

Clean Electricity Standard

The key to reaching our climate goals

Building a cleaner power sector is essential to getting the United States on the path to a safer climate, but we can only get there with a strong national policy that prioritizes cuts in pollution.

The key to reaching urgent climate goals

In April, President Biden [announced](#) a new target to cut U.S. emissions 50-52% by 2030, a goal that aligns with the latest science and puts the country on a path to reach net zero emissions by 2050. Cleaning up the power sector is the linchpin to success: several [analyses have shown](#) that reducing power sector carbon pollution by at least 80% below 2005 levels by 2030 will be essential to achieving this economy-wide goal.

Plummeting costs for clean electricity mean that with today's technology, we can ramp up clean energy sources on our grid and secure a significant down payment on our climate goals. But we'll need smart federal policy to ensure power sector emissions are cut at least 80% in the next decade.



Power companies are already leading

In a [letter](#) to the Biden administration, 13 leadership power providers from across the country [outlined](#) how a policy that ensures emissions swiftly decline 80% by 2030 nationwide is not only necessary, but feasible. And many individual companies are even hitting this metric themselves. Xcel Energy is [on track](#) to achieve an 80% reduction in emissions across its sweeping [eight-state service territory](#) from Minnesota to New Mexico. A [dozen](#) other power companies have followed suit, including [American Electric Power](#) and [Portland General Electric](#), committing to slash pollution 80% by the end of the decade. **Federal policy can match this ambition – and require other companies to step up – ensuring the U.S. drives down emissions across the power sector.**

Bold action in the power sector can create big wins for public health and jobs

Building a cleaner power sector will not only drive progress on urgent climate goals, it will generate millions of jobs and save thousands of lives from health-harming air pollution over the next decade. A [recent study](#) by Rhodium Group found that investments in cleaning up the power sector can **create more than 600,000 jobs a year**. These new jobs can be well-paid, high-quality jobs, if an infrastructure investment package couples federal tax incentives for clean energy deployment with [strong labor standards](#). And by pairing strong policy action on climate with tools to reduce local air pollution, a cleaner power sector can bring [significant health benefits](#), especially in communities already overburdened by pollution.

An enforceable clean electricity standard that locks in pollution cuts is critical

The proposed [Clean Energy for America Act](#) by Senator Wyden, an emissions-based tax incentive program to spur growth in clean power, is an essential start. Getting this proposal across the finish line is critical. But the U.S. cannot get where it needs to go on climate through investments alone. Incentive-based policies can only go so far, and a payment-only strategy **cannot provide the certainty we need to ensure that the power sector becomes the backbone of a clean economy.**

Congress can ensure that power sector pollution falls by at least 80% by 2030 with a clean electricity standard (CES) that 1) ramps up carbon-free resources *while also ensuring* we cut pollution and 2) includes an enforceable standard with a mechanism to ensure compliance.

- 1. A CES should be designed to deliver what matters for the climate crisis: cuts in pollution.** A CES crafted solely to achieve a percentage of carbon-free energy sources, without incorporating emissions performance into the design, will not guarantee that pollution goals are hit.
- 2. To guarantee that 80% cut in carbon pollution, a CES must be designed to include a strong compliance obligation:** a binding requirement placed on the companies that either generate or deliver electricity. This is crucial because [compliance rates are much lower](#) when enforcement is not tightly woven into policy design. A successful compliance system will have clear rules, a streamlined design and require regulated companies to achieve their emissions obligations. Importantly, financial incentives cannot be a substitute for strong standards that ensure pollution cuts and secure the deployment of clean energy, and Congress should not offer off-ramps or alternative compliance payments as a substitute to achieving the required outcomes.

And in addition to pollution cuts and enforceability, a well-designed CES should:

- ✓ Be designed to improve air quality in communities that have borne disproportionate pollution burdens
- ✓ Create an economic incentive to invest in new zero-carbon electricity generation while maintaining existing zero-carbon capacity
- ✓ Protect consumers across all regions
- ✓ Provide the flexibility necessary to ensure the entire power sector is maximizing its potential to cut pollution as quickly as possible

Congress needs to go bold on a clean electricity standard that drives down pollution at the pace and scale the climate crisis demands.