



American Renewable Energy Act of 2026

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

Introduced in the House by: Rep. Yvette Clark (D-NY-09)

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 2026* would establish an ambitious 70% renewable energy resource standard by 2036 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 2027, with an increase to 70% by 2036, and up to 100% by 2046. 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 2027, with an increase to 20% deployment requirement after five years.

Additionally, *AREA* also 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. Compliance with the bill would be facilitated by the creation of six regional credit trading markets to track retail electricity suppliers' transition to renewable energy and ensure the benefits of renewable energy development are spread across the country.

Further, *AREA* seeks to ensure the equitable distribution of economic, health, and resiliency benefits and investments created by renewable energy deployment by establishing an enforcement mechanism that requires at least 50% of collected funds to be spent on renewable energy, energy efficiency, and storage projects in impacted communities. The legislation would also require utilities to produce 20% of their energy generation from renewables in impacted communities, reducing the need for polluting fossil fuel power plants in historically marginalized areas.

Supporting Organizations: The *American Renewable Energy Act* is endorsed by the Chesapeake Climate Action Network; Evergreen Action; Sierra Club; and Vote Solar.