NEW DEMOCRAT COALITION CLIMATE CHANGE PRIORITIES

PRINCIPLES FOR U.S. CLIMATE POLICY

Climate change is an existential threat to the health, national security, economic prosperity, and future of our people and planet. The New Democrat Coalition seeks to foster an ambitious pro-climate and pro-market agenda that leverages every decarbonization solution available to advance a swift and just transition to a more sustainable and clean planet and economy. Congress has been working for years on powerful, proven policy solutions. Our challenge is to build on those efforts and push past entrenched partisan fights to secure durable climate legislation that ensures we lead the global transition in combatting climate change.

To do our part in preventing the most drastic and devastating impacts of climate change, and to stay below a 1.5 degrees Celsius temperature increase, the United States must surpass the goals committed to at the Paris Climate Accord[1] and attain net-zero emissions by 2050 at the latest. The Intergovernmental Panel on Climate Change (IPCC) 2018 report[2] found that the threat of climate change is more severe than previously thought, showing that even at 1.5 degrees, the impacts of climate change would result in higher populations exposed to water scarcity, extreme heat, and displacement from sea-level rise and severe weather events. It is a call to action we must heed with seriousness and speed.

The science of climate change is clear, and unquestionably urgent. Effective climate policies must rely on that science to meet the scale demanded. There is no time to ignore or debate that scientific consensus: Americans are already facing the costly impacts of a changing climate. This has been evidenced by the surge in costly extreme weather events, droughts, and other negative impacts across the country. And those costs are rising, projected to reach upwards of $500 billion annually in the U.S. by the end of the century.[3]

[1] The Paris Agreement, United Nations Climate Change (2016)
[2] Special Report: Global Warming of 1.5°C, Intergovernmental Panel on Climate Change (IPCC) (2018)
[3] Fourth National Climate Assessment (NCA4), U.S. Global Change Research Program (USGCRP) (2018)

It is our duty as policymakers to confront the threat and costs of climate change, and to act. The New Democrat Coalition will work to advance climate policies that address the following principles:

1. **Combatting climate change requires global action and American leadership.** The United States must be a responsible part of the international community and should act as a global leader by advancing climate solutions that strengthen our economy and national security, while urging other nations to act.
2. **Transitioning to a climate-forward economy represents an opportunity to mobilize our economy and create high quality jobs.** We must enact economy-wide, market-oriented solutions and pro-climate incentives for businesses while eliminating existing barriers to the deployment of low-carbon technologies; make significant investments in climate-forward research, development, production, demonstration, and deployment; and ensure all Americans have the opportunity to succeed in the economy of the future.
3. **Enacting a climate-forward agenda requires investing in communities, resilience and relief.** The impacts of climate change are already being felt nationwide and are disproportionately affecting frontline communities. We must advance climate policies that address current and future impacts of climate change by centering on community needs, fostering adaptation that incorporates nature-based solutions, investing in resilience and risk mitigation, and improving disaster response and recovery.

The New Democrat Coalition's evidence-based policy agenda provides a comprehensive framework to address the threat of climate change with the rapid urgency this crisis demands. We support a climate-forward agenda that combines federal guidelines and investment with market-based solutions to: ensure the U.S. is the global leader in a climate-forward economy; spur innovation and deployment of decarbonization technologies and practices; create an even playing field for decarbonization technologies; foster resilience and recovery; and ensure our workers and communities benefit. We will seek to promote U.S. policies that are politically durable and long lasting and that build bipartisan consensus where possible. The legislation we pass today must remain in effect for the long term if we are to create an ecosystem powerful and certain enough to shift the attitudes and practices of our entire nation.

Policy Principles for Addressing Climate Change

Combatting climate change requires global action and American leadership.

The United States must be a responsible part of the international community and should act as a global leader by advancing climate solutions that strengthen our economy and national security, while urging other nations to act.

Recommit to the Paris Climate Accord: No nation, state, or person is immune to the growing impacts of climate change. The United States must recommit to the Paris Climate Accord and work with other industrialized nations to adopt global policies to reduce carbon emissions. It is imperative that the United States, historically the world's largest producer of greenhouse gases (GHGs), take a leadership role in reducing our global GHG emissions, setting an example for other nations, and supporting other countries in doing the same through technical and economic assistance. Our policies should also ensure we do not simply export our carbon emitting activities to other countries.

Establish U.S. global leadership and secure our next-generation energy independence: The United States also has a vested economic, diplomatic, and national security interest in leading this transition and developing the technologies and infrastructure that will define the climate-forward economy of the future. The nation that develops the technologies of the clean energy revolution will have the opportunity to shape the global economy, while those that fail to meet these challenges will become less economically competitive and increasingly reliant on technologies developed by foreign nations. The U.S., through its powerful economy and culture of innovation, is best positioned to be the global leader developing and producing these next generation technologies. It will take serious commitment and support from the federal government to ensure we win the climate-forward economy of the future.

Protect our national security interests: Climate change presents a clear threat to the national security of the United States and its allies. The Department of Defense (DOD) identifies the effects of climate change as a "threat multipliers" that compromise our national security and "will aggravate stressors abroad such as poverty, environmental degradation, political instability, and social tensions – conditions that can enable terrorist activity and other forms of violence."[4] Inaction on climate is projected to result in more intense droughts, food scarcity, an increase in the number of people without access to potable water, more days of extreme heat, the

[4] Quadrennial Defense Review 2014, Department of Defense (2014)

displacement of large populations of people, and famine, with these impacts disproportionately affecting less stable regions of the world.

Climate change also poses a direct threat to U.S. military installations worldwide, with two-thirds of those addressed in a 2019 report[5] identified as vulnerable to current and future recurrent flooding, over half vulnerable to current or future drought, and roughly half vulnerable to wildfires. The DOD specifically identified flooding, drought, desertification, wildfires, and thawing permafrost as ways in which the readiness, security, and long-term reliability of these installations, as well as ongoing military operations and missions, could be threatened. By 2050, nearly every DOD facility in the United States could see more than 10 times the number of floods they experience today.[6] It is clear that we have an indisputable interest in pursuing global solutions that make not only our country but all nations healthier and more secure.

[5] Report on Effects of a Changing Climate to the Department of Defense, Office of the Under Secretary of Defense for Acquisition and Sustainment, Department of Defense (2019)
[6] The US Military on the Front Lines of Rising Seas, Union of Concerned Scientists (2016)

Transitioning to a climate-forward economy represents an opportunity to mobilize our economy and create high quality jobs.

We must enact economy-wide, market-oriented solutions and pro-climate incentives for businesses while eliminating existing barriers to the deployment of low-carbon technologies; make significant investments in climate-forward research, development, demonstration, production, and deployment; and ensure all Americans have the opportunity to succeed in the economy of the future.

Address climate change as an economy-wide problem that demands economy-wide solutions: Congress must embrace policy solutions that span all sectors, as well as address climate challenges specific to different industries. For example, federal research investments have been highly concentrated in the electricity sector,[7] which is only responsible for around 28 percent of U.S. emissions. The remaining 72 percent comes from primary emissions from our transportation sector (29 percent), industrial sector (22 percent), commercial and residential sector (12 percent), and agricultural sector (9 percent).[8] In order to make meaningful progress, U.S. climate policies must reduce greenhouse gas emissions in each of these sectors, identify and fill research and deployment gaps, leverage the power of the nation's forests, agricultural lands, and wetlands to sequester carbon, and address limitations and the investments needed to achieve net-zero GHG emissions.

Minimize market barriers and empower and incentivize private-sector efforts to decarbonize: We must make it easier for our economy to decarbonize by responsibly minimizing barriers to growth of pro-climate businesses, and encouraging the deployment of pro-climate capital, technologies and practices by communities, individuals, and the private sector. Many existing regulatory models and subsidies were designed with incumbent, fossil-energy resources in mind, and now can often act as barriers to decarbonization or incentivize the continued use GHG-intensive technologies. As such, in addition to creating new incentives for clean energy and low-carbon technologies, it is essential that climate policies level the playing field by identifying and eliminating these market barriers.

The U.S. has lacked a long-lasting, comprehensive national climate policy strategy, which has been a formative barrier to the deployment of clean energy and low-carbon technologies and practices domestically. While many other nations have provided long-term market certainty when designing their climate policies, the United States has instead relied on short-term

[7] An Innovation Agenda for Deep Decarbonization: Bridging the Gaps in the Federal Energy RD&D Portfolio, Information Technology & Innovation Foundation (ITIF) (2018)
[8] Sources of Greenhouse Gas Emissions, Environmental Protection Agency (EPA) (2017)

incentives that leave businesses and consumers unable to plan for the future. In doing so, the U.S. has ceded leadership of development and investment in the low-carbon technologies of the climate-forward economy to other nations.

Cultivate market certainty and set predictable price signals: We support policies that can guide market behavior and help spur the clean energy transition by promoting affordable and reliable low-carbon energy sources and technologies. We support long-term climate policies that send strong and stable price signals through a combination of carbon pricing, elimination of barriers to the deployment of low-carbon technologies and practices, clear GHG-emission standards and reduction targets, investment in research and development, incentives, or other market-based mechanisms. Creating market certainty allows climate policies to gain credibility which can, in turn, increase political buy-in from important constituencies, enable businesses and individuals to make the investments needed to deploy net-zero emission infrastructure, technologies, and practices.

Market-based policies are already working. While the federal government has been slow to act on comprehensive climate policy, states, regions, and localities have stepped up and employed policies that have helped catalyze the advancement of clean energy technologies and prompt businesses to lower their carbon footprints. These policies—from cap and trade in California and the Northeast[9] to new clean energy standards in states across the nation[10]—have demonstrated how even small price signals can encourage investment and accelerate the transformation to a climate-forward economy. Consumers are driving businesses across the country to recognize this opportunity and reduce their GHG footprints through smart investments, innovative technologies, and long-term sustainability planning.[11] It is time the federal government did its part.

Embrace long-term climate policies that are goal dependent, not path dependent: Our climate policies should be based on the best available climate science, focusing on the goal of net-zero emissions by 2050 at the latest while not specifying the particular technologies and practices that need to be used to meet that goal. In other words, climate policies should be technology-inclusive, embracing any solution that helps businesses, workers, consumers, and states execute forward-looking decarbonization plans. We support policies to eliminate existing clean energy inequities in federal policy and utility regulation, policies to promote energy efficiency, foster business practices that eliminate energy waste, and policies to promote innovation and clean

[9] Market-Based State Policy, Center for Climate and Energy Solutions
[10] U.S. State Electricity Portfolio Standards, Center for Climate and Energy Solutions
[11] The Private Sector's Promising Progress on Climate Change, Citizen's Climate Lobby (2017)

technology development – including in carbon capture and removal, nuclear energy, nature-based solutions including agriculture and reforestation, renewable energy, and more.

Encourage innovation and deployment of existing and next-generation technologies: While these pro-climate technologies can significantly reduce operating costs once deployed, gaps remain in the energy deployment pipeline. The U.S. government is best-positioned to address these gaps, which cannot be filled solely by the private sector. Demonstration projects for first-of-a-kind technologies are too risky for private industry, and are a key tool for the federal government to provide proof of value and jumpstart private sector investment. We support policies to reduce or assist with upfront capital costs to state and local governments, individuals, and private sector entities seeking to deploy decarbonization and clean energy technologies, practices, and resources. Once pro-climate resources are put into place, the economics of their lower operating costs should ensure that they remain long-term viable solutions.

Furthermore, we must significantly increase public investments in research, development, demonstration, and deployment to spur innovation and fill our deep decarbonization technology gaps, consistent with the Mission Innovation global initiative.[12] Programs such as DARPA and ARPA-E can spur breakthroughs that can be leveraged by the private sector to develop and produce solutions domestically. The economic returns of many of such federal investments are well proven, with the rate of return on the DOE's existing RD&D programs, yielding more than $30 for every federal dollar invested.[13] Increasing investment in innovation to recommended levels will enable America to bring down the cost of existing technologies, make transitions to clean energy more affordable, and develop and deploy the technologies we do not yet have—but will need—to fully decarbonize. For example, we support federal investment and research into advanced nuclear design and carbon capture technologies, which could develop carbon-free solutions to energy grid intermittency issues and difficult-to-decarbonize processes such as high-heat industrial applications. These investments should include robust early deployment support that allows American firms to launch new low-carbon technologies into the marketplace, cutting costs as they scale up production to open up ever-larger markets, including for export.

Support growth for U.S. workers: We must ensure workers all across the U.S. have the opportunity to succeed in the climate-forward economy. Millions of Americans are already

[12] Delivering the Mission Innovation Action Plan: 2018-2020, Mission Innovation (2018)
[13] FY 2020 Energy Innovation Funding: Congress Should Push the Pedal to the Metal, Information Technology & Innovation Foundation (ITIF) (2019)

employed in the clean energy and energy efficiency fields, representing two of the fastest growing industries today. Driven by rapidly declining technology costs, public- and private-sector investments, and ambitious state policies to decarbonize the grid, these industries employed a combined 3 million workers in 2018.[14] We must expand on this growth by incentivizing climate-forward industries to develop and build domestically, and by ensuring these are quality jobs with sustainable wages. It is also important to recognize the opportunities in combatting climate change are not solely confined to decarbonization technologies like sustainable energy manufacturing and utility work. Addressing resiliency and preparing for the low-carbon future will mean significant infrastructure investments, including updating storm drainage, seawalls, electric vehicle charging stations, electrified public transportation, and more. These are good paying jobs with strong labor standards, utilizing skills our transportation and infrastructure workers already have.

We support making robust investments in workforce development to ensure workers have the necessary skills to be competitive in their industries as they transform, as well as in new fields, and by supporting any dislocated workers proactively when possible, through retraining, relocation, financial assistance, and other safety net programs. In addition, we support targeted reinvestment in any disrupted communities to help grow and diversify local economies and attract new employers that can readily utilize the existing workforce. As existing industries transform, requiring workers to further develop new skills, and more workers transition to decarbonization technology and resource industries, it is essential that we ensure the growth in the climate-forward economy creates good, family sustaining jobs with strong labor standards.

[14] The 2019 U.S. Energy and Employment Report (USEER), Energy Futures Initiative (EFI) and National Association of State Energy Officials (NASEO) (2019)

Enacting a climate-forward agenda requires investing in communities, resilience and relief.

The impacts of climate change are already being felt nationwide, and are disproportionately affecting frontline communities. We must advance climate policies that address the current and future impacts of climate change by centering on community needs, fostering adaptation that incorporates nature-based solutions, investing in resilience and risk mitigation, and improving disaster response and recovery.

Resolve inequities and put communities first: Communities of color, indigenous peoples, the very young and very old, and low-income communities have been and will be hit the hardest by climate change impacts.[15] These communities are on the front lines of the financial, public health, and quality of life risks of climate change. Therefore, a holistic national climate policy must be developed together with impacted stakeholders, to address these inequities and create a just transition that ensures all communities benefit in the climate-forward economy. We must develop policies that specifically target inequities experienced by rural, low-income, and other frontline communities, including the legacy of pollution disproportionately concentrated in these communities. Additionally, our policies must include strategies to improve data collection on the current and future inequities impacting these communities as a direct result of climate change to better understand and address these impacts.

Foster adaptation and resilience: Communities across the United States are already facing the high costs of inaction on climate change. Coastal communities, in particular, have been exposed to rising sea levels, higher storm surges, unprecedented amounts of rainfall and wind damage from increasingly intense storms, and increased high-tide flooding. Without adequate adaptation, the cumulative damages to coastal property nationally could reach $3.6 trillion by 2100.[16] The risks to communities are not isolated to the coasts as extreme temperatures, increased water scarcity, flooding, melting permafrost, wildfires, storms, and public health risks cause severe damage and disruption to communities in every part of the country.

Each day the cost of inaction on climate change rises, leaving American taxpayers and future generations to pay the bill. In 2017 alone, the United States experienced devastating hurricanes, wildfires, flooding, and more to the tune of over $300Bn in damages.[17] Congress appropriated

[15] The Impacts of Climate Change on Human Health in the United States: A Scientific Assessment – Populations of Concern, U.S. Global Change Research Program (USGCRP) (2016)
[16] Fourth National Climate Assessment (NCA4), U.S. Global Change Research Program (USGCRP) (2018)
[17] 2017 U.S. Billion-dollar Weather and Climate Disasters: A Historic Year in Context, National Oceanic and Atmospheric Administration (2018)

$34.5Bn in supplemental disaster relief spending, forgave $16Bn in National Flood Insurance debt, and passed an additional $90Bn in spending on rebuilding in response to these events, some of which could have been avoided if upfront investments in resilient infrastructure and faster action to confront climate change had been taken. Climate change has also resulted in lost economic activity in climate-sensitive industries[18] like agriculture, tourism, fishing, and more, compounding the economic damage of our climate crisis.

Even with action we take today to prevent future warming and reduce emissions, much of the damage cannot be reversed, and extreme weather events, droughts, flooding, and more will continue to increase in frequency and severity as a direct result of climate change. It is critical that federal policy provides assistance to state, localities, territorial, and tribal communities to adapt and respond to these impacts and reduce future risk. We support an actionable climate adaptation policy that focuses on both preventing future climate change threats, as well as current mitigation of existing climate change damage. This includes federal investment in pre-disaster mitigation projects, which can save $6 in averted disaster damage for every $1 invested,[19] as well as climate-forward transportation and infrastructure projects that incorporate natural infrastructure, which can ease the impact of flooding and drought while further reducing our GHG emissions and creating high quality jobs. Additionally, we support adaptation policies that are responsive to the unique geographic, economic, and cultural factors of each community. Congress should devise strategies that give communities the flexibility to choose the strategies best suited to their local needs while also providing technical assistance, accessible science, and support for planning, and incentivizing cooperation within and between states and regions.

Most critically, climate change poses a daunting threat to the well-being of humanity. The World Health Organization (WHO) estimates that at its current rate, climate change could result in an additional 250,000 deaths globally per year between 2030 and 2050.[20] The number only grows when downstream consequences of climate change on public health are taken into account. For example, air pollution from greenhouse gases and other pollutants is responsible for seven million deaths globally per year alone.[21] This all results in lost economic activity and rising health care costs.[22] It is critical that we foster a healthy climate in order to support communities and allow them to focus on growth and opportunity.

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[18] How Climate Change Impacts the Economy, Columbia University Earth Institute (2019)
[19] Every $1 Invested in Disaster Mitigation Saves $6, The PEW Charitable Trusts (2018)
[20] Climate Change and Health, World Health Organization (2018)
[21] 7 Million Deaths Linked to Air Pollution Annually, World Health Organization (WHO) Public Health, Environmental and Social Determinants of Health (PHE) (2014)
[22] Health Risks and Costs of Climate Variability and Change, The World Bank/The International Bank for Reconstruction and Development (2017)

Conclusion

In recent years, the United States has abandoned its role of global leadership. We have watched as other countries shoulder the burden of addressing the threat of climate change alone. We have watched as states and localities have tried to fill the void left by the federal government.

We have been slow to respond when disaster strikes and reticent to admit the causes, for fear of what adapting means for our culture and society. But ignoring the role we have played in destabilizing our climate and environment and carrying on business-as-usual serves no one. We can no longer apply short-sighted, self-interested approaches to long-term global problems, and we cannot afford to miss out on this century's largest economic development opportunity. The New Democrat Coalition looks forward to building on the work of many of our colleagues. We aim to make immediate progress toward our decarbonization goals by building bridges to groups historically resistant to facing the reality and magnitude of this threat, and accomplishing real, tangible, legislative progress that unleashes the economic opportunities of addressing the current and future impacts of climate change.