# Learning How to Build Back Better through Clean Energy Policy Evaluation

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Workshop on Tracking and Evaluation of RD&D Programs at Department of Energy Resources for the Future

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# Build Back Better through the Inflation Reduction Act and the Infrastructure Investment and Jobs Act

136 STAT, 1818

PUBLIC LAW 117-169-AUG, 16, 2022

Public Law 117-169 117th Congress

An Act

To provide for reconciliation pursuant to title II of S. Con. Res. 14 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

#### TITLE I-COMMITTEE ON FINANCE

#### Subtitle A—Deficit Reduction

#### SECTION 10001. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this sub-Except as otherwise expressly provided, whenever in time out-title an amendment or repeal is expressed in terms of an amend-ment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

#### PART 1—CORPORATE TAX REFORM

#### SEC. 10101. CORPORATE ALTERNATIVE MINIMUM TAX.

(a) IMPOSITION OF TAX.-26 USC 55

(1) IN GENERAL.—Paragraph (2) of section 55(b) is amended

"(A) APPLICABLE CORPORATIONS.—In the case of an applicable corporation, the tentative minimum tax for the taxable year shall be the excess of—

the year snail be the excess of—

"(i) 15 percent of the adjusted financial statement income for the taxable year (as determined under sec-

"(ii) the corporate AMT foreign tax credit for the taxable year. (B) OTHER CORPORATIONS.—In the case of any corpora-

(B) OTHER CORPORATIONS.—In the case of any corporation which is not an applicable corporation, the tentative minimum tax for the taxable year shall be zero.".
(2) APPLICABLE CORPORATION.—Section 59 is amended by adding at the end the following new subsection:

"(k) APPLICABLE CORPORATION.—For purposes of this part— Determinations

"(1) APPLICABLE CORPORATION DEFINED.—
"(A) IN GENERAL.—The term 'applicable corporation means, with respect to any taxable year, any corporation (other than an S corporation, a regulated investment company, or a real estate investment trust) which meets the



PUBLIC LAW 117-58-NOV. 15, 2021

135 STAT, 429

Public Law 117-58 117th Congress

#### An Act

To authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Infrastructure 23 USC 101 note. Investment and Jobs Act". (b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents. Sec. 2. References.

DIVISION A-SURFACE TRANSPORTATION

#### TITLE I-FEDERAL-AID HIGHWAYS

Subtitle A...Authorizations and Programs

Subtité A.—Autherizations and Programs
Subtité A.—Autherizations and Programs
Subtité A.—Subtité A.

# Data, Institutionalization, and Evaluation Culture

- Benefits of Clean Energy Program Evaluation
- Institutionalizing Evaluation:
   Lessons from Regulatory Review
- Producing Data for Evaluation:
   Lessons from the 2009 Recovery Act
- Planning for Clean Energy Policy Evaluations

# Benefits of Clean Energy Policy Evaluation

## Policy Objectives



## Demonstrate Policy Efficacy

- Progress towards emission goals
- Distribution of benefits, costs, impacts, etc.
- Policy cost-effectiveness
- Other socially and politically desirable metrics
- → Inform policy updating over time, addressing interests of White House and Congress

## Advance Learning Agenda for Climate

- Implement Foundations for Evidence-Based Policymaking Act of 2018
- Institutionalize learning agenda for climate
- Inform strategic and budget planning for climate
- → Sharing data and evidence with stakeholders can facilitate durable demand for evaluation

# Institutionalizing Evaluation: Lessons from Regulatory Review

## Lessons from Regulatory Review

- "Compelling need" standard for regulatory review applies equally to clean energy spending
  - "Modernizing regulatory review"
- Standardize evaluation methods and processes
  - OMB guidance: Circular A-4
  - Agency guidance for economic analysis
- Support iterative policy and retrospective analysis

# Producing Data for Evaluation: Lessons from the Academic Literature on the 2009 Recovery Act

#### Producing Data

- ARRA 2009 clean energy program evaluations rely on program design for empirical strategy
  - Program design stage: evaluation can inform design and data collection
- Data collected/produced by implementing agency
  - Data informing funding decisions
  - Data on recipient actions
  - Minimize need for recipient interpretation

#### Connecting Data

- Data collected by other agencies
  - Energy Information Administration
  - Census and Annual Survey of Manufactures
  - U.S. Patent and Trademark Office
  - National Center for Health Statistics
  - Bureau of Labor Statistics
  - → Provide information about non-recipients and information about outcomes influenced by outputs
- Data collected by private sector

# Planning for Clean Energy Program Evaluations

## Guidance for Planning

- Develop guidance and resources for evaluations
- Identify priority outcomes to evaluate
- Identify policies/programs with learning potential
- Develop evaluation plans and data protocols
- Ensure evaluation plan transparency
- Promote performance evaluation culture

## Energy Program Performance Scorecard

- Commit to public communication of impacts of energy programs
  - Integrate with climate evidence across government
  - Annual report to Congress
- Produce a set of metrics that reflect key outcomes
  - Energy technology and market outcomes
  - Justice40
  - Place-based economic outcomes
  - → Use scorecard in appropriations, energy bill processes

#### Thank You!

RFF working paper: <a href="https://tinyurl.com/AldyBBB">https://tinyurl.com/AldyBBB</a>

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