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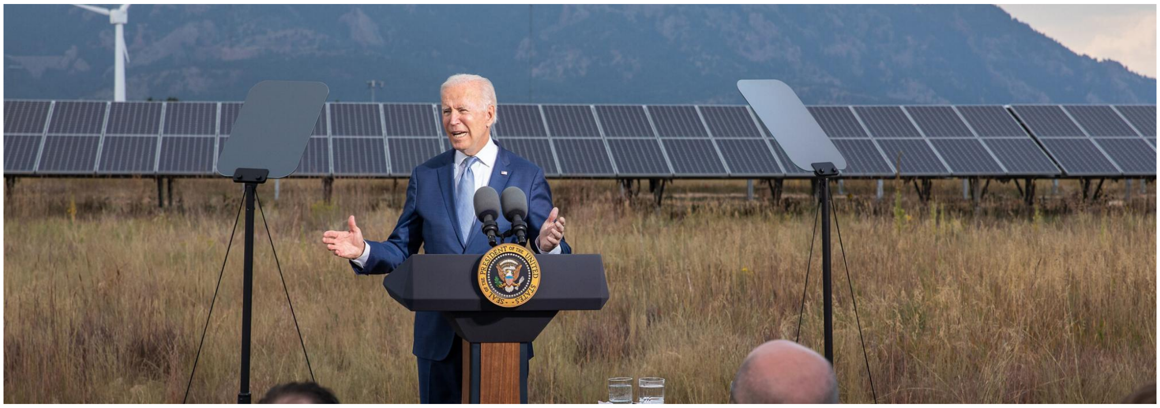

Tracking Progress: Climate Action Under the Biden Administration

January 23, 2023 By **Dan Lashof** Cover Image by: Werner Slocum / NREL

Commentary

Topic U.S. Climate *Region* North America

In 2021, with Biden's signature Build Back Better legislation stalled in Congress, I graded the administration's overall climate performance "incomplete." Fortunately, with a new name and moderate revisions to its climate policy features, Biden was able to sign the Inflation Reduction Act into law in August 2022, raising his overall climate grade to a strong A-. But he will need to stay focused and implement superbly to maintain, and hopefully further improve, his grade.

Here's how the Biden administration has performed so far across 10 key climate priorities:

Tracking the Biden Administration's Progress on Climate Action

ACTION	STATUS
Set target to cut emissions by at least 50% by 2030	
Pass a major climate-smart stimulus package after COVID-19	
Tackle super pollutants	
Require all new passenger vehicles produce zero emissions by 2035	
Scale up carbon removal	
Ramp up clean electricity standards	
Set appliance and equipment standards to replace fossil fuels with electricity whenever feasible	
Set emission performance standards for cement, steel and plastics	
Reestablish international leadership	
Tax pollution	

Achieved · Significant Progress · Some Progress · Off Track

Source: WRI.

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In April 2021, President Biden set a new national goal to reduce emissions by 50-52% from 2005 levels by 2030, formalizing it in an updated nationally determined contribution (NDC) under the Paris Agreement. Achieving this goal will be a major challenge, but it remains within reach thanks to progress made in 2022 (see #2).

2. Pass a major climate-smart economic stimulus package after COVID-19: *Achieved.*

Congress enacted the Inflation Reduction Act in August 2022, the largest piece of climate legislation in U.S. history. Building on the Infrastructure Investment and Jobs Act (or Bipartisan Infrastructure Law) passed in 2021, the Inflation Reduction Act establishes a comprehensive set of clean energy incentives, mostly through decade-long tax credits for everything from electric vehicles to direct air capture and sequestration of carbon dioxide.

Although official estimates peg the climate investments included in the Inflation Reduction Act at $370 billion over 10 years, most of the tax credits it established are uncapped, meaning that the total investment could be much greater if consumers and businesses aggressively take advantage of the incentives. Economic modeling indicates that the Inflation Reduction Act itself could reduce 2030 emissions by 1 billion tons, leaving a 0.5 billion ton gap to achieving the U.S. 2030 emissions target — a gap that could be closed by complementary federal regulations and state and local action.

3. Tackle super pollutants. *Achieved.*

Super pollutants like hydrofluorocarbons (HFCs) and methane are emitted in smaller quantities than carbon dioxide, but pound for pound trap much more heat. Tackling super pollutants is a key component of any comprehensive climate strategy.

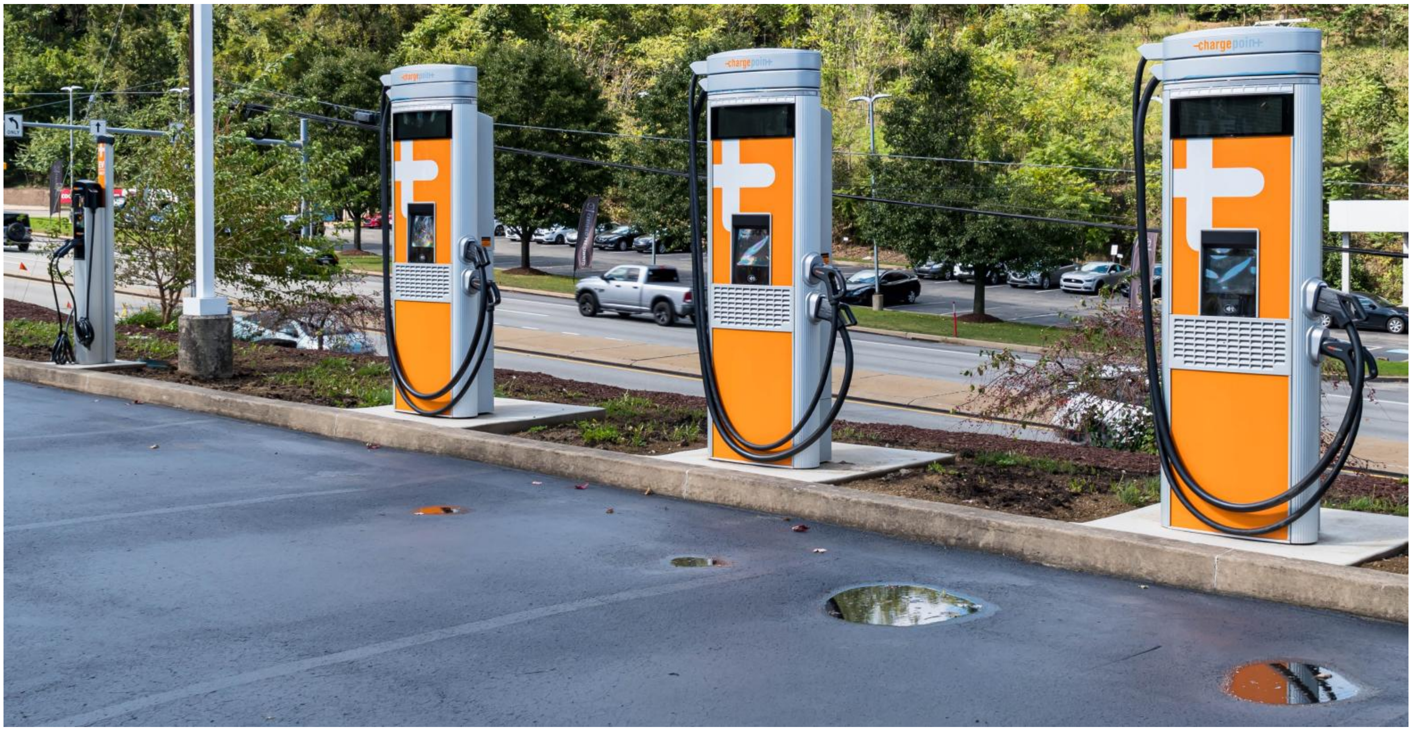
the Bipartisan Infrastructure Law, the Inflation Reduction Act and annual appropriations. The Inflation Reduction Act includes a methane emissions fee for certain oil and gas facilities that will kick in in 2024 and increase to $1,500 per metric ton of methane in 2026. Meanwhile, the EPA has proposed stronger regulations to reduce methane emissions from the oil and gas industry.

Biden also helped launch the Global Methane Pledge at the 2021 UN climate summit (COP26). As of January 2023, 150 countries have signed onto the pledge and committed to cut their total methane emissions by at least 30% by 2030.

Significant Progress

4. Require all new passenger vehicles sold after 2035 to produce zero emissions: *Significant Progress.*

In 2021, Biden set a goal for 50% of new passenger vehicles sold to have zero emissions by 2030 and signed an executive order directing federal agencies to purchase 100% zero-emission light-duty vehicles by 2027. The U.S. Environmental Protection Agency (EPA) issued a final rule to significantly reduce greenhouse gas emissions from model year 2023-2026 passenger vehicles and will begin work on standards for model year 2027 and later vehicles. At the state level, California has finalized rules to require zero emissions from all passenger vehicles sold in the state after 2035.



An EV charging station near a busy road in Monroeville, PA. With an increased charging network presence due to plans from the DOT and funding from BIL, the Biden administration made strong progress for EVs in 2022. Photo by woodsnorthphoto/Shutterstock

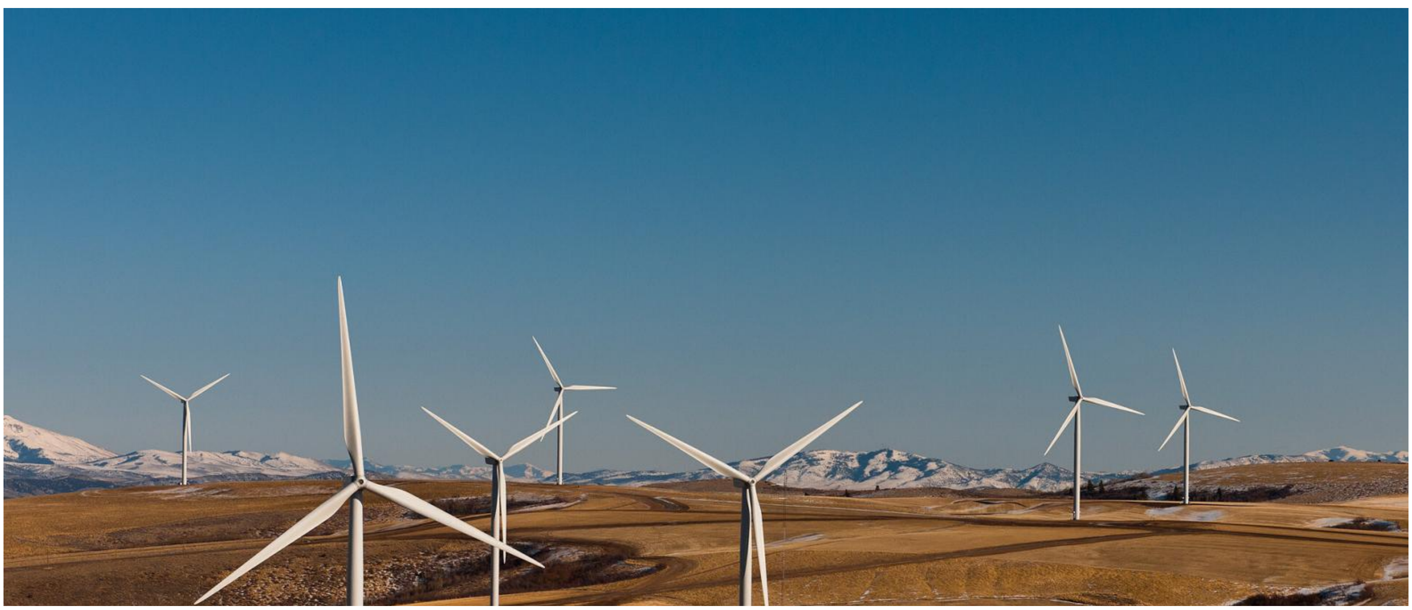
In September 2022, the Department of Transportation approved plans from all 50 states plus Washington, D.C. and Puerto Rico to build a national electric vehicle (EV) charging network, supported by $5 billion in funding from the Bipartisan Infrastructure Law. EV sales will also get a major boost from the tax credits included in the Inflation Reduction Act, which provide up to $7,500 for qualifying EVs assembled in North America, eliminating the per-manufacturer cap, which had made all EVs sold by GM and Tesla ineligible until January 1, 2023.

To stay on track, EPA should now issue strong clean car standards for model year 2027-2030 vehicles, and more states should opt in to California's zero-emission vehicle standards.

The Bipartisan Infrastructure Law includes significant investments in wildfire risk reduction and ecosystem restoration to protect and promote natural carbon removal. It also establishes four regional hubs for direct air capture in order to demonstrate this technology at commercial scale. The Department of Energy has already issued a thoughtful Request for Information to solicit input on how best to implement its large new carbon removal program.

The Inflation Reduction Act builds on these programs by allocating $19 billion to support climate-smart agriculture, providing additional funding for wildfire risk reduction, and investing almost $3 billion to support carbon sequestration in urban forests and national public lands. The legislation also significantly enhances the Section 45Q tax credits for sequestering carbon dioxide captured directly from air, increasing the value to as much as $180 per ton and making the credit easier to access.

Similar incentives should also be provided for a broader set of carbon removal approaches, such as carbon dioxide mineralization and biochar production.



Power County Wind Farm, Idaho. President Biden has reiterated his goal to reach 100% clean electricity by 2035. Photo by the US Department of Energy

Some Progress

6. Ramp up clean electricity standards to 55% by 2025, 75% by 2030 and 100% by 2035: *Some Progress.*

Biden has reiterated his goal to reach 100% clean electricity by 2035 and signed an executive order requiring federal agencies to procure 100% carbon pollution-free electricity by 2030. The tax credits for clean electricity generation included in the Inflation Reduction Act will make substantial progress toward these goals, but may not be sufficient to get to a 100% carbon-free electricity system without additional measures — particularly accelerating the construction of additional electricity transmission capacity.

The Federal Energy Regulatory Commission (FERC) has taken some steps to reduce the backlog of clean energy projects waiting to be connected to the grid, but FERC does not have as much authority to expedite interstate transmission projects as it does for fossil fuel pipelines, an anomaly that Congress should fix. EPA should also set strong power plant emissions standards for both greenhouse gases and other pollutants. (The Supreme Court ruling in West Virginia v. EPA constrains, but does not eliminate, the agency's ability to do so).

7. Set appliance and equipment standards to replace fossil fuels with electricity whenever feasible: *Some Progress.*

In 2019, Berkeley, CA became the first U.S. city to ban the use of natural gas in new buildings in order to fight climate change. Since then, dozens of urban centers have

Although there are no immediate prospects for a federal ban on fossil fuel appliances, the Inflation Reduction Act includes a $2,000 tax credit for new heat pumps, a 30% tax credit for residential solar systems and batteries, and $9 billion to support state energy efficiency and electrification rebates. The Biden administration should also follow through on using the Defense Production Act to increase the availability of heat pumps and catch up on missed deadlines to set the strongest possible efficiency standards for all appliances.

A worker retrofits a heat pump to a home. The new string of climate policies passed in the last year offer guidelines and even long way in demonstrating methods to decarbonize emissions-intensive industrial subsectors.

In addition, an executive order directs federal agencies to buy low-carbon building materials and achieve net-zero federal procurement by 2045. In 2022, the Biden administration announced a new initiative requiring major suppliers to the federal government to set science-based emission-reduction targets. Meanwhile, the international First Movers Coalition, launched at COP26, enlists major companies in decarbonizing cement, steel and chemicals by committing to purchase low-carbon materials when they become available, even if they initially come at a price premium.

These are important efforts to begin cutting emissions from industry. The administration should now take the next step by establishing mandatory low-carbon product standards that apply to everyone — not just federal procurement.

9. Reestablish international leadership: *Some Progress.*

Biden rejoined the international Paris Agreement on climate change on his first day in office and held the Leaders Summit on Climate in April 2021. U.S. engagement in international climate policy was also clearly evident at COP26 and COP27. In addition to helping ensure completion of the Paris Rulebook during COP26 and agreeing at COP27 to establish a fund to help vulnerable countries deal with losses and damages from the impacts of climate change, the U.S. also helped launch the Global Methane Pledge, the First Movers Coalition on sustainable supply chains, and the Glasgow Leaders' Declaration on Forests and Land Use. And importantly, despite a challenging geopolitical relationship, formal bilateral climate discussions between the U.S. and China were reestablished during COP27, which can help the world's two largest

Finance Corporation may be able to increase the level of funds mobilized, it will still not come close to the $11.4 billion mark.

In addition, it's not clear whether the U.S. can meet the $3 billion in funding for adaptation as part of a global pledge by developed countries to collectively double their adaptation finance by 2025.

Biden needs to prioritize securing increased Congressional appropriations for international climate finance, which will be even more challenging given the change in House of Representatives leadership in 2023.

Off Track

10. Tax Pollution: *Off Track.*

The Inflation Reduction Act and Bipartisan Infrastructure Law represent the most significant climate policy advances in U.S. history and include important investments in climate-smart infrastructure and incentives to deploy climate solutions at scale. No climate policy is complete, however, without a mechanism to ensure that emissions-reduction targets are met through enforceable emissions caps and/or an emissions fee that ratchets up if other measures fall short.

Despite the best efforts of Sen. Sheldon Whitehouse (D-R.I.) and others, majority support for carbon pricing in Congress remains elusive, at best. This debate will continue, spurred on in part by the E.U.'s plan to impose border carbon tax adjustments on emissions-intensive imports that don't face a carbon-price equivalent to that created by the E.U.'s emissions-trading system for domestically produced items.

well as the efforts of Congressional champions and countless climate action advocates and analysts.

Of course, the hard work of deploying climate solutions at the necessary speed and scale has only just begun. This task will be more difficult due to the divided 118th Congress, but the landmark legislation enacted by the 117th is secure for at least the next two years.

Biden and his administration must stay focused on achieving their climate goals and avoid being distracted by Congressional gamesmanship and frivolous investigations. To stay on track, Biden will need to use every tool at his disposal while enlisting the help of states, cities, enterprises and citizens to deliver on the promise of a healthier, more prosperous and secure future for all.

This article was originally published on January 12, 2022. It was updated on January 23, 2023.

Relevant Work

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