

Executive Summary

VISION FOR DRIVING A CLEAN ENERGY TRANSFORMATION

Executive, Regulatory &
Congressional Priorities for 2021

December 2020



This document offers 2021 priorities for the White House, administrative agencies, and Congress to achieve rapid deployment of renewable energy to start the nation on the path toward meeting the goals in President-elect Biden’s Plan for a Clean Energy Future of 100% clean electricity by 2035 and net-zero emissions economy-wide by 2050.¹

Next year will bring increased opportunity to develop policies that support renewable energy and, in turn, address climate change, while creating hundreds of thousands of “green” jobs, providing enormous social and health benefits, ensuring energy security and resilience, and spurring a post-COVID economic recovery. In fact, the benefits from a transformation in the electric sector to clean energy are so great, they have been found to pay for themselves in health benefits alone.² While there are no tradeoffs in pursuing a clean, affordable electricity system, there is unfortunately no silver bullet for realizing these goals. Instead, the Federal government must pursue a suite of policies to form a comprehensive program that will set the nation on the course of a clean energy future.

To achieve this vision, AWEA offers recommended executive orders the incoming Biden administration could immediately take in its 1st 100 Days;³ regulatory actions that Federal administrative agencies could undertake in the beginning of 2021 and complete by the end of that year; and areas that Congress could begin immediately pursuing.⁴

The 2021 priorities are laid out in the following four areas, which taken together form a comprehensive program – FOUR PILLARS – that the Federal government can take without delay to achieve long-term clean energy and carbon goals.



THE FOUR PILLARS



1

CLEAN ENERGY TARGETS/CARBON POLICIES

to drive renewable energy to meet climate and economic-expansion targets.

2

EXPANDING INTERSTATE TRANSMISSION

to deliver renewables to consumers at the least cost.

3

EXPEDITING FEDERAL PERMITTING

of renewables to ensure development can keep pace with clean energy goals.

4

REMOVING COMPETITIVE BARRIERS

for renewable energy to reduce the costs of decarbonization.

While the enactment of meaningful clean energy targets and carbon policies (the first PILLAR) are critically important for driving renewable energy deployment, the other three PILLARS are just as critical for enabling the build-out of renewable energy to meet the goal of decarbonization in the electric sector. To put a finer point on it (as discussed further in the background section, p. 8-10), the transformation to clean energy in the electric sector is not only dependent on increasing generation from renewable sources, it will also require a holistic approach to ensuring transmission, permitting, market, and other relevant policy reforms that support and enable getting renewable power to consumers. This will require, among other things, significant investments in our nation's grid and expediting permitting timelines for generation and transmission to ensure clean energy goals can be timely met.

Below is a brief summary of the recommendations in each of the FOUR PILLARS, which are expanded upon in the detailed recommendations section (p. 10-36). The priorities identified in this document are consistent with the spirit of President-elect Biden's plan for a clean energy future. Many of the priorities are also in line with bills introduced in the 116th Congress; if applicable, these bills are listed and AWEA's support is noted.



PILLAR 1: CLEAN ENERGY TARGETS/CARBON POLICIES (p. 8)

Carbon policies and clean energy goals to drive renewable energy to meet climate and economic-expansion targets.

EXECUTIVE ORDERS – 1st 100 Days

National Clean Energy Target: Set a national energy policy to achieve 100 percent clean energy by no later than 2035. (p. 8)

Federal Government Renewable Procurement Goal: Commit the federal government to purchase renewable energy for 35 percent of its electricity supply by 2025. (p. 8)

Federal Public Land/Waters Renewable Goal: Set a federal renewable permitting target for public lands/waters —BLM target of 30 gigawatts of renewable projects by 2030; BOEM goal of permitting a minimum of 12.5 GW of offshore wind by 2025 and a total of 30 GW by 2030. (p. 9)

REGULATORY – 2021 Priorities

Clean Air Act Authority to Regulate Carbon: Repeal Affordable Clean Energy Rule and issue replacement rule regulating carbon in the electric sector under Section 111 of the Clean Air to encourage Congress to adopt a meaningful federal carbon policy (Clean Power Plan 2.0). (p. 16)

LEGISLATIVE – 2021 Priorities

Federal Portfolio Standard: Enact a federal Clean Energy Standard (CES)/Renewable Electricity Standard (RES) that puts the country on the path to meeting the national clean energy target. (p. 9)



AWEA supports RES/CES legislation, such as HR 2597, the Clean Energy Standard Act of 2019 (Lujan), S 1974, the Renewable Electricity Standard Act (Udall) and S 1359, Clean Energy Standard Act of 2019 (Smith)

Federal Carbon Price: Enact a federal economy-wide fee or a cap-and-trade program; if a meaningful federal CES/RES is in place in the electric sector, the fee/cap could potentially apply only to other sectors. (p. 12)



An example of an effective carbon bill is Energy Innovation and Carbon Dividend Act of 2019, H.R. 763, 116th Cong. (2019) (Deutch).

Tech-Neutral Carbon-Based Tax Credit: Enact a technology neutral production/investment tax credit based on carbon emissions to provide a level playing field among energy generation sources. (p. 13)



An example of such legislation is the Clean Energy for America Act (Wyden)



PILLAR 2: EXPANDING INTERSTATE TRANSMISSION (p. 15)

Transmission reforms to deliver renewables to consumers at the least cost.

REGULATORY – 2021 Priorities

Authority to Designate Federal Transmission Corridors in the National Interest: Department of Energy (DOE) issue a delegation letter delegating to the Federal Energy Regulatory Commission (FERC) its authority to designate national interest electric transmission corridors.

Federal/Private Transmission Partnerships: DOE issue a directive to its Power Marketing Administrations to partner with transmission developers to construct and upgrade lines, as well as exercising eminent domain authority as a last resort to get such lines sited. (p. 15)

Transmission Reform at FERC:

- Engage in a rulemaking to revisit Order No. 1000 to: (1) strengthen the interregional transmission planning process to identify more efficient and cost-effective solutions; and (2) require robust consideration of federal/state public climate policies in transmission planning and cost allocation.
- Rulemaking to expand capacity on existing lines through a “shared savings” approach. (p. 17)

Transmission on Existing Rights-of-Way: DOE issue a study on recommendations for the co-location of electric transmission on existing rights-of-way. (p. 18)

LEGISLATIVE – 2021 Priorities

FERC Backstop Siting Authority to Permit Lines: Clarify FERC’s backstop siting authority allows it to approve an interstate project in a national interest electric transmission corridor if a state does not approve it within a year. (p. 19)

Improve Interregional Planning: Require FERC to reform the interregional transmission planning process so that it properly plans for and identifies projects across regions that provide economic, reliability, operational, and public policy benefits to consumers. (p. 19)



AWEA supports HR 4511/S 3109, the Interregional Transmission Improvement Act (Haaland, Heinrich), which would require FERC to reform the interregional transmission planning process.

ITC to Spur Transmission Development: Pass an Investment Tax Credit (ITC) for electric transmission to help drive long-term, private sector-led expansion and upgrade America’s power grid, including a direct pay option for the credit to allow the broadest array of transmission stakeholders to develop projects. (p. 19)



An example of such legislation is S. 3107, the Electric Power Infrastructure Improvement Act (Heinrich)



PILLAR 3: EXPEDITING FEDERAL PERMITTING (p. 21)

Expediting federal permitting for renewables to ensure deployment can keep pace with clean energy goals.

REGULATORY – 2021 Priorities

Expediting Environmental Reviews:

- Council for Environmental Quality issue guidance proposing reasonable reforms to NEPA to improve permitting timelines for renewable energy and transmission.
- Bureau of Land Management (BLM) and the Bureau of Ocean Energy Management (BOEMM) expedite the siting of renewable projects on public lands.
- Fish and Wildlife Service (FWS) expedite general permits under the Bald and Golden Eagle Protection Act and the Endangered Species Act for projects; and if incidental take is deemed covered under the Migratory Bird Treaty Act (MBTA), issue enforcement assurances based on best practices or create a workable MBTA general permit program. (p. 21)

Increasing Offshore Renewable Energy:

BOEM hold five lease auctions by 2025; expeditiously issue Notices of Inquiry for the 10 offshore wind projects pending at BOEM; and immediately begin to process the 5 plus future offshore wind permit applications once they are submitted to BOEM over the next year. (p. 27-28)

Expanding options to reduce potential impacts to radars:

Federal Aviation Authority (FAA), Department of Defense (DOD), DOE, and National Oceanic Atmospheric Administration, in collaboration with industry, prioritize development, testing, and deployment of options (e.g., hardware, software) to reduce potential impacts from land-based and offshore wind turbines on different types of radars. (p. 28-29)

LEGISLATIVE – 2021 Priorities

Sufficient Resources for Review and Expediting Proposed Renewable Energy Projects:

Commit sufficient funding for FWS, BOEM, BLM, National Marine Fisheries, DOD, and FAA to increase the staff dedicated to reviewing proposed renewable projects in order to ensure timely processing. (p. 25)



AWEA supports HR 3794/S 2666, the Public Land Renewable Energy Development Act (Gosar, McSally), which would expedite renewable energy projects on public lands and use revenue from applications to process permits.

Ensure the Jones Act remains focused on transportation activities:

The Jones Act should not be extended to encompass “lifting operations” or it could cause an abrupt stop to offshore wind development as there are currently no U.S.-flagged heavy-lift vessels capable of constructing offshore wind projects. (p. 25)

Establish Offshore Wind Port Infrastructure:

Provide funds for the U.S. Department of Transportation to award discretionary grant funding to improve port facilities in states and territories, through the Maritime Administration’s (MARAD) Port Infrastructure Development Program, that are critical links in developing offshore wind in the U.S. and ensuring it can compete in the global marketplace. (p. 26)



PILLAR 4: REMOVING COMPETITIVE BARRIERS (p. 27)

Removing competitive barriers to renewable energy to decrease costs of decarbonization

EXECUTIVE ORDERS – 1st 100 Days

Revisit EO on Bulk Power System: Revisit Executive Order directing DOE to develop regulations to provide for the evaluation and prohibition of critical infrastructure as it would result in unnecessary restrictions on transactions involving non-U.S. bulk-power system electric equipment; instead, leverage existing industry standards (e.g., NERC) to address cybersecurity threats to critical equipment, including using industry-driven standards and proven best practices. (p. 28)

REGULATORY – 2021 Priorities

Market Reforms at FERC:

- Reverse/modify prior orders interfering with state decisions on electricity supply mix and mitigating state-sponsored clean energy resources.
- Approve/encourage proposals that integrate a carbon price in organized markets.
- Encourage the expansion of organized markets through a policy statement.
- Ensure the Public Utility Regulatory Policies Act is reformed in a transparent and non-discriminatory manner. (p. 27)

Removing Trade Barriers for Renewable Energy:

- Remove trade barriers that are increasing costs in the renewable project supply chain.
- Department of Commerce revisit and lower duties on foreign wind towers.
- United States Trade Representative remove Section 301 tariffs for renewable components used in wind, solar, and storage, as well as considering revisiting Section 232 tariffs for steel used in renewable energy and allowing Section 201 tariffs related to solar to expire. (p. 28)

ARPA-C Program Focus on Technologies that Expand Renewable Energy:

Focus the launch and work of the ARPA-C program on game-changing technologies that help integrate renewables. (p. 29)

Treasury/IRS start of construction guidance:

- Issue start of construction guidance that provides a 7-10 year continuity safe harbor for offshore wind projects given the reality that offshore wind permitting from lease award to final federal approval can take eight years or longer.
- Allow renewable energy projects to demonstrate continuity via continuous efforts regardless of what method the project used to qualify (physical work or 5% safe harbor), which would provide needed regulatory flexibility and certainty for projects that fall outside of the continuity safe harbor to prove continuity using a broader universe of project activities. (p. 34)

LEGISLATIVE – 2021 Priorities

Offshore Wind Investment Tax Credit: Enact a long-term investment tax credit for offshore wind energy that makes the industry more cost-competitive. (p. 29)



AWEA supports the Offshore Wind Incentives for New Development Act (s. 1102) (Markey/Whitehouse/Langevin), and the Incentivizing Offshore Wind Power Act (s. 1198) (Carper/Collins)

Stand-Alone Energy Storage Tax Credit: Enact an investment tax credit for stand-alone energy storage that enhance grid resilience. (p. 29)



AWEA supports HR 2360/S 1142, the Energy Storage Tax Incentive and Deployment Act of 2019 (Doyle, Heinrich, Gardner).

Funding for Research and Development to Maintain U.S. Innovation Renewable Energy Leadership:

Submit to Congress a budget that substantially increases the funding for R&D for renewable energy and supporting technologies. (p. 31)



An example of such legislation is the “Wind Energy Research and Development Act of 2019” (HR 3609) (Smith/Collins)

Electrification of the Transportation, Manufacturing & Building Sectors:

- Give federal agencies greater authority to set more rigorous low-carbon fuel standards to increase the proportion of zero-emission vehicles.
- Provide authority to raise Corporate Average Fuel Economy (CAFE) standards so that plug-in electric vehicles will make up a growing proportion of vehicles designed and sold.
- Enact tax credits designed to provide a larger incentive for investments in a network of direct-current fast charging stations. (p. 31)

Diagram Summarizing Recommended Federal Government Actions

Administrative Action

- **OMB:** Circular on Social Cost of Carbon methodology
- **BLM:** establish renewable energy zones for streamlined siting
- **EPA:** Raise CAFE rule to increase standards so plug-in EVs will increase
- **FWS:** Adopt use of general permits under the BGEPA and the ESA
- **BOEM:** Five lease auctions by 2025. NOIs for pending offshore wind permits ASAP and RODs within a year thereafter
- **USTR/Commerce:** revisit duties on foreign wind towers; remove Sect. 301 & 201 tariffs for wind, solar, and storage; revisit Sect. 232 steel tariffs used in renewable energy
- **CEQ:** NEPA guidance retaining recently-improved permitting timelines and coordination of reviews, *i.e.* "one federal decision"
- **Customs:** guidance clarifying that Jones Act requirements do not extend to construction activities
- **DOE:** Delegate FERC authority to designate national interest electric transmission corridors
 - Propose rule to FERC regarding TBD market and/or transmission reforms.
 - Publication (study) on co-location of electric transmission on existing rights-of-ways recommending policies to enable implementation
 - Direct Power Marketing Administrations (WAPA/SWPA) requiring partnership with transmission developers
- **FERC:** *Appoint commissioners supportive of transmission reform to:*
 - Strengthen the interregional transmission planning
 - Require robust consideration of federal/state public climate policies in transmission plans/cost allocation
 - Integrate state and regional carbon pricing proposals into organized market rules
 - Transparently reform PURPA

Congressional Action

- Enact a federal Clean Energy Standard (CES)/Renewable Electricity Standard (RES)
- Enact a federal economy-wide fee or a cap-and-trade program
- Enact a technology neutral production/investment tax credit based on carbon emissions
- Fund DOT's MARAD Port Infrastructure Development Program
- Require FERC to reform the interregional transmission planning process to provide economic, reliability, operational, and public policy benefits to consumers.
- Enact an investment tax credit for electric transmission to help drive long-term, private sector-led expansion and upgrading
- Commit sufficient funding to increase the staff dedicated to reviewing proposed renewable projects
- Not expand the Jones Act to "lifting operations" as no US-flagged boats to do offshore wind construction work
- Enact a long-term investment tax credit for offshore wind energy
- Enact an investment tax credit for stand-alone energy storage and/or hydrogen fuel cell technologies
- Substantially increase the funding for R&D
- Give federal agencies greater authority to set more rigorous low-carbon fuel standards
- Enact tax credits for direct-current fast charging stations
- Raise CAFE standards

Executive Order

- Revoke E.O. 13783, "Promoting Energy Independence and Economic Growth" & Other executive actions contrary to meeting clean energy goals
- E.O creating national clean energy target and setting forth supporting policies and agency review/actions
- E.O setting federal Public Land/Waters Renewable Goals
- E.O setting federal government renewable procurement goal
- E.O. to revoke bulk power system

