit based on factors such as if the vehicle is union made.

According to an analysis from the Center for American Progress, a liberal think tank, the expanded credits could put enough electric vehicles on the road to shave 3% off U.S. greenhouse gas emissions from 2005 levels.

A separate infrastructure package would dole out \$7.5 billion for EV chargers.

Advanced Energy Manufacturing

Under the framework, \$110 billion would be dedicated to boosting U.S. manufacturing of clean energy technologies, so more solar panels, electric vehicle parts and other green tech is made domestically.

The White House said the plan would use grants, loans, tax credits and procurement to boost the competitiveness of existing industries, such as steel, cement and aluminum. The targeted incentives would "spur new domestic supply chains and technologies, like solar, batteries, and advanced materials."

Home Efficiency

The package proposes to expand rebates and credits with the goal of encouraging investments in home efficiency and renewable power. Collectively, the program could translate to hundreds of dollars in annual energy cost savings for the average American family and lower the cost of installing rooftop solar at home by roughly 30%, according to a White House fact sheet.

Resilience

The plan would dole out as much as \$105 billion to helping communities build resilience to the impacts of climate change, such as from droughts, more frequent wildfires and intense hurricanes.

Some spending would be targeted to using forests, wetlands and agriculture as a weapon against climate change. That includes spending on “climate-smart agriculture” the White House said could affect roughly 130 million cropland acres and as many as 240,000 farms per year.

Other funds would target cleaning up legacy pollution and advancing environmental justice. For instance, a proposed “Clean Energy and Sustainability Accelerator” would invest in projects nationwide, with 40% targeted toward disadvantaged communities.

Civilian Climate Corps

Democrats also intend to create a Civilian Climate Corps that could put hundreds of thousands of Americans to work preventing wildfires, restoring wetlands, capping abandoned oil wells and making homes more energy efficient.

The program, which would be modeled after the New Deal-era Civilian Conservation Corps, has high-level champions who see it as both an economic development and environmental plan.