



February 7, 2023

The Honorable Cathy McMorris Rodgers
Chair
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Frank Pallone, Jr.
Ranking Member
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Bill Johnson
Chair
Subcommittee on Environment,
Manufacturing, and Critical Materials
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Paul Tonko
Ranking Member
Subcommittee on Environment,
Manufacturing, and Critical Materials
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Jeff Duncan
Chair
Subcommittee on Energy, Climate,
and Grid Security
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Diana DeGette
Ranking Member
Subcommittee on Energy, Climate,
and Grid Security
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairs Rodgers, Johnson, and Duncan, and Ranking Members Pallone, Tonko, and DeGette:

We, the undersigned, write to express our strong opposition to legislation that would repeal Section 134 of the Clean Air Act, otherwise known as the Greenhouse Gas Reduction Fund (GHGRF), and to urge Members of the Committee on Energy and Commerce to join us in opposing such legislation.

The Inflation Reduction Act of 2022 amended the Clean Air Act to establish the GHGRF, a \$27 billion first-of-its-kind program to support the rapid deployment of low- and zero-emission technologies. The program is split between a \$20 billion green finance program, through which nonprofit entities will leverage private capital to fill gaps in access to green finance that have long persisted, and a \$7 billion program to assist states, local governments, and Tribes in deploying zero-emission technologies in low-income and disadvantaged communities. Together,

these two funding streams will ensure that all communities – particularly the most underserved and marginalized communities – can benefit from the transition to a low-carbon economy.

The GHGRF is a critical tool for combatting the climate crisis, lowering energy costs, and advancing environmental justice. This program has unprecedented potential to improve lives by investing in high-impact, community-based projects that reduce climate pollution and improve public health. Importantly, at least \$15 billion of GHGRF investments – more than 55 percent of overall program funding – will be dedicated to projects in low-income and disadvantaged communities that have long been overlooked by financial markets. These communities contribute the least to climate change, yet they are hit hardest by the economic and public health impacts of a warming world. The GHGRF will not only help these communities deploy clean energy technologies and enhance their resilience to climate change, but it will also spur local and regional job creation, as well as enable wealth-building and community ownership of clean energy projects.

The GHGRF promises to play a unique and vital role filling gaps in access to green capital. By statute, the GHGRF’s \$20 billion green finance program is required to support projects that otherwise lack access to capital. In other words, it will not duplicate investments currently being made elsewhere – by the public or private sector – but will instead be complementary and spur investment where it is needed most.

Moreover, the GHGRF does not seek to reinvent the wheel. Rather, its green finance program builds on the successful model and track record of green banks and community-based lenders like community development financial institutions (CDFIs) and credit unions that have expanded access to green capital in states, cities, and regions – and, in particular, in environmental justice communities. Similarly, the GHGRF’s \$7 billion program to deploy zero-emission technologies through states, local governments, and Tribes will ensure that clean energy solutions are tailored to a given jurisdiction’s geographic, market, and regulatory needs.

With a one-time infusion of public dollars, the GHGRF will supercharge the deployment of green capital and accelerate the transition to an equitable clean energy future. All told, the GHGRF is expected to catalyze far more than \$27 billion in pollution-reducing investments, making it a key part of our efforts to build a more inclusive and more affordable low-carbon economy. We urge Members of Congress and this Committee to recognize the GHGRF’s vast potential to deliver benefits for everyone and to oppose efforts to undermine this program before it even has the chance to yield results. Thank you for your consideration.

Sincerely,

Earthjustice
Environmental Defense Fund
Evergreen Action
League of Conservation Voters
Natural Resources Defense Council
Sierra Club
WE ACT for Environmental Justice