



The Daily Dish

Is the BBBF A Climate Bill?

DOUGLAS HOLTZ-EAKIN | OCTOBER 29, 2021

Eakinomics is tired of the Build Back Better campaign proposals, congressional Acts, and legislative strategizing. It is the last thing one needs another dose of on a Friday morning. Sorry. With much fanfare - congressional briefing, East Room presidential address - President Biden rolled out the Build Back Better “framework” (BBBF) that he is confident will pass both the House and Senate, and then hopped on Air Force One and headed to Scotland. We shall see.

Let’s save overall policy and political evaluations for another day and focus on a simpler question: Is the BBBF a climate bill? After all, the president has identified climate change as the top policy priority; shouldn’t his signature legislation be aimed at this issue? Certainly, the BBBF promises to spend a lot of taxpayer dollars on things that have climate-related titles. Per the White House [fact sheet](#):

- **Clean Energy Tax Credits (\$320 billion):** Ten-year expanded tax credits for utility-scale and residential clean energy, transmission and storage, clean passenger and commercial vehicles, and clean energy manufacturing.
- **Resilience Investments (\$105 billion):** Investments and incentives to address extreme weather (wildfires, droughts, and hurricanes, including in forestry, wetlands, and agriculture), legacy pollution in communities, and a Civilian Climate Corps.
- **Investments and Incentives for Clean Energy Technology, Manufacturing, and Supply Chains (\$110 billion):** Targeted incentives to spur new domestic supply chains and technologies, like solar, batteries, and advanced materials, while boosting the competitiveness of existing industries, like steel, cement, and aluminum.
- **Clean Energy procurement (\$20 billion):** Provide incentives for government to

be purchaser of next gen technologies, including long-duration storage, small modular reactors, and clean construction materials.

That's a total of \$555 billion over the next decade on climate issues; the White House [asserts](#) this is the "largest effort to combat climate change in American history."

Ok, but how does that stack up against the overall cost of addressing climate change? One easy comparison is to note that the United States had [net emissions](#) of 5.8 billion tons of carbon dioxide equivalents in 2019. The gold standard for abating greenhouse gas emissions is a carbon tax. At \$50 per ton, that would total \$290 billion a year. Reaching net zero emissions would probably require something in the neighborhood of \$100 per ton or \$580 billion a year. Thus, the resource commitment - taking the form of either payments of carbon taxes or emissions-reducing spending that is cheaper than the tax - is as much as \$2.9-\$5.8 trillion over the next 10 years.

Viewed from that perspective, \$555 billion looks like a down payment on a down payment on climate change.

At times, however, the administration refers to these programs as investments in clean energy - a bit more narrow than overall climate change. But the resource comparison is about the same. As summarized in a previous [Eakinomics](#), Ewelina Czaplak has pegged the costs of generation, transmission, and distribution of a clean energy electric sector at \$5-\$5.5 trillion. (This shows just how much more efficient simply doing a carbon tax would be, by the way.)

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