

BIDEN'S \$2-TRILLION INFRASTRUCTURE PLAN INCLUDES SUPPORT FOR POWER GRID, EVS, CLEANTECH *

The American Jobs Plan announced 31 March by President Joe Biden in Pittsburgh would invest more than \$2 trillion over eight years in a range of projects to repair existing transportation infrastructure, expand and fix the power grid, and retrofit homes for energy efficiency — all with an eye to creating jobs, reducing carbon emissions, and improving public health. Calling for "transformational progress" to tackle climate change, Biden described his plan as "big, yes, it's bold, and yes we can get it done."

While the bill would invest in infrastructure from highways and bridges to high-speed internet to water systems, the White House explained in a 31 March statement that the bill would both generate jobs in the short run and improve economic output in the long run. "The American Jobs Plan is an investment in America that will create millions of good jobs, rebuild our country's infrastructure, and position the United States to out-compete China," the White House said in the statement.

At the same time, the plan puts climate change and environmental justice front and center.

"It will invest in Americans and deliver the jobs and opportunities they deserve. But unlike past major investments, the plan prioritizes addressing long-standing and persistent racial injustice. The plan targets 40% of the benefits of climate and clean infrastructure investments to disadvantaged communities. And, the plan invests in rural communities and communities impacted by the market-based transition to clean energy," the White House added.

According to the White House, the plan would include the following elements that are directly related to the energy transition and future demand for fossil fuels and renewable power:

- Power grid: Hiring of workers for "laying thousands of miles of high-voltage capacity transmission lines" to add at least 20 GW of capacity.
- Clean energy: 10-year extension of the investment tax credit and production tax credit for clean energy and storage projects.

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- Clean Energy Standard: This would mandate reductions in US energy sector emissions, similar to the plan in the CLEAN Future Act introduced by Democrats in the House of Representatives in March.
- Electric vehicles (EVs): Invest \$174 billion in rebates and tax incentives to buy US-made EVs, install 500,000 EV chargers by 2030, and replace 50,000 diesel buses.
- Climate science: Investment of \$35 billion to "position America as the global leader in clean energy technology and clean energy jobs." This includes research on "utility-scale energy storage, carbon capture and storage, hydrogen, advanced nuclear, rare earth element separations, floating offshore wind, biofuel/bioproducts, quantum computing, and electric vehicles."
- Buildings: Retrofitting more than 2 million homes and commercial buildings for energy efficiency, resiliency, and safety, at a cost of \$213 billion.
- Roads: Spending \$115 billion on modernization of 20,000 miles of highways, roads, and main streets. Fixing the "10 most economically significant bridges in the country in need of reconstruction," and repairing 10,000 smaller bridges.
- Public transport: Double congressional spending to support transit systems to \$85 billion.

After information on the plan was released, discussions began about whether it prioritizes the right issues, whether it's too big or too small, whether parts can be implemented without congressional approval, and whether it will have sufficient political support to pass both chambers of Congress.

The bill is similar in size to the \$1.9-trillion COVID-19 relief package that Biden signed on 11 March, though the American Jobs Plan's spending would be spread out over eight years instead of dedicated immediately. But the COVID package passed Congress without a single Republican vote, in part due to Republicans' objections to its cost. The other difference between the infrastructure and COVID spending packages is on the tax side. The COVID plan simply added to US debt. The American Jobs Plan would be paid for by raising the corporate tax rate from 21% to 28% and upping taxes on Americans making \$400,000 or more per year, through additional legislation, known as the Made in America Tax Plan.

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