

Clean Energy for America Act

As Congress considers major investments in the nation's infrastructure, it must take bold steps to address the climate emergency and continue to provide low-cost, reliable energy to American consumers. The current system of energy incentives is overly complex and far less effective than it should be, with more than 40 different energy tax incentives, including permanent subsidies for Big Oil. More than half are too short-term to effectively stimulate investments, while also providing different subsidies to different technologies with no discernable policy rationale.

The *Clean Energy for America Act* moves in a different direction, making the climate crisis and reducing carbon emissions the lodestar of America's energy tax policy. The bill creates a simpler set of long-term, performance-based energy tax incentives that are technology-neutral and promote clean energy in the United States. [Independent analysis](#) shows that an emissions-based, technology-neutral approach is critical to achieving the emissions reductions necessary to avert the worst climate disasters.

Incentives for Clean Electricity:

- Provides an emissions-based, technology-neutral tax credit for the production of clean electricity. Open to all resources – renewable, fossil fuel, or anything in between – but only for facilities with zero or net negative carbon emissions.
- Any new zero emission facility may elect either a production tax credit of up to 2.5 cents per kilowatt hour or an investment tax credit of up to 30 percent.
- Investments in critical grid improvements, like stand-alone energy storage and high-capacity transmission lines, qualify for the full-value investment tax credit.

Incentives for Clean Transportation:

- Encourages transportation electrification through long-term incentives for battery and fuel cell electric vehicles and electric vehicle charging.
- Provides a technology-neutral tax credit for domestic production of clean transportation fuel. Open to all resources, but only for fuels that are at least 25 percent cleaner than average.

Incentives for Energy Conservation:

- Performance-based tax credits for energy efficient homes and tax deduction for energy efficient commercial buildings – the more energy conserved, the larger the incentive.
- Promotes conservation in both new and existing buildings.

Ensures that Green Jobs are Good Jobs:

Projects receiving taxpayer assistance must comply with federal labor requirements, including payment of prevailing wages.

Ends Tax Incentives for Fossil Fuels:

Repeals tax incentives for fossil fuels, ensuring the tax code rewards only clean energy.