**The American Renewable Energy Act of 2021**

*Rep. Peter Welch and Rep. Yvette D. Clarke*

As our planet faces a climate crisis, the Biden Administration and Congress must take bold action to avert the runaway impacts of climate change and transition us towards a green and just recovery that eliminates the economic, health, social, and justice disparities of a fossil fuel-based economy.

**The American Renewable Energy Act establishes an ambitious renewable energy standard to drastically reduce emissions, decrease pollution, and promote community resiliency and energy democracy.**

By shifting our electric generation from fossil fuels to renewable energy, we can achieve significant advances in emissions reductions, air quality improvement, health outcomes, and create millions of renewable energy jobs. Our bill seeks to achieve these goals by establishing a 70% renewable standard by 2030 and ensuring that the generation mix is truly renewable and clean.

**Renewable Schedule.** AREA requires retail electricity suppliers to achieve at least 70% renewable electricity generation by 2030. This requirement begins at 20% in 2021 and rises to 70% in 2030.

**Renewable Electricity.** AREA prioritizes the use of solar, wind, and geothermal energy, and also includes marine energy, limited forms of hydropower, and a limited allowance of methane digesters for smaller farms and wastewater plants.

**Pollution Reduction in Impacted Communities.** Retail electricity suppliers will be required to address existing pollution disparities through requirements to deploy an increasing share of their renewable generation in impacted communities. This will begin immediately in 2021 at 15% and increase after 5 years to a 20% deployment requirement.

**Prioritizing Resilient Distributed Renewable Energy.** Retail electricity suppliers will be required to meet an increasing share of their generation through distributed renewable energy generation, such as rooftop solar, starting with 15% in 2021 and increase after 5 years to a 20% deployment requirement.

**Addressing pollution.** AREA ensures that regulations result in a net decrease in emissions of criteria air pollutants, such as ozone, carbon monoxide, sulfur dioxide, and lead, in impacted communities. This bill also seeks to ensure that all renewable energy deployment provides economic, health, and resiliency investments and benefits to the communities and areas where renewable generation is deployed.

**Investments in Impacted Communities and Community Ownership.** In addition to renewable generation compliance in impacted communities, AREA requires at least 50% of funds collected from the bill’s enforcement mechanism be invested in renewable energy, energy efficiency, and storage projects in impacted communities. AREA also prioritizes distributed, community, and public ownership of renewable energy projects.

**Regional Credit Markets.** There will be no fewer than 6 regional credit trading markets to track compliance and ensure the benefits of renewable expansion are spread throughout the country.

**Strong Enforcement.** Retail electricity suppliers must meet their requirements by submitting renewable energy credits or paying an alternative compliance payment that begins at $50/MWh and increases with inflation.

**Public Support.**

[Polling from Data for Progress](https://www.filesforprogress.org/memos/voters-back-the-american-jobs-plan.pdf) finds that a bipartisan majority of likely voters (72 percent) support the government making investments to create clean energy jobs. Additionally, 70 percent of all likely voters — including majorities of Democrats, Independents, and Republicans — support the American Jobs Plan's proposal to build new renewable energy projects.