

# Stimulus Policies to Power Up, America



**As we embark on the road to recovery from the COVID-19 pandemic**, we have an opportunity to rebuild a stronger, more resilient economy, while making investments that can help address the climate crisis and reduce pollution in overburdened communities.

**Investments in clean power and transportation**—sectors which together account for more than half of total U.S. climate emissions — can curb harmful air pollution, create millions of jobs and unlock progress on urgent climate goals. And by prioritizing investments that create jobs and deliver health benefits in frontline communities—including low-income households, communities of color and communities transitioning away from fossil fuels—we can help build a more equitable economy for all Americans.

## How Congress can get started

**Congress should prioritize the following climate and clean energy policy options in rescue and recovery legislation.** These policies stand out as having high potential to cut climate pollution, create and support jobs, and cost-effectively generate health and equity benefits.

### Priority Recommendations in Power and Transportation

#### Cleaning up Electric Power

- Reform, extend, and expand **clean energy tax credits** to accelerate clean electricity deployment.
- Invest in **grid modernization and transmission infrastructure** to better accommodate more renewable generation and increased demand from electrification.

#### Electrifying Transportation

- Incentivize **medium-and-heavy-duty vehicle electrification**, focused on key market segments like commercial trucks and school buses, and particularly those operating in disadvantaged and pollution-burdened communities.
- Provide incentives for **light-duty vehicle electrification** designed to lower barriers to adoption, accelerate stock turnover, and increase equitable access to clean vehicles.
- Support **domestic manufacturing and supply chains**, including production of batteries.
- Support existing **mass transit** services, while investing in their further expansion and electrification.

## Additional Recommendations Across All Economic Sectors

- Steadily increase annual funding levels for **federal clean energy research, development, and demonstration (RD&D)** over the next five years, to at least double current levels.
- Invest in **cleaning up orphaned oil and gas wells** to reduce harmful methane emissions and water pollution.
- Institute a federal **debt forgiveness program** to companies and utilities conditioned upon verifiable emissions reductions.
- Establish a **national green bank** or **technology deployment administration** to provide targeted public investment in, and accelerate the deployment of, emerging low-carbon technologies in sectors across the economy.
- **Support the efforts of cities, states, and tribes** to reduce emissions in their jurisdictions by providing grant-based funding and technical assistance.
- Incentivize the buildout of clean manufacturing capacity by reinstating the **Section 48C Advanced Manufacturing Tax Credit**.

Explore specifics on these and other climate and clean energy stimulus policy recommendations in this [EDF report](#).