



The American Renewable Energy Act (AREA) of 2024

Introduced By: Senators Peter Welch (D-Vt.); Chris Van Hollen (D-Md.)

Background:

Congress must take bold action to avert the runaway impacts of climate change and transition towards a green future that eliminates the economic, health, social, and justice disparities of a fossil-fuel based economy. Shifting America's electricity generation from fossil fuels to renewables is crucial to achieving a clean energy economy and will reduce emissions, improve air quality and health outcomes, and create millions of renewable energy jobs.

Legislation:

The *American Renewable Energy Act (AREA) of 2024* would establish an ambitious 70% renewable energy resource standard by 2034 to drastically reduce emissions, decrease pollution, and promote community resilience. In order to achieve this goal, *AREA* prioritizes the development and implementation of solar, wind, and geothermal energy, as well as marine energy, limited hydropower, and methane digesters for smaller farms and wastewater plants.

AREA would require retail electricity suppliers to achieve at least 20% renewable energy generation in 2025, with an increase to 70% by 2034, and up to 100% by 2044. The bill would also require retail electricity suppliers to strengthen energy resilience by contributing an increasing share of their generation through distributed renewable energy generation, such as rooftop solar, starting with 15% in 2025 with an increase to 20% deployment requirement after five years.

AREA also seeks to ensure the equitable distribution of economic, health, and resiliency benefits and investments reaped from renewable energy deployment by establishing an enforcement mechanism that requires at least 50% of collected funds be spent on renewable energy, energy efficiency, and storage projects in impacted communities.

This legislation would create no fewer than six regional credit trading markets to track retail electricity suppliers' compliance with renewable energy generation standards to ensure the benefits of renewable expansion are spread throughout the country. *AREA* further stipulates that electricity suppliers must meet their requirements by submitting renewable energy credits or paying an alternative compliance payment that begins at \$50/megawatts per hour (MWh) and increases with inflation.

Endorsing Organizations:

The *American Renewable Energy Act* is endorsed by Evergreen Action, Chesapeake Climate Action, and Vote Solar.