



Green Bank Funds May be Rescinded

New EPA administrator demands the return of \$20 billion in funds allocated to sustainability projects nationwide.

Approved under the 2022 Inflation Reduction Act, the Greenhouse Gas Reduction Fund (aka, the “green bank”) is a \$27 billion investment focused on mobilizing financing and private capital to address the climate crisis. According to the EPA, the green bank was also put in place to help ensure the country’s economic competitiveness, promote energy independence and lower energy costs for communities that have historically been left behind.

In August, the EPA announced that the \$27 billion in grants would be divided up as follows: \$14 billion to the National Clean Investment Fund, \$6 billion for the Clean Communities Investment Accelerator and \$7 billion for the Solar for All program.

“Since they were selected in April, recipients have worked directly with the EPA to fulfill federal requirements and revise their work plans in order to receive their grants,” the agency said in a press release at the time. “With funds now accessible to the recipients, programs that give communities access to

the resources and investment capital to build cleaner, more sustainable economies can begin being implemented.”

No Take Backs

As part of a broader mission to reduce government spending, the new presidential administration may now claw back \$20 billion in green bank grant funds. According to AP, EPA Administrator Lee Zeldin announced on X that the agency was going to “revoke contracts for a still-emerging ‘green bank’ that is set to fund thousands of projects.”

The news outlet says clean energy advocates denounced Zeldin’s action as a political stunt and said he was illegally attempting to revoke spending approved by Congress for partisan reasons. They pledged to challenge the directive in court. “This is not just an attack on clean energy investments — it’s a blatant violation of the Constitution,” Lena Moffitt, executive director of Evergreen Action, told AP. “The Trump team is once again trying to illegally slash programs meant to help American families to fund tax cuts for billionaires.”

Concern and Disbelief

News of this announcement spread quickly and was met with both concern and disbelief. *PV Tech* reported that former EPA officials condemned the agency’s new leadership for trying to claw back billions from the fund. It says the \$20 billion in question had already moved into grantees’ accounts and was legally disbursed.

Recipients of the \$20 billion from the National Clean Investment Fund and the Clean Communities Investment Accelerator have already been selected to receive the funds. The grants are meant to finance solar installations, energy-efficient retrofits and small-business sustainability upgrades. Some of the most significant investments were allocated to the U.S. agriculture sector.

“All \$20 billion is already out of the Treasury and in the hands of lending institutions,” former EPA regional administrator David Cash told *PV Tech*. “What they’re trying to do is claw back money that has already started flowing into clean energy investments. That’s different from freezing funds that are still in federal accounts.”

What’s Next?

The proposed green bank funding freeze set off a chain of events and reactions. A senior federal prosecutor resigned in protest; Citibank—which holds the accounts for the National Clean Investment Fund and Clean Communities Investment Accelerator programs—got involved; and the new EPA head announced that the agency had “found \$20 billion dollars parked at a financial institution by the Biden-Harris Administration to fund partisan pet projects.”

“Questions remain as to whether or not the Trump administration can legally claw back funds that were already obligated under the previous administration,” *Vision Times* adds, noting that this may just be in the tip of the iceberg when it comes to identifying established programs that don’t align with the new administration’s vision.