

TITLE VII

Renewable Energy

Minimum Requirement F.Y. 2022

\$268.5 million

F.Y. 2021 Enacted

\$179 million

The energy system represents **73% of global greenhouse gas emissions**; however, only 23% of total energy production comes from renewable resources.

DESCRIPTION

Renewable energy programs support cleaner air and increase energy access and security in low-income countries. They mitigate global climate change by reducing greenhouse gas emissions.

WHAT DOES IT BUY?

Funds support the infrastructure needed to reduce carbon emissions and install clean energy systems—including wind and solar—and the transmission capacity to integrate the sources into energy grids. Funds also support cookstove programs and other in-home technologies that reduce carbon emissions.

WHY IS IT IMPORTANT?

- Renewable energy programs support poverty alleviation through access to reliable electricity that leverages private sector investment.
- Energy systems represent **73% of global greenhouse** gas emissions. However, only **26% of total energy** production comes from renewable resources.
- Over **860 million people** still lack access to any form of electricity. Renewable energy programs are critical in mitigating the amount of greenhouse gas emissions projected to be produced by new energy consumers.
- The Power Africa “Beyond the Grid” program has helped create **14 million** household and business off-grid connections, using more than 9 million solar lantern connections and more than 4 million home solar connections. Past clean energy programs like the U.S.-Africa Clean Energy Finance Initiative (ACEF) mobilized more than \$30 for every \$1 spent by the U.S. Government.
- Fossil fuel extraction, transportation, and usage **exacerbate** extreme poverty. Renewable Energy programs are a way to support developing economies to “leapfrog” these negative impacts and transition into sustainable economies.

WHY SHOULD AMERICANS CARE?

- The impacts of climate change, variability, and extreme events outside of the U.S. are virtually certain to:
 - » Negatively affect U.S. trade and the economy.
 - » Slow or reverse social and economic progress in low-income countries and increase the need for humanitarian assistance and disaster relief, with implications for U.S. national security.

COVID-19 IMPACTS

- COVID-19 presents an opportunity to adopt cleaner modes of energy consumption, as mobility—**57% of global oil demand**—declined in early 2020 and global electricity demand decreased by 2.5%.

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WHAT MORE COULD BE DONE?

- The Intergovernmental Panel on Climate Change reported that an annual investment in clean energy of \$1.6 to \$3.8 trillion is needed between now and 2050 to keep global warming in the range of 1.5° C and avoid the most harmful consequences.
- Looking forward, the U.S. Government has identified three key areas for further investment to foster the global clean energy transition. These include: 1) supporting the enabling environment, 2) information and capacity development, and 3) financial instruments and markets.

FUNDING HISTORY

