



## American Recovery & Reinvestment Act Promoting Green Jobs, Clean Energy, and Smart Transportation Choices

Cleaner, smarter energy solutions are central to driving economic recovery and growth. Generating more renewable energy, reducing our oil dependence through increased efficiency and public transit, restoring our waterways and parks, and funding local green infrastructure water projects creates good jobs, reduces pollution, and will jump-start America's economy.

The American Recovery and Reinvestment Act of 2009 reflects President Obama's vision of an economic recovery plan that recognizes the vital role of clean energy. The bill makes an important down payment on solutions that will transform America's economy and lead to a clean energy future and begins to invest in training the next generation of workers.

Renewable energy and energy efficiency can create new jobs, reduce energy bills, and generate clean, homegrown electricity. The legislation includes a range of both direct spending and tax incentives to boost clean energy production.

- **\$500 million to fully fund the Green Jobs Act of 2007.** This program would train 70,000 workers in its first year to work in the fields of clean energy and environmental restoration. (Title IX, A(6))
- **Extends Renewable Energy Tax Incentives.** The legislation extends the Section 45 Production Tax Credit (PTC) for an additional three years beyond current law. Since many renewable energy projects are not posting a tax liability in the current economic climate, the legislation allows projects to opt out of the PTC in exchange for a reduced value grant from the Department of Energy. In addition, the legislation increases the availability of Clean Renewable energy Bonds (CREBs), providing another financing source to assist in renewable energy development. (Ways & Means, Subtitle G)
- **Extends Energy Efficiency Tax Credits.** The legislation gives the Secretary of Energy additional authority to issue energy conservation bonds and extends tax credits for residential and non-business energy efficiency investments. (Ways & Means, Sec. 1612 & Sec. 1621) In order for these provisions to be as effective as possible, it is important that both renewable energy and energy efficiency tax credits can be transferred into direct grants to assist struggling manufacturers.
- **\$25.9 billion for Energy Efficiency Programs,** including local government block grants, housing retrofits, low-income weatherization, and research. (Title V)
- **\$8 billion for Renewable Energy loan guarantees.** Direct spending to provide loans through the Department of Energy to renewable energy generation and transmission projects. (Title V, Sec. 5003)
- **\$4.5 billion for Grid Reliability & Efficiency.** The legislation provides funds to pursue smart grid, reliability, and energy storage programs under Title XIII of the Energy Independence and Security Act of 2007. (Title V)

**SUPPORTING MASS TRANSIT & CLEAN VEHICLES:** Public transit and clean vehicles can save consumers money at the gas pump, ease the economy's reliance on oil, curb global warming emissions, and create thousands of new jobs across the country.

- **\$10.1 billion for public transit.** These provisions fund a variety of programs designed to construct new transit systems, upgrade and repair existing systems, and improve services. It is estimated that this level of investment in transit will create over 300,000 jobs across the country. Nevertheless, transit programs could provide additional benefits and jobs with higher funding levels. Specifically, funding transit programs at the same levels as highway construction would create approximately 1.2 million jobs, while delivering superior environmental performance. (Title XII)
- **\$2 billion for Advanced Vehicle batteries.** The legislation provides funding and loan guarantees for the development and manufacture of advanced technology batteries. These programs will encourage the creation of high-capacity batteries which can extend the range and power of electric and hybrid-electric vehicles. (Title V)

**CLEAN WATER & ENVIRONMENTAL CLEANUP:** The American Recovery and Reinvestment Act also invests in critical environmental clean-up efforts. These projects protect public health while creating jobs repairing important infrastructure and cleaning up polluted industrial sites. Specifically, it is estimated that for each \$1 billion of federal funding for water infrastructure improvements, between 30,000 and 47,500 jobs are created. Some of these provisions include:

- **\$6 billion for the Clean Water State Revolving Fund.** This program provides loans to communities to improve wastewater treatment facilities. (Title VIII – State and Tribal Assistance Grants)
- **\$2 billion for the Drinking Water State Revolving Fund,** which provides loans to repair and construct clean drinking water facilities. (Title VIII – State and Tribal Assistance Grants)
- **\$800 million for the Superfund program** which funds cleanup of hazardous and toxic materials from polluted industrial sites. (Title VIII – Hazardous Substance Superfund)
- **\$200 million for the Leaking Underground Storage Tank (LUST) program.** This program funds the enforcement and cleanup of petroleum leaks from underground storage tanks. (Title VIII – Leaking Underground Storage Tank Trust Fund Program)

**AREAS FOR IMPROVEMENT:** While the current version of the American Recovery & Reinvestment Act makes important down payments on many critical clean energy programs, additional provisions should be included to further investment in newer, cleaner, more efficient technology and not wasting money on costly, business-as-usual approaches like developing new coal plants, subsidizing oil companies or building "highways to nowhere."

- **Increase funding for transit programs.** While the draft bill is a good first step, it falls short of the nation's needed investment in transit. At a minimum, transit should be held on par with highway funding, which currently receives \$30 billion in the legislation. \$2 billion should be returned to the transportation spending to provide needed operating assistance to transit agencies to retain jobs and service levels (which are at record highs) and the full \$5 billion for intercity rail should be restored.
- **Highway projects should fix-it-first.** America's highway infrastructure is in desperate need of repair. It is important that the funds included in the legislation go first to repair infrastructure as opposed to being spent on new and unnecessary roads. Currently, the legislation provides \$30 billion for highway construction and repair. However, the legislation does not require States to prioritize repair projects before building new roads. Given the current backlog of \$69.9 billion in needed highway and bridge repairs across the country, the legislation should ensure that funds are used to fix it first and not build highways to nowhere. Spending on transit and road repair create more jobs than new roads.
- **Preserve energy efficiency manufacturing jobs:** In the current economic climate, some manufacturers are unable to utilize tax credits since they are not posting taxable income. The legislation recognized this issue on the renewable energy Production Tax Credit (PTC) and created an alternative mechanism for companies to opt out of the PTC in exchange for a reduced value grant from the Department of Energy. However, this option was not extended to the equivalent tax credit for energy efficient appliances. Providing this grant option for super-efficient appliances will preserve American manufacturing jobs and allow more consumers to purchase appliances that save them money on their energy bills.
- **Ensure that water projects are economically & environmentally sound.** It is critical that the funds contained in this legislation are used to develop infrastructure that will benefit the country over the long-term. Currently, Title V of the legislation waives the requirement for cost-sharing in the construction and operation of the inland waterway system. Many water resource projects have not moved forward because of serious concerns about whether they are economically justified and meet environmental standards. Waiving cost-sharing requirements would diminish scrutiny of proposed projects' economic and environmental benefits. There are many worthwhile economic stimulus projects that Congress could fund which have both short and long-term economic benefits and benefit the environment. The legislation should reinstitute the cost-sharing requirement on the inland waterway system to ensure that States and local governments invest in projects that make economic and environmental sense.
- **Invest only in true research:** The bill includes \$2.4 billion for Carbon Capture and Storage (CCS) demonstration projects. Those projects should only receive funding if they are designed specifically to produce data about the costs of CCS, the potential to displace older coal plants, and the technical feasibility, timing, and risks of the technology. Any demonstration project must not have negative impacts on communities, air and water quality, or biological resources; must not supplant options that focus first on energy efficiency; and must not use coal from mountaintop mines.