Save Our Future Act 2021

<u>TITLE I – FEES ON AIR POLLUTION</u>

Section 101 – Carbon dioxide and other greenhouse gas emission fees

- Carbon dioxide
    - *Fee*: $54/ton in 2023
    - *Escalator*: Fee rises at 6 percent above inflation each subsequent year
    - *Point of imposition*: For coal, at the mine mouth or at the point of importation; for petroleum, at refineries, terminals, or at the point of importation; for natural gas, at facilities required to submit certain data to the Energy Information Administration
    - *Refund*: For exports of fossil fuels; for permanently sequestered carbon dioxide, for "embodied" carbon from fossil fuel feedstocks that is not combusted into the atmosphere
- F gases
    - *Fee*: Based on the warming potential of the gas, expressed in carbon dioxide equivalents
    - *Escalator*: In 2023, the fee is set at 10 percent of carbon dioxide equivalency; in each subsequent year in increases 10 percentage points until it achieves 100 percent of carbon dioxide equivalency in 2032
    - *Point of imposition*: At the manufacturer or point of importation
    - *Refund*: For exports of F gases; for gases transformed or destroyed during use
- Methane and other associated emissions from the fossil fuel supply chain
    - *Fee*: Based on the methane and other associated emissions reported by entities under an expanded Greenhouse Gas Reporting Program
    - *Escalator*: Same as for carbon dioxide
    - *Point of imposition*: Same as for carbon dioxide
    - *Refund*: None
- "Process" emissions (non-fossil fuel combustion-related emissions)
    - *Fee*: Based on the warming potential of the gases, expressed in carbon dioxide equivalents
    - *Escalator*: Same as for carbon dioxide
    - *Point of imposition*: Facilities that report under the Greenhouse Gas Reporting Program
    - *Refund*: None
- Environmental integrity mechanism: Sets cumulative GHG emission reduction targets (compared to a 2019 baseline) that align with a path to net zero emissions by 2050. For any year in which a target is missed, the fee on carbon dioxide is increased by 5 percent.
- Border adjustment:
    - Exports: Exporters of energy-intensive manufactured goods would receive a refund equal to the amount of the cost of such goods attributable to fees imposed under this Title.

    - Imports: Importers of energy-intensive manufactured goods would pay a fee equal to
        - When reliable industry-specific carbon intensity data in the country of origin is not available, the fees that would have been imposed under this Title had the good been manufactured in the U.S. multiplied by the ratio of the carbon intensity of the country of origin's economy to the carbon intensity of the U.S. economy
        - When reliable industry-specific carbon intensity data in the country of origin is available, the fees that would have been imposed under this Title had the good been manufactured in the U.S. multiplied by the ratio of the carbon intensity of the country of origin's relevant industry to the carbon intensity of the relevant industry in the U.S.
        - When the importer provides reliable good-specific emissions documentation, the average GHG emissions generated in the production of such a good by the manufacturer and all affiliates multiplied by the applicable fees assessed under this Title,
- Annual report on "associated emissions" from fossil fuel supply chain: Directs the government to annually report on total methane and other GHG emissions from the coal, petroleum, and natural gas supply chains.

Section 102 – Fees on Criteria Air Pollutants

- Monitoring: Requires continuous volumetric emissions monitoring for all criteria air pollutants at all major sources (as defined by the Clean Air Act).
- Reporting: Requires all major sources (as defined by the Clean Air Act) to report and certify these volumetric measurements to EPA, which in turn will be required to publish this data.
- Major sources within or near an environmental justice community will pay the following prices:
    - Nitrogen oxides (NOx): $6.30/pound in 2024 (based on prior year's total emissions)
    - Fine particulate matter (PM2.5): $38.90/pound in 2024 (based on prior year's total emissions)
    - Sulfur Dioxide (SO2): $18.00/pound in 2024 (based on prior year's total emissions)
    - All co-pollutant prices will rise with the rate of inflation
- Environmental justice communities are defined as tribal communities, low-income communities, or communities of color.
- Five year progress report required on emissions reductions, air quality improvements, and public health impacts on environmental justice communities

<u>TITLE II – RETURNING FEE REVENUE TO THE AMERICAN PEOPLE</u>

Section 201 – Fee revenue rebates to individuals

- Amount: In 2023, $800 per year per adult; $300 per year per dependent, indexed to inflation
- Means testing: Exactly the same as the stimulus checks in the American Rescue Plan
- Delivery mechanism: As an advance refundable tax credit, consistent with the model used for pandemic stimulus checks
- Schedule: Twice a year, with the first of two equal checks being delivered no later than December 1, 2022, or one month before the fees go into effect on January 1, 2023, and the second check being delivered six months after that. Same schedule in subsequent years.

Section 202 – State-based cost mitigation grant program

- Amount: Starting in 2023, $10 billion/year, adjusted for inflation, block-granted to states and tribes
- Formula: Distributed based on population, with three percent reserved for tribes
- Required uses: States and tribes must use money to:
    - Assist low-income households in reducing energy expenses and/or increasing energy efficiency
    - Assist rural households in reducing energy expenses and/or increasing energy efficiency
    - Job training assistance
    - Defray climate or transition-related costs borne by the state

<u>TITLE III – ASSISTANCE TO ENERGY VETERANS AND THEIR COMMUNITIES</u>

Section 301 – Office of Energy Veterans Assistance

- Creates an Office of Energy Veterans Assistance within the Department of the Treasury to be headed by an Assistant Secretary. The office is charged with:
    - Determining eligibility for direct benefits under this Title
    - Distributing direct benefits to qualified individuals and local and tribal governments
    - Coordinating assistance with other relevant agencies
    - Establishing local field or satellite offices to assist qualified individuals and local and tribal governments
- Wage replacement: Provides five years of full wage replacement for coal miners and power plant workers who lose their jobs due to a mine or plant closure after the date of enactment
- Health insurance coverage: Provides five years of equivalent health insurance coverage through COBRA (when available) or health insurance exchanges for coal miners and power plant workers who lose their jobs due to a mine or plant closure after the date of enactment

- Retirement benefits: Provides five years of payments equivalent to the amount the former employer contributed to any retirement savings plan for coal miners and power plant workers who lose their jobs due to a mine or plant closure after the date of enactment
- Educational benefits: Directs the Secretary of Education to set up a program similar to the Post 9/11 G.I. bill. The program would make coal miners and power plant workers who lose their jobs due to a mine or plant closure after the date of enactment and their children eligible for free tuition at any public four-year, two-year, or vocational school in their state of residence.

Section 302 – Local revenue replenishment

- Eligibility: Any county or tribal government where a coal mine or power plant closes after the date of enactment and where at least 0.1 percent of jobs were at coal mines or power plants
- Amount: Any eligible county or tribal government (and all sub-governments such as towns and school and water districts) will be entitled to receive 100 percent of the revenues it lost as a result of the mine or plant closure during the 12 month period after closure. In each subsequent 12 month period, the eligible entity will be entitled to receive 10 percentage points less of lost revenues than it received the year before, until the benefit expires after the tenth 12 month period.
- Appropriation: $3.5 billion per year, adjusted for inflation, for the period 2022 to 2031 is appropriated for this purpose.

Section 303 – Environmental restoration

- Abandoned mine reclamation fund: $1.1 billion per year, adjusted for inflation, for the period 2023 to 2032 is transferred to the fund.
- Coal ash cleanup-related appropriations to the Environmental Protection Agency (EPA), for the period 2023 to 2032, adjusted for inflation:
    - $2 million per year to the to carry out enforcement actions under the Solid Waste Disposal Act
    - $350 million per year for removal and remediation under the Comprehensive Environmental Response, Compensation, and Liability Act (Superfund) where there is no responsible or adequately capitalized party
    - $1.5 million per year for the Technical Assistance Services for Communities (TASC) program
- Amends the Energy Policy Act of 2005 to expand eligibility for federal funds to remediate orphan, abandoned or idled oil and gas wells and provides $800 million per year for the period 2023 to 2032 for this purpose.

Section 304 – Community assistance programs

- Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative: $80 million appropriated in 2023; $110 million appropriated in 2024; $150

million appropriated in each of years 2025 to 2032 to the Appalachian Regional Commission (ARC)
- Assistance for Coal Communities Initiative: $50 million appropriated in 2023; $70 million appropriated in 2024; $90 million appropriated in each of years 2025 to 2032 to the Department of Commerce's Economic Development Administration
- Rural broadband: $30 million per year for the period 2023 to 2032 to the ARC for deployment of rural broadband
- Amends the Public Works and Development Act to create a program to provide economic development assistance to economically distressed oil and gas communities; starting in 2027, $200 million per year is appropriated for this purpose

TITLE IV – ASSISTANCE TO ENVIRONMENTAL JUSTICE COMMUNITIES

Section 401 – Assistance to environmental justice communities

- Dedicates a portion of revenues from the fees on greenhouse gas emissions and all of the revenues from the fees on criteria air pollutants to environmental justice (EJ) communities. These funds will be distributed to proven existing programs to ensure energy affordability, grow clean energy deployment, develop a green jobs workforce, and reduce pollution in EJ communities.
- Amounts below are expressed as a percentage of all available amounts under Section 401.
    - Energy affordability:
        - 33 percent to the Low-Income Home Energy Assistance Program (LIHEAP), to assist low-income households with home energy costs, of which 3 percent shall be allocated to Indian Tribes
        - 24 percent to the Department of Energy's (DOE) Weatherization Assistance Program, to help low-income families, seniors, and individuals with disabilities make energy efficiency improvements to their homes
    - Pollution reduction in EJ communities:
        - 13 percent for competitive grants under the Department of Energy's State Energy Program to promote distributed energy resources, microgrids, community solar, energy efficiency, energy resilience, and building electrification in environmental justice communities
        - 3 percent to EPA's Environmental Justice Small Grants Program, to provide grant funding to help communities design solutions to their most pressing local environmental and public health issues
        - 3 percent for EPA enforcement activities under the Clean Air Act
        - 8 percent to the Federal Transit Administration's Low or No Emission Vehicles Program, to give states, local governments, and tribes funding to purchase or lease zero-emission and low-emission transit buses and associated facilities

        - 6 percent for grants under EPA's Diesel Emissions Reduction Act (DERA) program, to help regional, state, local, and tribal agencies fund vehicle replacements and retrofits to reduce diesel emissions
        - 0.5 percent to USDA Forest Service's Urban & Community Forestry Program, to restore, sustain, and manage urban and community forest lands across the country
    - Business development and career training
        - 1 percent to EPA's Environmental Workforce Development & Job Training Grants, to help local governments, tribes, and nonprofits recruit, train, and place unemployed and under-employed local residents in full-time jobs in the environmental field
        - 1 percent to the National Institute of Environmental Health Sciences' Environmental Career Worker Training Program, to give young people in EJ communities with low levels of education and job experience training in environmental remediation and construction
        - 1 percent to the Department of Education's Minority Science and Engineering Improvement Program, to awards grands to Historically Black Colleges and Universities (HBCUs) and other Minority Serving Institutions to improve science and engineering programs
        - 2 percent to the Economic Development Administration to award grants for public works and economic development projects in economically distressed communities
        - 1 percent to the Small Business Administration's microloan program
        - 0.5 percent to the Minority Business Development Agency
    - Native and tribal programs:
        - 2 percent to EPA's Indian General Assistance Program (IGAP), to help tribal communities develop the capacity to implement EPA-administered programs like solid and hazardous waste management and air quality monitoring
        - 1 percent to the Bureau of Indian Affairs' Tribal Climate Resilience Program, to help Native communities identify climate threats and develop resilience plans in response

TITLE V – OTHER PROVISIONS

Section 501 – Public disclosure of revenues and expenditures

- The Treasury Department shall create a public website tracking the money raised and distributed under this Act.

Section 502 – Severability

Section 503 – Rule of construction

- Nothing under the act shall preempt any state or local law or regulation

Section 504 – Remedies preserved

- Compliance with this Act shall not relieve any person from liability at common law or state or federal law.