

**United States House of Representatives
Select Committee on the Climate Crisis**

**Hearing on July 28, 2020
“Solving the Climate Crisis:
Building a Vibrant and Just Clean Energy Economy”**

Questions for the Record

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The Honorable Kathy Castor

- 1. Building thriving communities and a just, clean energy economy will be accelerated through leadership at the state, regional, and federal levels. In your testimony, you highlighted the potential for progress in the State of Colorado through passage of H.B. 1314 and implementation of the Colorado Just Transition plan. How can Congress incentivize other states to show similar leadership and ensure that states and communities have a strong federal partner in their planning and investments to diversify their economies, advance community resilience, and support workers through transition?**

The state of Colorado has advanced legislation that provides a model for achieving these goals. It passed landmark legislation, House Bill 1314, during the 2019 legislative session. The legislation, which was envisioned and championed by the BlueGreen Alliance and our partners, created the first State Office of Just Transition, and mandated creation of a statewide Just Transition plan for coal workers and communities.

The Colorado Just Transition plan recommends structural improvements to how the state supports rural communities where coal mining or power plants are likely to close. Key to Colorado’s plan will be developing worker support programs that assist impacted workers in transition to new work. Several states are watching Colorado’s implementation of HB 1314, and considering similar initiatives, but any plan advanced by forward-looking states will have to be supported and supplemented by additional Federal resources. Federal funding, especially as the COVID-19 pandemic stretches already thin state and local budgets, will be vital to giving coal communities the resources and tools they need to diversify their economies and support their workers through transition.

America is in the middle of an energy transition. We need to have a conversation about getting ahead of this transition, and we need to do this now. That's why— alongside partners and allies from coal communities across the country—the BlueGreen Alliance participated in the development of the National Economic Transition platform, which outlines a policy framework and priorities to invest in communities and workers hit hard by the decline of the coal industry.

One of the key ideas put forward in this platform is the need for a new federal transition program that would target and expand resources for affected communities and workers and coordinate across sectors and agencies. We think creating an Office of Economic Transition is key here - to help synchronize ongoing efforts across the federal government and leverage new public and private sector investments. We think this office should be guided by an advisory board reflective of affected stakeholder groups and communities, including labor and local leaders.

The platform puts forward seven pillars that are critical to this effort:

1. Investing in local leaders and long-term economic development planning.
2. Expand investments in entrepreneurship and small-businesses in new sectors to help communities diversify and strengthen their economies.
3. Providing a bridge of support and pathways to quality in-demand, family-sustaining jobs for workers, including paid training, guaranteed pensions, relocation assistance, healthcare support, a bridge of wage differential and replacement, and ensuring miners suffering from black lung disease receive the benefits to which they are entitled.
4. Reclaiming and remediating coal sites to create jobs while cleaning up the environment.
5. Improving inadequate physical and social infrastructure.
6. Addressing the impact of coal company bankruptcies on workers, communities, and the environment. And
7. Coordinating across programs to ensure communities have access to the resources they need. Launching an interagency grants program helps ensure affected stakeholders have a voice and empowers local communities with federal resources.

More detailed information about how to ensure a just transition for communities can be found in the [National Economic Transition Platform](#).

- 2. The Select Committee Democrats' majority report calls for developing a national strategy for securing critical minerals in the clean energy and electric vehicle supply chain in an environmentally and socially responsible way. Your coalition of environmental and labor groups has been grappling with this question. What does the BlueGreen Alliance propose to secure the critical materials necessary for a clean economy?**

Numerous metals and minerals are essential components in the transition to a low-carbon and clean energy future. A May 2020 World Bank report found that production of minerals such as lithium and cobalt may need to increase by nearly 500% by 2050 to meet the growing demand for clean energy technologies. The same report estimates that over 3 billion tons of minerals and metals will be needed for energy storage and solar/wind power generation.¹ The U.S. currently lacks a secure domestic supply of many of these critical materials, as well as a strategy to responsibly mine these materials domestically. To secure critical materials necessary for a clean economy, and to do so in a way that is environmentally, economically, and socially responsible, the BlueGreen Alliance has proposed the following necessary steps:

- Develop a comprehensive national critical minerals strategy guided by a commitment to environmentally, economically, and socially responsible production, reclamation and recycling domestically and worldwide by:
 - Identifying R&D for recycling and replacements of critical minerals, as well as chemistry, fundamental material science, and applied R&D for processing and manufacturing of critical minerals.
 - Design this R&D strategy in coordination with existing efforts by the Critical Materials Institute (CMI), DOE Office of Science, NOAA Office of Ocean Exploration and Research, NIST, DoD, EPA, and National Laboratories.
 - Develop a federal program within CMI that supports the private sector in demonstration, evaluation, testing, and certification of substitution or alternative materials.
 - Develop a roadmap that identifies key R&D needs and coordinates on-going activities for source diversification, and more efficient use and recycling.
 - Complete technical and economic feasibility studies of the production of critical minerals and related materials from secondary/unconventional sources.
 - Establish new public-private partnerships and leverage existing partnerships to address underlying scientific and early-stage applied research.
 - Ensure funding for hard rock mining reclamation.
- Incentivize and enhance use of responsibly produced critical minerals and metals by
 - Utilizing trade, procurement and other measures to enhance domestic and international supply chain accountability.
 - Set and raise minimum environmental and labor standards for critical minerals mining.
 - Develop and adopt a certification process that address supply chain accountability and corporate, environmental and social responsibility.
 - Ensure U.S. strategic energy, materials and technology stockpiles are domestically or responsibly sourced.
- Jump-start domestic projects to recycle key strategic materials and reduce reliance on these materials in clean technology production in conjunction with deployment of innovative circular economy processes and products.
 - Investment to spur full-scale domestic projects to responsibly reuse and recycle strategic minerals and materials as one of several priorities for an industrial bank or revolving loan fund.

¹ <http://pubdocs.worldbank.org/en/961711588875536384/Minerals-for-Climate-Action-The-Mineral-Intensity-of-the-Clean-Energy-Transition.pdf>

- Provide and enhance funding through existing loan, grant, tax, and other clean energy investment incentives for deployment of responsible recycling, and expand or create a new clean technology tax credit for responsible critical materials recycling and reclamation.
- Create a critical materials recycling insurance or investment guarantee program

More detailed information on the BlueGreen Alliance’s recommendations to responsibly mine, reclaim, and recycle critical materials can be found in our [Manufacturing Agenda](#).

3. The BlueGreen Alliance’s Manufacturing Agenda calls for investing “at scale” in a new generation of American manufacturing. What are the key components of that investment?

Worldwide, nations and regions are rushing to capture the economic gains from rapidly growing demand for clean technology. Even as the U.S. joins other nations in deploying clean technology, our ability to manufacture these technologies is not keeping pace, as we are dependent on other nations for critical subcomponents or technology. Failure to build the next generation of clean technology here in the U.S. threatens future jobs and the economy.

We must make a significant national investment now to jumpstart domestic clean technology manufacturing, secure critical supply chains in the U.S., transform energy –intensive manufacturing in line with achieving net-zero emissions economy-wide by mid-century, and ensure a new generation of clean and safe industrial development in America. We propose the following steps necessary to invest at scale in American manufacturing:

- Establish and capitalize a major new industrial transformation bank and/or revolving loan fund to support key domestic clean technology manufacturing priorities and large-scale industrial transformation and emissions reduction.
- Make an increased, sustained, and coordinated investment in three critical areas:
 - Domestic clean technology supply chains. Convert, retool, or establish clean technology manufacturing facilities in the United States, sufficient to recapture leadership in critical clean energy, transportation, infrastructure, efficiency, and climate resilience technology and advanced materials production.
 - Industrial transformation. Modernize and cut emissions from domestic energy-intensive manufacturing, including implementing innovative and efficient processes across heavy industry and materials production.
 - Responsible mining. Establish environmentally, economically and socially responsible production, recycling, and reclamation of minerals and materials critical to the clean economy.
- Invest in, expand, and refocus existing DOE energy and manufacturing loan programs to establish and strengthen domestic clean technology manufacturing and supply chains, and to deploy first-in-class, innovative, and large-scale industrial efficiency and emissions reduction projects.
- Fund and prioritize manufacturing conversion grants to secure and transition existing facilities to manufacture emerging clean technology, and to establish and grow domestic clean technology supply chains.

- Enhance tax credits/grants in lieu of credits available to promote domestic clean technology manufacturing and supply chains.
- Enhance tax credits available to spur industrial emissions reductions.
- Spur far broader adoption of established efficiency technologies, CHP and WHP systems through tax incentives and grants in conjunction with enhanced technical and deployment assistance.

In addition, we need to:

- Greatly increase U.S. funding for research, development, and demonstration (RD&D)—as well as for deployment, as discussed in Pillar 1—to levels commensurate with competitor nations and to meet ambitious clean technology leadership and industrial transformation objectives.
- Establish a new DOE Office of Industrial Transformation charged with leading and coordinating DOE’s efforts on industrial innovation and competitiveness consistent with the goal of achieving net-zero greenhouse gas emissions economy-wide by 2050.
- Execute a robust industrial transformation program, including technology development, demonstration, and deployment.
- Coordinate, fund, and execute a program to develop robust and comprehensive supply chains for critical clean technologies in the United States within ten years.
- Establish a permanent jobs, labor, and energy workforce program modeled on the Energy Jobs Strategy Council in the office of the Secretary of Energy, working in collaboration with DOL and DOT, and with the Office of Economic Impact, Diversity, and Employment, that specifically targets the labor and workforce needs in a transition to a clean energy, technology, and net-zero GHG economy.
- Enhance public benefit from publicly funded research and innovation, and
- Ensure domestic clean economy manufacturing objectives are elevated as a primary focus of a proposed National Institute of Manufacturing. In the event that all U.S. efforts related to manufacturing across government agencies are coordinated through a new National Institute of Manufacturing, a primary objective of the Institute should be positioning U.S. manufacturing and workers to lead in the global transition to a clean and net-zero carbon economy.

More detailed information on the BlueGreen Alliance’s recommendations to invest at scale to transform American manufacturing can be found in our [Manufacturing Agenda](#).

4. How can Congress ensure that taxpayer-funded R&D leads to a more robust manufacturing sector and clean energy supply chain in the United States?

In the global race to lead in the next generation of clean technology, the U.S. is under-investing in innovation- from basic research through translation of innovation into domestic production of innovative technology. We know that investing in R&D works -- U.S. government investments in innovation have launched technological transformations that led the world and underpinned prosperity and growth.

In order to ensure that taxpayer-funded R&D leads to a more robust manufacturing sector and clean energy supply chain, the BlueGreen Alliance recommends:

- Funding and focusing R&D to ensure U.S. innovation is translated into domestic manufacturing and supply chains; Enhance demonstration and technical assistance; sustain successful clean energy and technology programs—from basic research, to commercialization partnerships, to manufacturing and deployment support—and put an enhanced focus on emerging low-and zero-carbon technologies and processes, and on labor and community-friendly innovation
- Enhance demonstration and technical assistance.
- Sustain successful clean energy and technology programs, from basic research, to commercialization partnerships, to manufacturing and deployment support, and
- Putting an enhanced focus on emerging low-and zero-carbon technologies and processes, and on labor and community-friendly innovation.

In addition, innovating to transform U.S. industry should include:

- Establishing a new Office of Industrial Transformation at DOE to lead and coordinate DOE's efforts on industrial innovation and competitiveness consistent with the goal of achieving net-zero ghg emissions economy-wide by 2050.
- Executing a robust industrial transformation program, including technology development, demonstration, and deployment in fuel, feedstock and infrastructure innovation, and circular economy processes and materials redesign.
- Coordinating, funding, and executing a program to develop robust and comprehensive supply chains for critical clean technologies in the U.S. within 10 years.
- Establishing a permanent jobs, labor, and energy workforce program modeled on the Energy Jobs Strategy Council in office of the Secretary of Energy to target the labor and workforce needs in a transition to a clean energy economy.
- Enhancing public benefit from publicly funded research and innovation, and
- Ensuring domestic clean economy manufacturing objectives are elevated as a primary focus of a proposed National Institute of Manufacturing.

We must also ensure that R&D investments are translated into good, family-sustaining manufacturing jobs. We can do this by updating and enhancing long-standing Buy America/n and other procurement standards—and ensuring labor and domestic content standards apply to all major public investments in clean technology deployment. These provisions can play a critical role not only in strengthening domestic manufacturing and jobs in emerging technology, but in building public support and momentum for the clean economy.

More detailed information on the BlueGreen Alliance's recommendations to ensure R&D is translated into a more robust American manufacturing sector and clean energy supply chain can be found in our [Manufacturing Agenda](#).

5. How can the federal government use procurement to support a strong, clean, fair manufacturing economy across the United States?

Public procurement can play a crucial role in creating demand and a robust market for clean and advanced technology in America, in spurring domestic manufacturing of that technology, and in setting a high standard for the jobs and community benefits our public investments support. They also play an important role in spurring near-term demand for clean technologies and low-carbon

products, and sustaining strategic investments in U.S. manufacturing even when economic times are tough or in the face of other market uncertainty. In order to use procurement to support a clean, fair, and strong manufacturing economy in the U.S., we need to:

- Utilize direct federal—and state and municipal— procurement to spur demand for clean, fair, safe, and domestically manufactured clean technology, including for example, boosting government purchases of clean vehicle fleets and net zero building technology, innovative community resilience and disaster response technology, and innovative domestic energy and grid technology adoption – all in conjunction with domestic content requirements.
- Review U.S. strategic energy, materials, and technology stockpiles and, if necessary, reform them to ensure they support the need for rapid clean energy technology deployment and domestic manufacturing development, and industrial emissions reduction.
- Improve and extend Buy America/n and ensure its effective application to manufactured goods, clean technologies, and materials.
- Utilize soundly crafted Buy Clean procurement policies to incentivize and reward clean, low carbon production of energy intensive materials.
- Utilize “Fair and Responsible” procurement approaches to enhance labor standards, workers’ rights, career pathways, equity, and community benefits—and ensure their applicability to manufacturing and manufacturing supply chain.
- Ensure all major public spending on clean technology deployment—such as tax incentives, loans, grants, and bonds—also support high labor standards and domestic manufacturing throughout the supply chain.
- Develop and enact the globally leading energy, emissions, and pollution standards necessary to drive demand for clean technology production in the United States. Strong domestic energy and emissions standards and a proactive manufacturing agenda go hand in hand to support and sustain manufacturing and manufacturing jobs in the United States.

Updating and enhancing long-standing Buy America/n and other procurement standards – and ensuring labor and domestic content standards apply to all major public investments in clean technology deployment- can play a critical role not only in strengthening domestic manufacturing and jobs in emerging technology, but in building public support and momentum for the clean economy.

In addition, we recommend instituting Buy Clean procurement standards to ensure that federal spending is directed towards the cleanest, lowest-carbon products. Buy Clean standards promote spending taxpayer dollars on infrastructure supplies and materials that are manufactured in a cleaner, more efficient, and climate friendly manner- rewarding companies that are doing things the right way and putting a break on leakage and offshoring of emissions and jobs across the supply chain.

More detailed information on the BlueGreen Alliance's recommendations to utilize procurement to spur demand and support a strong, clean, and fair manufacturing economy can be found in our [Manufacturing Agenda](#).

References Page

BlueGreen Alliance. Manufacturing Agenda: A National Blueprint for Clean Technology Manufacturing and Leadership and Industrial Transformation. June 2020. Available at: http://www.bluegreenalliance.org/wp-content/uploads/2020/06/2020_BGA_Manufacturing_Agenda-vFINAL.pdf

Just Transition Fund. National Economic Transition Platform. 2020. Available at: <https://nationaleconomictransition.org/>