

MANUFACTURING RENEWAL

The Problem

We are not producing nearly enough of the goods needed for the transition to a 100% clean energy economy. To expedite that transition, and ensure that workers gain from it, we need to invest in increased manufacturing of electric vehicle parts, wind turbine components, energy efficient building materials, and other clean energy goods. Meanwhile, industry remains a significant source of pollution. Too many communities who live outside the fences of U.S. factories endure health problems from industrial pollution, including the type of air pollution that is increasing the likelihood of death from COVID-19, particularly in communities of color. Industry also is the largest source of U.S. climate pollution, when accounting for factories' burning of fossil fuels, chemical processes, and consumption of electricity. While climate pollution from other sectors is expected to decline or remain constant, industrial climate pollution is expected to rise even further. In addition, the U.S. imports as much industrial climate pollution as it produces. Each year, over 1.4 gigatons of climate pollution is emitted abroad just to produce the manufactured goods that we import — the same amount of climate pollution produced by all U.S. factories combined.

The Solution

We urgently need to invest in a manufacturing sector that is compatible with the transition to a 100% clean energy economy. That means using government purchasing, grants and loans, and other investments to spur increased manufacturing of clean energy goods. It means rewarding factories that slash pollution and investing in technologies to reduce industrial emissions. It means establishing institutions to support a swift and coherent transition to sustainable production of strategic goods while investing in manufacturing workers.

The Jobs

Nearly 1.6 million good manufacturing jobs would be generated just to produce the goods required by the energy, transportation, buildings, water, land, agriculture, care economy, and other investments detailed in this economic renewal plan. Beyond this impact, direct investments in clean manufacturing would provide hundreds of thousands of additional jobs. Specifically, Congress should:

- ▶ **Provide hundreds of thousands of jobs via government purchases:** Federal, state, and local governments need to expand procurement of domestically manufactured clean energy goods, including electric vehicles for government fleets; components for government-owned public transit and passenger rail; energy-efficient construction materials and appliances for government buildings; and renewable energy, battery storage, and grid modernization components for federal and municipal-owned energy systems. Every \$1 billion of government purchases would create 13,000 jobs if spent on clean transportation goods, 11,000 jobs if spent on clean energy goods, and 10,600 jobs if spent on goods for clean buildings.
- ▶ **Provide over 46,000 jobs by expanding grants and incentives for clean energy manufacturing:** Congress needs to invest \$3 billion over five years for retooling grants under Section 132 of the Energy Independence and Security Act, and invest \$20 billion over five years in the Advanced Technology Vehicles Manufacturing program, to expand manufacturing of electric vehicles and components. Congress also should invest \$3 billion over five years in the Advanced Manufacturing Tax Credit under section 48C of the Internal Revenue Code to boost manufacturing of renewable energy, energy storage, and energy efficiency goods.
- ▶ **Create a National Investment Agency, including an economic development and industrial bank to support manufacturing jobs:** Congress needs to create and capitalize an economic development and industrial bank to provide preferential loans, grants, and contracts to manufacturers to produce goods needed for clean energy, clean transportation, clean buildings, and clean water, and to invest in reductions in greenhouse gases and toxic emissions from industrial production.

And More ...

For a complete list of clean manufacturing investments, see economic analysis from the Political Economy Research Institute and Sierra Club's letter to Congress, which outlines specific priorities for a bold stimulus package that puts millions of people back to work to build a healthier, more equitable clean energy economy.