

MARCH 08, 2023

FACT SHEET: Biden-Harris Administration Advances Cleaner Industrial Sector to Boost American Manufacturing and Cut Emissions

Today, the Biden-Harris Administration announced new actions to grow American competitiveness, expand manufacturing jobs, and reduce greenhouse gas emissions from the industrial sector, which includes production of steel, aluminum, chemicals, and concrete, and currently contributes nearly one-quarter of U.S. emissions. These actions will boost the already historic comeback for American factories, with over 800,000 manufacturing jobs created since President Biden took office. Further strengthening our industrial base will revitalize local economies, lower costs for consumers, provide more pathways to the middle class through good-paying union jobs, and boost American competitiveness in global markets.

The industrial sector is critical to ensuring that America leads in building a clean energy economy and tackling the climate crisis. We can harness cleaner steel, aluminum, and concrete to build electric vehicles, wind turbines, solar farms, and sustainable transportation infrastructure with an even smaller environmental footprint. Now we have tools to make those cleaner materials, and as we electrify our economy, an increasingly cleaner grid will help slash emissions from the industrial sector. Today's actions underscore the Administration's comprehensive approach to building a clean industrial sector, from spurring investments to lower emissions in the supply of materials, to new procurement commitments that send demand signals in the marketplace for clean products.

\$6 Billion to Reduce Industrial Emissions and Create Healthier Communities

Today, the U.S. Department of Energy is announcing the largest investment in industrial decarbonization in American history: approximately \$6 billion in

funding to accelerate decarbonization projects and provide American industry a once-in-a-generation “first mover” advantage in the emerging global clean energy economy. Funded by President Biden’s Bipartisan Infrastructure Law and Inflation Reduction Act, DOE’s [Industrial Demonstrations Program](#) will focus on energy intensive industries where decarbonization technologies have the greatest impact, such as iron and steel, aluminum, cement and concrete, chemicals, and pulp and paper. Widespread demonstration and deployment of decarbonization projects within these industries is key to achieving the President’s goal of a net-zero carbon economy by 2050 and will help strengthen and secure America’s global leadership in manufacturing for decades to come.

Driving Demand for Clean Industrial Products

Today, the Biden-Harris Administration is launching the Federal-State Buy Clean Partnership with commitments from 12 leading states: California, Colorado, Hawaii, Illinois, Maine, Maryland, Massachusetts, Michigan, New Jersey, New York, Oregon, and Washington. These states have committed to prioritize efforts that support the procurement of lower-carbon infrastructure materials in state-funded projects, and to collaborate with the federal government and one another to send a harmonized demand signal to the marketplace. Alongside this announcement, the U.S. Climate Alliance announced the availability of policy, technical, and analytical assistance to help participating members advance their state-level Buy Clean efforts.

The Federal Government is the largest direct purchaser in the world and a major infrastructure funder. Last year, the Biden-Harris Administration launched the [Federal Buy Clean Initiative](#) to leverage the \$630 billion of annual purchasing power by the Federal Government to prioritize the use of American-made, low-carbon construction materials in Federal projects. In addition, through the First Movers Coalition, the Department of State and U.S. Special Presidential Envoy for Climate have secured nearly 100 private sector commitments, representing \$12 billion, to commit to purchase innovative zero-carbon materials. Buy Clean is advancing America’s industrial capacity to supply the goods and materials of the future while growing good-paying jobs for American workers.

Convening Public and Private Sector Leaders at The White House

On Friday, March 3rd, the White House and Department of Energy convened Administration leaders, industrial executives, and national labor leaders at the White House for a roundtable discussion on how to grow American competitiveness, expand manufacturing jobs, and decarbonize the industrial sector. The executives in the meeting represented over 125,000 jobs and nearly 30% of emissions in the industrial sector. Participants discussed how the President's historic legislative accomplishments including the Inflation Reduction Act and Bipartisan Infrastructure Law have transformed the landscape for industrial decarbonization, catalyzing accelerated private sector efforts to strengthen American industry and drive economic development in our communities.

Building on Progress

The [Federal Buy Clean Initiative](#) is a part of President Biden's economic plan—including the Bipartisan Infrastructure Law, Inflation Reduction Act, and CHIPS and Science Act—which has driven more than \$300 billion in private sector investments into the industries of the future, including clean energy, electric vehicles, semiconductors, and advanced batteries. As these industries scale up, it is critical to source clean materials across supply chains. Today's announcements build on progress made over the first two years of his Administration to reduce emissions from both the demand and supply side of the industrial sector:

- **Boosting Incentives for Clean Manufacturing** – The Inflation Reduction Act offers a \$10 billion investment in the [Qualifying Advanced Energy Project Credit \(48C\)](#) program. Last month, the Department of Treasury and IRS, in partnership with DOE, announced the intent to release approximately \$4 billion in a first round of tax credits for projects that expand U.S. supply chains for clean energy technologies and critical materials, and for projects that reduce greenhouse gas emissions at industrial facilities. Approximately \$1.6 billion of this allocation will be set aside for projects in coal communities. DOE's [Advanced Energy Manufacturing and Recycling Grant Program](#) opened for applications last month, with \$350 million available for small- and medium-sized manufacturers to produce or recycle advanced energy property — property used to support clean energy supply chains — in energy communities.

- **Supercharging Industrial Decarbonization Innovation** – DOE recently announced its intent to issue an [approximately \\$156 million funding opportunity announcement](#) that will advance high impact applied research, development, and demonstration projects to reduce greenhouse gas emissions across the U.S. industrial sector.
- **Unlocking the Potential of Clean Hydrogen** – DOE is currently accepting full applications for its \$8 billion [Regional Clean Hydrogen Hubs](#) program to develop innovative networks of hydrogen supply and end-uses. Initial applications proposed a total of \$157 billion in private investment alongside federal funds, and laid out how the projects would create good-paying, long-term jobs and support environmental justice across every region of America. In support of this vision, DOE [announced its intent to issue \\$750 million](#) to dramatically reduce the cost of clean hydrogen electrolyzers. These initiatives are already showing payoffs: [private sector commitments](#) from the First Movers Coalition represent 1 million metric tons per year of clean hydrogen demand, and recently announced projects amount to [2.2 million metric tons per year](#) of planned clean hydrogen production in the United States.
- Through the [Buy Clean Task Force](#), Federal agencies are advancing clean procurement and driving demand for low carbon products. The **General Services Administration (GSA), Department of Transportation’s Federal Highway Administration**, and the **Environmental Protection Agency** are collaborating and incorporating stakeholder feedback to establish criteria for the procurement of [low carbon steel, concrete, asphalt, and flat glass](#) for Inflation Reduction Act-funded projects. **GSA** announced a contract for low-embodied carbon concrete at the [Otay Mesa Land Port of Entry](#) in California. To date, GSA has completed [seven Bipartisan Infrastructure Law-funded paving projects](#) using its new environmentally preferable asphalt standard.
- The **Department of Defense** with support from the **Army Corps of Engineers** has selected pilot projects to integrate sustainable materials, including low embodied carbon products, in new construction and renovations, including a barracks at Joint Base Lewis-McChord, WA, a 91,000 square foot Consolidated Communications Center at Patrick Space Force Base, FL, and a Navy Child Development Center at N.S.A.

Hampton Roads, VA.

- **Federal Emergency Management Agency (FEMA)** is preparing to implement its IRA authority on the use of low-carbon materials in its Public Assistance Program, Hazard Mitigation Grant Program, and Building Resilient Infrastructure and Communities Grant Program for presidentially declared disasters.
- **Department of Housing and Urban Development (HUD)** is funding low-emission building materials through \$1 billion in IRA funding for its Green and Resilient Retrofit Program, which supports multifamily assisted housing programs in low and moderate income and historically marginalized communities.

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