

American Jobs in Energy Manufacturing Act of 2021

Over the past few decades, the decline of U.S. manufacturing and its supply chains – from Rust Belt factories to the coal mines they depended on – has taken a toll on the communities that built and powered the American economy. This has resulted in a loss of jobs and economic vitality and left the United States vulnerable. The COVID-19 pandemic has shown that gaps in domestic manufacturing and overreliance on foreign supply chains threaten the economy, including the energy sector. The United States will need to rise to the unprecedented challenge of recovering from this crisis while ensuring its economy is resilient to future shocks, strengthening clean energy manufacturing, and benefitting workers and families going forward.

Senator Joe Manchin’s and Senator Debbie Stabenow’s American Jobs in Energy Manufacturing Act of 2021 will drive much-needed investment in clean energy manufacturing, recycling, and industrial facilities – including the expansion or retooling of now-shuttered sites. This bill builds upon the successful §48C Advanced Energy Manufacturing Tax Credit, which contributed to building U.S. clean energy manufacturing facilities. It further invests in the coal-producing and manufacturing areas that have suffered from economic downturns. This bill will help reinforce domestic supply chains, create clean energy manufacturing jobs, aid the nation’s economic recovery, and improve our economic resilience to future challenges.

The American Jobs in Energy Manufacturing Act of 2021 would:

Invest \$8 Billion in American Manufacturing and Industry:

- This additional \$8 billion would be available to manufacturers and other industrial users to retool, expand, or build new facilities that make or recycle energy-related products.
- This includes a \$4 billion carve out for use in communities where coal mines have closed or coal power plants have retired (that have not previously received the §48C tax credit).

Build New or Retrofit Existing Manufacturing and Industrial Facilities to Produce or Recycle a Wide Range of Energy Products, Including:

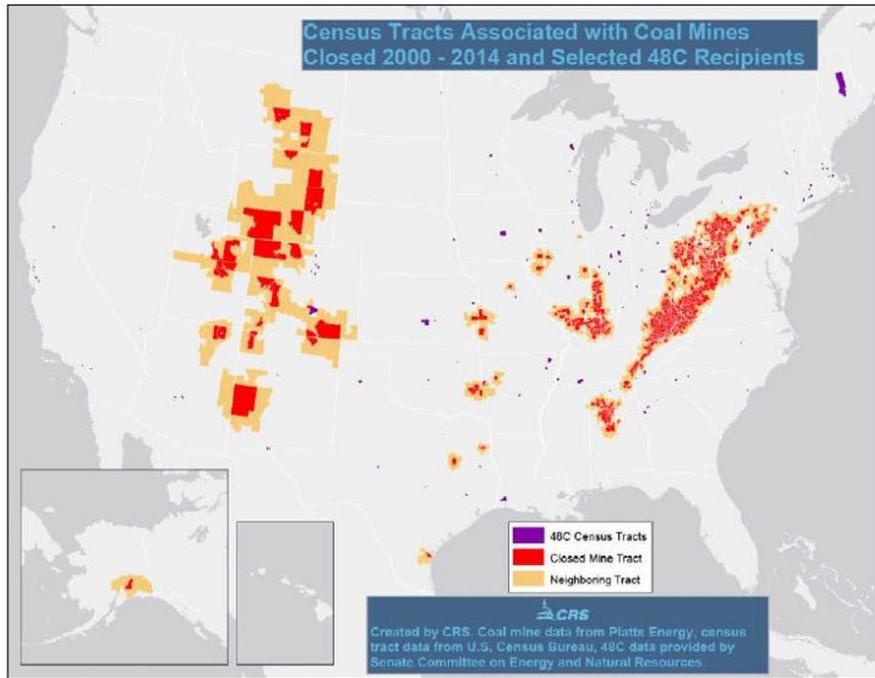
- Advanced electric grid, energy storage, and fuel cell equipment;
- Equipment for the production of low-carbon, low-emission fuels, chemicals and products;
- Renewable energy and energy efficiency equipment, from insulation to geothermal drills;
- Products or technologies that capture, remove, use or store carbon dioxide; and,
- Advanced light-, med-, and heavy-duty vehicles, components, and related infrastructure,

Or Upgrade Existing Facilities to Reduce Their Current Industrial Process Emissions.

Provide Assistance to Applicants and Creates Jobs Where They’re Needed Most:

- The bill provides new guidelines and technical assistance to aid applicants in states that have not accessed the §48C manufacturing tax credit in the past.
- It promotes domestic job creation that draws on existing skilled workforces, particularly workers dislocated from manufacturing, coal mining, or retired coal power plants.
- It also promotes reinvestment in communities experiencing high unemployment.

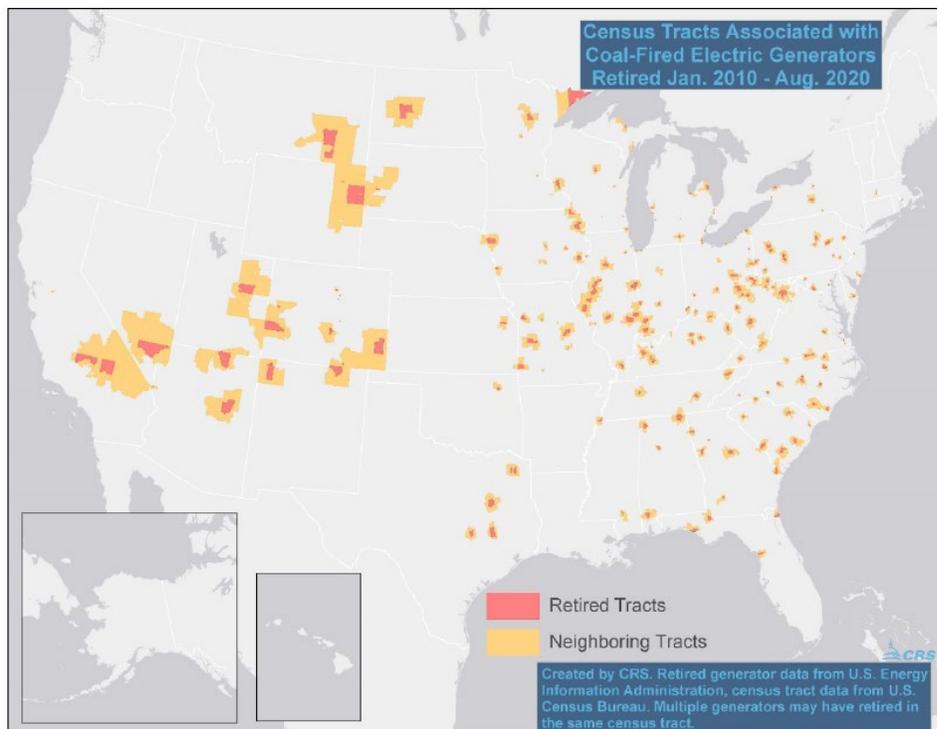
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Source: CRS, using data from Platts Energy, the U.S. Census Bureau, and the Senate Committee on Energy and Natural Resources.

Notes: "Closed Mine Tract" = a census tract in which at least one electric source coal mine was reported by Platts as closed from 2000 through 2014. "Neighboring Tract" = a census tract adjacent to a closed mine tract, but in which no electric source coal mines were reported closed from 2000 through 2014. A Closed Mine Tract may have more than one closed coal mine. "48C Census Tracts" = a census tract in which at least one facility received the Advanced Energy Manufacturing Tax Credit, known as 48C, as determined by staff for the Senate Committee on Energy and Natural Resources.

Figure 1. Census Tracts Associated with Coal-Fired Electric Generators Retired January 2010-August 2020



Source: CRS, data from U.S. Energy Information Administration and U.S. Census Bureau.