U.S. Department of the Treasury
Climate Action Plan

July 2021
Washington, DC
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Preamble

Executive Order 14008 (Tackling the Climate Crisis at Home and Abroad) identifies the immediate need for comprehensive action to address the catastrophic impacts of climate change. It emphasizes that U.S. leadership—and that of federal departments and agencies—will be required to significantly enhance global action and achieve the necessary policy outcomes on climate change.

To that end, the U.S. Department of the Treasury is committed to using its broad and far reaching policy influence to lead and support this important agenda. It will play a significant role working with other federal agencies, foreign governments, and international financial institutions to stimulate global action on addressing climate change, environmental justice, and working to prevent climate change-created economic and financial crises.

This first edition of the Treasury Climate Action Plan focuses on Executive Order 14008’s Section 211 (Climate Action Plans and Data and Information Products to Improve Adaptation and Increase Resilience), Treasury’s efforts with regards to its facilities and operations to bolster adaptation and increase resilience to the impacts of climate change. Pursuant to Executive Order 14030 (Climate-Related Financial Risk), Treasury is also supporting the development of a government-wide Climate-Related Financial Risk Strategy and engaging with Financial Stability Oversight Council member agencies to advance efforts to provide financial regulators, financial institutions, and investors with the best information and data to measure climate-related financial risks. Treasury’s significant international efforts under the Climate Finance Plan and International Climate Strategy Plan established pursuant to Sections 102 and 103, respectively, of Executive Order 14008, and its climate financial risk initiatives pursuant to Executive Order 14030 are presented and updated through other policy documents and will be integrated into the Department’s FY 2022 - FY 2026 Strategic Plan.

Highlights of the Department of the Treasury’s numerous climate change response efforts, which expand upon and sustain ongoing Treasury policy efforts, spanning across Treasury’s policy portfolios, include—

• Using U.S. leadership and commitment to significantly enhance global action and mobilize and align financial flows to combat climate change and enhance resilience within the new climate environment.
• Promoting policies and initiatives supporting sustainable economic development and macroeconomic growth and reducing inequality globally in key countries and regions.
• Increasing climate resilience and fostering low-greenhouse gas emission development by supporting partner countries and regional efforts, per country strategies and initiatives that are consistent with the Paris Agreement.
• Creating and promoting incentives and policies for the private sector to invest in climate-friendly and resilient projects and activities to spur innovation, commercialization, and deployment of clean energy technologies and infrastructure.
• Promoting comparable, consistent, and relatable data that informs investors and institutions both domestically and globally, with the information needed to identify and assess opportunities and to gauge climate risks while promoting financial stability.
• Measuring, monitoring, and mitigating the impacts of climate-related financial risks on financial stability.
• Assessing and addressing the impacts of climate-related financial risks and associated policies on households and communities in general, with a particular focus on low-income and households and communities of color to ensure that they are not disparately impacted in an adverse manner.
Overview

Treasury anticipates that climate change will continue to be a significant global challenge and that aspects of its mission and operations will be impacted by global warming, sea level rise, increased intensity, and frequency of major weather events, and impacts on energy availability. To manage the process of climate change adaptation and resilience within Treasury’s operations and its facilities, the Department has developed a comprehensive management framework, in accordance with the Interim Instructions for Preparing Draft Climate Action Plans under Executive Order 14008. Treasury’s Departmental Offices (DO) and operating bureaus will continually assess changing conditions and scientific understanding of climate change to adjust policies, programs, and activities to improve resilience and adaptation.

This Climate Action Plan establishes five priority actions to strengthen and build upon Treasury’s climate resilience and adaptive capabilities: (1) rebuilding programs and capabilities that may have atrophied or stagnated in recent years; (2) addressing climate change impacts and vulnerabilities across the range of Departmental operations, including administrative, manufacturing, and law enforcement activities; (3) ensuring a climate-focused approach to managing Treasury’s real property portfolio footprint; (4) enabling procurement management to fully consider climate change realities; and (5) providing, measuring, and accounting for a financial investment approach appropriate to the Department’s climate objectives.

Treasury will develop and manage these climate actions with a focus on communities and infrastructure that are particularly vulnerable to climate change and its impacts. At-risk communities may include underrepresented groups, low-income communities, communities of color, limited English proficient communities, and individuals with disabilities. Treasury recognizes that educating its management workforce is key to this effort and will ensure that its climate literacy initiative for its management workforce is especially focused on the fundamental principles of environmental justice.

Lastly, this plan includes an initial assessment regarding Treasury’s vulnerability to climate change effects; an approach to rebuilding climate change literacy within Departmental staff; and a strategy for identifying, and where needed, building climate resilience at Treasury facilities and in critical supply chains, in order to effectively sustain Treasury’s mission.

It is the expectation of Treasury that this Plan will evolve over time to account for advancements in our understanding of climate science, our capacity for resilience and adaptation, the impacts of climate change, and national and global climate policy.

Janet L. Yellen
Secretary of the Treasury

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1 An adjustment in natural or human systems in anticipation of or response to a changing environment in a way that effectively uses beneficial opportunities or reduces negative effects.
2 To anticipate, prepare for, and adapt to changing conditions and withstand, respond to, and recover rapidly from disruptions.
Treasury Climate Action Plan

1.1 Introduction and Policy Statement for Climate Change Adaptation and Resilience

The Department of the Treasury (Treasury) is the federal executive department responsible for promoting economic prosperity and ensuring the financial security of the United States. It is organized into the Departmental Offices (DO), seven operating bureaus, and four Inspectors General. Treasury is responsible for a wide range of activities, including advising the President on economic issues, encouraging sustainable economic growth, and overseeing financial institutions.

Treasury operates and maintains systems that are critical to the nation’s finances, such as coin and currency production, disbursement of payments to the public, revenue collection, and issuing debt necessary to run the Federal Government. The diversity of missions, operational capabilities, and operating requirements of each Treasury bureau were carefully considered in the development of this plan.

**Purpose:** To affirm the Department’s commitment to integrate the most current climate information into decision-making processes for key management activities and operations (such as procurement, real property, industrial manufacturing, and financial investments). The goal of this policy is to help Treasury execute its mission through secure, efficient, and effective operations, despite climate changes.

**Policy:** In order to best prepare the Department for the future, it is the policy of the Department of the Treasury to continually evaluate and assess the ongoing risks from climate change, identify primary vulnerabilities and prospective impacts to Treasury operations and mission-related functions, including its international work, and to implement effective planning and adaptation measures, in order to address and minimize those impacts. This policy directs that Treasury bureaus integrate climate change adaptation planning and actions into their programs, policies, and operations.

Through climate change risk assessments, the Department will use current climate science information and guidance to identify how climate change is likely to impact its ability to achieve its mission, operate its facilities, and meet its policy and program objectives. Through continued resilience and adaptation planning, Treasury will develop, prioritize, implement, and evaluate actions to moderate climate change risks and leverage opportunities.

The Department shall coordinate with other agencies, including the Interagency Climate Change Adaptation Task Force, on climate change adaptation issues that cut across agency jurisdictions, and areas where national adaptation plans are being developed. Treasury commits to supporting the federal government’s leading role in climate action and pursuing the vision of a resilient, healthy, and prosperous Nation and world in the face of a changing climate.

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3 To learn more about Treasury’s organization and mission sets, please visit: Department of the Treasury Organization.
4 The Interim Instructions for Preparing Draft Climate Action Plans under Executive Order 14008 requires that this plan include a new or updated agency-wide policy statement signed by the head of the agency affirming the agency’s commitment to integrate climate information that reflects the current understanding of global climate change and the Earth system into its mission, programs, and management functions and decision points for managing its procurement, real property, public lands and waters, and financial programs.
1.2 Management Framework

This plan establishes a framework for the Department to manage the agency’s efforts to build resilience and adapt to climate change throughout its operations, infrastructure, and activities. The Treasury Climate Action Plan (CAP) provides guiding principles and direction, aligned to the Treasury FY 2022-2026 Strategic Plan, for Treasury bureaus to develop their own Bureau-level Climate Action Plans (B-CAP), which will align to bureau-specific strategic plans covering the same period (FYs 2022-2026).

Bureaus shall designate a Bureau Climate Action Plan Lead to coordinate and execute their B-CAPs and provide quarterly progress updates to the Treasury Operations Executive Council (TOEC). The TOEC will serve as the Treasury-wide oversight body for implementation of the Treasury CAP and report progress to Treasury leadership as needed through Departmental Quarterly Performance Reviews and Strategic Objective Annual Reviews.

The B-CAPs shall identify specific initiatives, implementation plans, and performance measures supporting the Treasury climate priority areas identified in Section 2 of the Treasury CAP. Additionally, to support the development of meaningful B-CAPs, bureaus shall:

- Conduct an initial climate change vulnerability and risk assessment in 2021, with annual updates each year, to identify areas that pose threats to Bureau and Treasury operations, including essential functions, critical infrastructure, and personnel. The assessment results should be integrated into the bureau risk profiles, as appropriate.
- Incorporate into the B-CAP any actions needed to build resilience and mitigate the most urgent risk(s) through innovative, cost-effective solutions that leverage partnerships and collaboration with other bureaus, other agencies, and outside experts where possible.
- Provide specific focus on Bureau operations, activities, and planning that may provide opportunities to lessen future climate change impacts on vulnerable communities.
- Track and report quarterly on performance measures and implementation status.
- Refresh the plan annually based on progress and risk assessment results, working with the TOEC as needed, and make transparent the financial investments made towards implementing climate adaptation and resilience.

Each Bureau will submit its B-CAP to the TOEC within 90 days of the final Treasury CAP submission to the White House Council on Environmental Quality (CEQ).

1.3 Roles and Responsibilities

Climate Counselor to the Secretary

The Climate Counselor to the Secretary is the senior agency official responsible for leading Treasury’s Climate Hub, reporting directly to and advising the Secretary on a broad range of climate matters. The Climate Hub coordinates and enhances existing climate-related activities by harnessing the tools, capabilities, and expertise from across the Department – including from Treasury’s Offices of Domestic Finance, Economic Policy, International Affairs, Tax Policy, and Management.
Assistant Secretary for Management (ASM)

The ASM is responsible for, and serves as the principal advisor to the Secretary and Deputy Secretary on internal management and budget issues, as well as coordination of Treasury’s contribution to government-wide management priorities and issues, to include strategic planning, operations, procurement, financial management, and environmental and energy management. The ASM also serves as the Department's Performance Improvement Officer, overseeing departmental quarterly accountability processes, as well as Treasury's operational response to climate change through his Chief Sustainability Officer (CSO) designee, the Deputy Assistant Secretary for Treasury Operations.

Treasury Chief Sustainability Officer (CSO)

The Deputy Assistant Secretary for Treasury Operations is the ASM's designee for the role of the Treasury CSO, responsible for the day-to-day development, oversight, and implementation of the Treasury Climate Action Plan (Plan). In addition to the responsibilities associated with the Plan, the CSO is also responsible for coordinating with the White House Council on Environmental Quality (CEQ), the Federal CSO, and other interagency and non-governmental officials, on matters material to federal operations. The CSO coordinates with the Climate Counselor to the Secretary to integrate operational efforts into the overall Treasury response to climate change. The CSO is also responsible for coordinating with the Treasury Deputy Performance Improvement Officer (DPIO) on integrating CAP and B-CAPs, and providing quarterly progress updates to inform the Treasury strategic planning and quarterly accountability processes.

Treasury Operations Executive Council (TOEC)

The TOEC serves as the Treasury-wide oversight body responsible for bureaus’ development, implementation, and monitoring of the Treasury Climate Action Plan. The TOEC is comprised of senior officials from each Bureau and the Deputy Assistant Secretary for Treasury Operations who collectively govern operations in the Department through strategic management, policy reviews, goal setting, and oversight. The TOEC champions Treasury’s enterprise efforts to drive continual climate change adaptation and resilience within Treasury bureaus. It also sponsors the Climate Action Working Group, a working group established by the TOEC, that develops, coordinates, and updates the Climate Action Plan.

Bureau Heads

Bureau Heads are responsible for ensuring implementation, completion, and continuous improvement of their respective Bureau Climate Action Plan (B-CAP). The Bureau Head will require engagement across all aspects of the Bureau’s operations and will assign a Bureau Climate Action Plan Lead to assure Bureau support and compliance with the Treasury Climate Action Plan.

Bureau Climate Action Plan Leads (Leads)

Leads serve as bureaus’ Climate Action Champions, ensuring and coordinating the engagement and participation of key Bureau stakeholders (for bureaus' portfolios of real property, fleet, finance, procurement, strategic planning, etc.) to develop B-CAPs accurately and fully. Leads will ensure accurate and timely reporting on climate action progress updates, as required by Section 1.3 of this plan.

Treasury Bureaus shall identify and submit the contact information and title of their senior responsible official for climate adaptation and resilience, who shall be a GS-15 or Senior Executive. That person shall participate in meetings of the Treasury Operations Executive Council (TOEC) when matters pertaining to climate change and CAPs are on the agenda.
Treasury Priority Adaptation Action Areas

2.1 Introduction

To meet the intent of Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*, and the *Interim Instructions for Preparing Draft Climate Action Plans* under Executive Order 14008, Treasury has identified five priority climate adaptation actions that establish a framework for Bureaus to use in developing B-CAPs. Those actions include *Rebuilding Program Capability, Operations, Real Property, Management of Procurement, and Financial Investments*.

Bureau B-CAPs will identify specific actions in the first three priority areas that account for the bureaus’ unique mission and operational requirements. For each of these areas, bureaus will identify resource implications by clearly identifying where existing resources can be used to implement actions or where additional resources may be needed. Treasury will manage enterprise implementation of the last two priority areas (Management of Procurement and Financial Investments).

2.2 Rebuilding Program Capability

<p>| Action Goal and Description | Rebuild Treasury climate resilience and adaptation that incorporates advances in climate change leading practices. Treasury and its Bureaus will identify the resources and level of effort needed to rebuild and strengthen their programs and processes to develop climate resilience, enact adaptative actions, anticipate risks, implement mitigations, and identify and implement sustainable improvements. Bureaus will review the state of existing and past efforts and will identify strengths, challenges, and opportunities to advance its climate resilience and adaptation priorities in its respective Bureau-level Climate Action Plans (B-CAPS). Collaboration and information sharing among Treasury bureaus and with other agencies (governmental and non-governmental) is encouraged. |
| Agency Lead | The Treasury CSO and the TOEC will lead and oversee all efforts to re-build and establish Departmental and Bureau level programs that strengthen climate resilience and adaptative capabilities. Bureau Heads will ensure that individual Bureau-level activities to rebuild and establish resiliency programs and adaptation actions are consistent with the Department’s Climate Action Plan. Treasury senior leadership will maintain awareness on the progress made on CAP execution via Treasury’s Strategic Planning processes and Quarterly Performance Reviews. |
| Risk or Opportunity | Treasury recognizes that efforts to develop and improve climate resilience throughout the Department to respond to the current climate crisis have not kept pace with climate change and require improvement. Requiring each Treasury Bureau to independently address its climate program’s resilience, adaptive capability and program rebuilding imperatives will provide the Department with an opportunity to comprehensively understand challenges and opportunities in prioritizing resources and climate program capabilities. This will allow the Department to better support execution of its climate action plan. |</p>
<table>
<thead>
<tr>
<th>Scale</th>
<th>National (Treasury manages facilities and operations throughout the United States)</th>
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<tbody>
<tr>
<td>Timeframe</td>
<td>FY 2022–2026; bureaus will propose specific timeframes for each B-CAP action.</td>
</tr>
<tr>
<td>Implementation Methods</td>
<td>Recognizing that bureaus have varying baseline levels to rebuild from, at a minimum, the B-CAPs will provide details on how they will facilitate capability-building efforts in climate literacy and engagement(^5) (including plans for training and skills building) and, where applicable, data strategies, coordination efforts (internally and externally to the Department), or relevant process improvement efforts. Bureaus should identify where actions can be done within existing resources or where additional funds would be required.</td>
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| Performance    | Per the management framework, bureaus are required to develop performance measures and milestones to track and monitor progress made toward its B-CAP.  
  - Establishment of an operating structure to address climate change, establish goals and metrics, and evaluate progress systemically and continually.  
  - Commit to and increase climate literacy throughout all levels of the organization (survey-based).  
  - Completion of process improvement projects that improve resilience and adaptive abilities that achieve sustainability outcomes.  
  - Increase in staff competencies in climate action resiliency and adaptation (completion of education/familiarization, re-skilling, or up-skilling efforts and re-alignment of staff, as necessary).  
  - Establishment of dedicated sustainability program offices, as appropriate.  
  - Resources dedicated to adaption and resiliency actions. |
| Intergovernmental Coordination | Early on, it is expected that frequent communications and coordination between the Deputy Assistant Secretary for Treasury Operations with the Federal Chief Sustainability Officer and the staff of the Council on Environmental Quality will be required to ensure alignment with Administration policy and reporting requirements, as policies are updated and refined. |
| Challenges/ Further Considerations | Treasury recognizes that climate-centric programs have received diminished Administration focus during the past several years. This Plan establishes a management process to continually establish, evaluate, and improve efforts at all levels of the Department to build climate resilience and adaptation capabilities. Bureaus shall identify and explain any specific challenges or further considerations in meeting milestones or performance targets on this action, including competing priorities. |

\(^5\) Refer to Section 3.2 of this plan for details regarding Treasury’s plan for promoting climate literacy and engagement.
**Highlights of Accomplishments to Date**

Treasury has invested in maturing the TOEC in recent years to create a more stable governance environment, including cross-bureau sharing of performance metrics on a variety of topics (e.g., real property, fleet, safety, etc.) and a consistent platform for sharing best practices and lessons learned across the Department. Under the direction of the Treasury CSO, the Department has established a service-wide collaborative Climate Literacy Work Group that will assess literacy and outreach needs for its management workforce and that will serve as an initial step to employee engagement and program development. It also created the Climate Action Work Group to develop the CAP and serve as the subject matter expert body for climate adaptation and resilience matters.

**Related Vulnerabilities**

Treasury Programs Vulnerability; Climate Literacy Vulnerability

### 2.3 Operations

**Action Description and Goal**

It is the goal of Treasury to address climate vulnerabilities by assessing Departmental operations and developing practical, cost-effective processes and adaptive initiatives. Through the assessment and actions of its Bureaus, Treasury will identify transformational initiatives that, if implemented, will significantly increase the resiliency of its planning and operations (e.g., currency manufacturing, tax administration, disbursements and collections, law enforcement, asset management, fleet, etc.) and will take adaptive actions where feasible and practical.

**Agency Lead**

The Treasury CSO and the TOEC will lead and oversee all efforts to re-build and establish Departmental and Bureau level programs that strengthen climate resilience and adaptive capabilities. Bureau Heads will ensure that individual Bureau level activities to rebuild and establish resilient programs and adaptation actions are consistent with this Climate Action Plan.

**Risk or Opportunity**

The effects of climate change, such as severe weather events and major changes in weather patterns, can and has impacted Treasury’s operations, to include flooding and damage to office spaces, as well as disruptions to supply chains, communications systems, electricity and other energy sources. Building resilience and adaptive capacity as it relates to Treasury specific vulnerabilities provides an opportunity for Treasury to protect its mission and resources by mitigating, reducing, or even avoiding certain costs associated with remediation or restoration, by making sound investments in climate change adaptation actions and efforts, and reducing its carbon footprint.

**Scale**

Global (Treasury conducts business world-wide)

**Timeframe**

FY 2022-2026; bureaus will propose specific timeframes for each B-CAP action.
Implementation Methods

Bureaus shall identify specific initiatives and actions that increase climate change resilience and adaptation in its B-CAP with the potential to transform operations. Specifically, they should consider initiatives that we anticipate the Treasury Strategic Plan will include (pending the Secretary’s approval):

- Adapting and making more resilient, the Department of the Treasury’s real property portfolio, to include wherever possible, relocating from weather-vulnerable facilities or locations.
- Investing in emergency facility systems (e.g., generators, cloud databases, remote data centers, floor controls, etc.).
- Transforming the Department’s procurement policies and processes to consistently prioritize climate change considerations in purchasing decisions, including supporting disadvantaged communities and sources that are more heavily impacted by climate change.
- Investing in new climate-related technologies to aid with sustaining operations in the midst of climate change effects.
- Modernize payments and financial management practices, including further reducing our reliance on paper checks to make payments climate resilient.

Performance

Per the management framework, bureaus are required to develop performance measures and milestones to track and monitor progress made toward the B-CAPs.

Potential success indicators for this priority area include, but are not limited to:

- Progress on relocating from weather-vulnerable facilities or locations.
- Investment in emergency facility systems and new climate-related technologies that provide greater resilience capabilities.
- Establishment of procurement policies and processes that prioritize climate change considerations in purchasing decisions, including supporting disadvantaged communities and sources that are more heavily impacted by climate change.
- Improvement in the use of electronic payments in lieu of paper checks.

Intergovernmental Coordination

Initially, frequent communications and coordination between the Deputy Assistant Secretary for Treasury Operations with the Federal Chief Sustainability Officer and the staff of the Council on Environmental Quality will be required to ensure alignment with Administration policy and reporting requirements, as policies are updated or refined. Treasury will also coordinate the development of transformational initiatives through the agency strategic planning process, benchmarking key metrics and targets against other agency strategic plans.
### 2.4 Real Property

**Action Description and Goal**

*Treasury will develop and invest in resilient processes and adaptive capabilities across all aspects of its real property portfolio management.* Treasury will proactively address climate-based vulnerabilities across its real property portfolio to assess both current and anticipated risks and make corresponding adjustments to property acquisition processes, siting of Treasury occupied spaces, and operations and management of Treasury owned, operated or leased facilities. Efforts will include minimizing the real property footprint without compromising mission, developing technology-based alternatives that reduce the need for traditional space-based requirements, identifying alternate resilient sites, ensuring occupied property minimizes its energy and water consumption while supporting the development of industry based alternative energy sources.

**Agency Lead:**

The Treasury CSO and the TOEC will lead and oversee all efforts to re-build and establish Departmental and Bureau level programs that strengthen climate resilience and adaptive capabilities. Bureau Heads will ensure that individual Bureau level activities to rebuild and establish resilient programs and adaptation actions are consistent with this Climate Action Plan. Refer to Section 1.3 above.

**Risk or Opportunity**

Climate based risks vary across the Treasury real property portfolio but include severe weather, flooding and disruptions to the power grid and flooding that can directly close a facility or impact it through disruptions to the power grid or restricting occupant access.

Treasury will address potential vulnerabilities created by these risks and will explore opportunities to support and promote the sustainable energy industry as a means of providing other more secure power sources to mitigate potential risks. Addressing these risks can create beneficial opportunities with select facilities. One example is Treasury’s plan to place focus on reducing reliance on office spaces through increased utilization of teleworking, hoteling, and technological upgrades to facilitate productivity. Treasury believes there is significant opportunity in these efforts to decrease annual operating costs and reduce the release of greenhouse gases into the environment and positively impact natural resource utilization. Other potential opportunities will be explored by each Bureau based on its individual real property programs.
<table>
<thead>
<tr>
<th>Scale</th>
<th>The scale for each of the Treasury-level climate adaptation action policy areas is Department-wide and national.</th>
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<tbody>
<tr>
<td>Timeframe</td>
<td>Treasury has been actively developing and implementing adaptation actions within its real property portfolio for several years. Establishing this plan under Executive Order 14008 provides a heightened focus to continue the efforts. There is no specified end date in completing this overall action. It is anticipated that each year will involve a reassessment of risks and a corresponding update to our specific adaptation actions. Individual actions will be scheduled with established milestones and managed through completion. The base timeline for specific actions will focus on a four-year period (FY 2022–2026) with Bureaus evaluating, monitoring, reporting on and adjusting their plans annually.</td>
</tr>
<tr>
<td>Implementation Methods</td>
<td>Within the first fiscal year, FY 2022, each Bureau will perform an updated facility risk assessment, update its existing (or identify a new) adaptation action plan to address the highest risks, develop a timeline for each of its respective action plans, and identify any resource requirements. Common actions across Bureaus will be collectively assessed to minimize resources and efforts. A TOEC working group is already in place to collaborate on best practices and utilize common efforts.</td>
</tr>
</tbody>
</table>
| Performance | Per the managing framework, Treasury and its bureaus are required to develop performance measures and milestones to track and monitor progress made toward the B-CAPs. Potential success indicators for this priority area include (but are not limited to):  
  • Completion of an updated vulnerability study for the Department’s facilities with its most critical operations.  
  • Development of real property policy and processes with incorporation of climate resilience and adaptive considerations.  
  • Reduction in Treasury footprint (where aligned to mission needs) by total real property square footage, reducing climate change exposure.  
  • Reduction in Treasury facilities’ consumption of carbon-based energy.  
  • Real property space utilization measured by square-foot per person.  
  • Number of high-performance sustainable buildings in the Treasury portfolio.  
  • Development of initiatives to support, promote and expand alternative energy suppliers.  
  Development of climate-conscious lease agreements with consideration for climate resilience and adaptation (i.e., with GSA and other lessors). |
| Intergovernmental Coordination | Treasury plans on leveraging its established relationships with the General Services Administration, the Department of Energy, and other counterparts for identifying and executing best practices and conducting peer reviews. |
Bureaus will identify resource requirements specific to each of its identified adaptation action plan. Many of the actions associated with the real property portfolio will require an initial investment with the expectation of having a return or impact in future years. Each of the plans will be asked to include a financial analysis that not only identifies the initial costs, but also the future anticipated savings and expected return on investment.

Bureaus shall identify and explain challenges or further considerations in meeting milestones or performance targets on this action.

The following is a limited list of accomplishments highlighting Treasury’s efforts since 2018.

- In 2019, the Treasury-owned facility at 1700 G Street NW in Washington, DC received LEED Gold Certification status (for New Construction) in conjunction with a full-scale building renovation project that had just recently been completed.
- At the Main Treasury Building in 2018, the building’s aged chiller system was removed and replaced with a newer and more advanced system providing for increased energy and water efficiencies.
- The IRS has completed the Investment Grade Audit (IGA) phase and begun implementation of projects and construction for the $29.5M performance contract at the Brookhaven campus facility location on Long Island in NY. According to the IGA and Technical Proposal the completed project is slated to reduce annual facility energy usage by 57%, and reduce annual water consumption by 24%, with a total utility cost reduction of $1.7M per year.
- The U.S. Mint recently completed full implementation of performance contract projects at the Denver Mint facility in 2019, for projected reductions in annual facility energy and water use starting 2020 and moving forward.
- The Bureau of Engraving and Printing and the Bureau of the Fiscal Service have both successfully contracted for the implementation of lighting system replacement and air handling unit retro-commissioning projects.
- Treasury real property operations has a record of supporting and promoting the renewable energy industry and as of 2018, Treasury operated 5 facilities where renewable-sourced energy accounted for 100% of the electrical use.
- Treasury continues to maintain the on-site renewable energy project with the solar electric system at the IRS Austin, TX facility and is exploring other opportunities to install solar technologies.

<table>
<thead>
<tr>
<th>Resource Implications</th>
<th>Challenges/Further Considerations</th>
<th>Highlights of Accomplishments to Date</th>
<th>Related Vulnerabilities</th>
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<tbody>
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<td>Bureaus shall identify and explain challenges or further considerations in meeting milestones or performance targets on this action.</td>
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<td>Operations Vulnerability</td>
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## 2.5 Management of Procurement

| Action Description and Goal | Development of an acquisition strategy that emphasizes climate adaptation and resilience and ensures a sustainable supply of goods and services free from impacts of climate change effects. Building on existing Federal Acquisition Regulations (FAR) provisions on sustainable acquisition, the Office of the Procurement Executive in coordination with Bureau Procurement Officers will identify opportunities to enhance climate adaptation and resilience in federal procurement. Procurement will coordinate with the Treasury Operations Executive Committee (TOEC) to ensure resilient and adaptive considerations are incorporated into procurement requirements development across the enterprise. Special focus will be given to prioritize procurements to support disadvantaged communities and sources that are more heavily impacted by climate change, and to invest in new climate-related technologies to aid with sustaining operations. Specific focus will include the development of source selection sustainability evaluation factors, leveraging strategic sourcing opportunities to enable cost-effective purchasing of services and products that support climate adaptation and resilience, identifying Treasury-wide procurement strategies to make federal facilities and operations more climate-ready and resilient, establishing meaningful metrics to track progress, and prioritizing opportunities to support disadvantaged communities. |
| Agency Lead | Office of the Procurement Executive will coordinate with Bureau Procurement Officers on bureau-specific procurement climate actions (i.e., policy and business process changes) and track progress towards established timelines. |
| Risk or Opportunity | Introducing additional complexities into the procurement process may negatively impact procurement lead times. Promoting increased contractor attention on sustainability fosters greater innovation. |
| Scale | Treasury-wide and national |
| Timeframe | FY 2022-2026 |
### Implementation Methods

Emphasizing the use of the government’s purchasing power is critical to supporting an environment of innovation in the adaptation and resilience space. Dynamic mitigation strategies against potential supply chain disruptions are critical. In FY 2021 and early FY 2022, Treasury’s Office of the Procurement Executive will coordinate review of existing policies and update as needed, with Bureaus updating internal policy to align with Treasury-wide changes, including:

- Establishing standard climate-change prioritizing language for all Treasury contracts.
- Assessing and developing contingency plans for sustaining critical supply chains for operational mission requirements (e.g., materials needed for currency and coinage production, personal protective equipment, alternate power suppliers, etc.).
- Prioritizing procurements to support disadvantaged communities and sources that are more heavily impacted by climate change, including the establishment and utilization of social impact criteria for awarding contracts.

Additionally, the Office of the Procurement Executive will review other agency best practices and assess feasibility of implementation across the enterprise.

### Performance

Per the management framework, bureaus are required to develop performance measures and milestones to track and monitor progress made toward the B-CAPs. Potential success indicators for this priority area include (but are not limited to):

- Number of applicable contract actions containing sustainability clauses.
- Value of applicable contract actions containing sustainability clauses.
- Increased percentage of contract actions and increase in percentage of obligations (in dollars) containing statutory environmental requirements as compared to the previous fiscal year.
- Increased opportunities for federal funding to spur innovation, commercialization, and deployment of clean technologies/infrastructure.

### Intergovernmental Coordination

The Executive Order directs the Council on Environmental Quality (CEQ) to work with the Federal Acquisition Regulatory Council (FAR Council) to develop procurement regulations. Through active participation on the Civilian Agency Acquisition Council (CAAC), Treasury will ensure internal policies and implementation strategies align with newly developed government-wide regulations and other agency best practices.
An anticipated challenge is managing an increasingly complex acquisition environment with competing legislative requirements while simultaneously seeking to streamline the acquisition process to reduce burden and risk. Treasury's Office of Procurement Executive implementation efforts are dependent upon regulatory updates and issuance of government-wide guidance by the FAR Council and Office of Federal Procurement Policy. The Office of Procurement Executive in coordination with Bureau Procurement Offices will evaluate, measure, report on and adjust plans annually.

Management of Procurement Vulnerability.

### 2.6 Financial Investment

**Action Description and Goal**

Treasury will modify, as necessary, its financial management policies, systems, and processes to increase transparency and informed financial decision-making as it pertains to climate action. EO 14008 calls for agencies to align their financial programs to support robust climate action. The CAP’s intent is to ensure transparency of the investments made by Treasury in climate adaptation and resilience. This establishes a framework for identifying, planning, and supporting both current and projected budgetary requirements for planning and implementing climate adaptation and resilience measures across the enterprise.

**Agency Lead**

Co-led by the Deputy Assistant Secretary for Management and Budget (DASMB) and the Deputy Chief Financial Officer (DCFO)

**Risk or Opportunity**

The General Accountability Office (GAO) identified the federal government’s fiscal exposure related to climate change as a “high-risk” area. According to the GAO, the federal government needs to address a variety of risks, including the need to protect federal assets, such as its large holdings of real property, which are subject to the harmful effects of climate change.

**Scale**

Global

**Timeframe**

FY 2022-2026
| **Implementation Methods** | Budget guidance will address the identification of budget resources required to implement Bureau Climate Action Plans (B-CAPs). Data capture, analysis, and warehousing of financial spending on the implementation of climate adaptation and resilience measures will be made available for the Department’s Agency Financial Report. For each planned Climate initiative, Treasury will assess one-time implementation costs, as well as recurring costs, if any, and savings or cost avoidance. In accordance with DASMB’s procedures, Bureaus will submit budget requests that include the necessary funds to address their climate adaptation and resilience actions. As the budget requests are enacted, Bureaus will report the costs incurred of those initiatives through their existing account structure within our respective financial systems and the DCFO will determine the feasibility of increasing transparency regarding these investments, as appropriate. Comparison of actual spending to enacted amounts will ensure that Federal funds dedicated for these initiatives are being used as intended. Performance data from the B-CAP and quarterly progress updates will be monitored to evaluate investment decisions. |
| **Performance** | DASMB and DCFO will rely on performance data gathered, validated, and reported through the management framework and integrated into Treasury’s data-driven reviews, through which the Office of Strategic Planning and Performance Improvement will help to assess program performance. |
| **Intergovernmental Coordination** | Coordination will be necessary with the Office of the Fiscal Assistant Secretary, the Bureau of the Fiscal Service, and the Office of Management and Budget. |
| **Challenges/Further Considerations** | Establishing processes to identify current and emerging challenges to the national and international promotion of Climate Incentives and Investment and associated Financial Risks. |
| **Highlights of Accomplishments to Date** | Combating Climate Change has been established as a major Treasury Goal in its FY22-FY26 Strategic plan with strategic objectives that directly address Global Commitment and Climate Leadership, Climate Incentives and Investment, and Climate Related Final Risks. Specific desired outcomes, strategies, and measures and indicators of success are being developed as part of this effort. |
| **Related Vulnerabilities** | Treasury Programs Vulnerability; Operations Vulnerability; Real Property Vulnerability; Management of Procurement Vulnerability |
Climate Action Planning Topic Areas

3.1 Topic #1: Climate Vulnerabilities Assessment

**Vulnerability #1: Treasury Programs**

**Anticipated Climate Threat:** Treasury programs, policies, and procedures currently do not account for, nor incorporate, climate change and resilience considerations that meet specific requirements of Executive Orders 14008 and 14030. In order to do so, Treasury management personnel need to understand the key principles of climate change, climate change impacts and vulnerabilities, climate resilience, climate adaptation, and climate environmental justice in order to implement transformation throughout the policy, administrative, and operational arms of the Department.

**Recommended Adaptation Action:** Treasury will ensure that key executive and management personnel fully understand climate change, its causes and impacts, and necessary actions that will build resilience and adaptive capacity into programs and operations. Currently, the level of climate change knowledge is not consistent within Treasury’s workforce and climate change is not routinely factored into staff performance and decisions, where appropriate.

**Timeline and Performance Metrics:** Treasury has begun to address programmatic vulnerabilities during FY 2021. Climate action planning has been incorporated into the Department of the Treasury’s strategic planning and risk management processes. Specific actions, milestones, and metrics will be identified, developed, and implemented at Treasury Headquarters and by Treasury Bureaus during FY 2022 through FY 2026.

**Resources:** No additional resources are needed at this time.

**Disclosure in Financial Reporting and Integration into Enterprise Risk Management Process:** The Department will evaluate the financial impact of this vulnerability; if appropriate, it will be included in disclosure reports and enterprise risk management procedures.

**Vulnerability #2 and #3: Operations and Real Property**

**Anticipated Climate Threat:** Treasury recognizes that potential impacts of climate change to its operations, include changing water availability, demand, and quality; weather pattern changes and an increase in severe weather events; ecosystem or species transitions or alterations; coastal and estuarine conditions; and energy production, supply, and demand.

Treasury has outlined potential climate change impacts associated with the drivers discussed above that could influence the key areas of energy disruption, currency production, environment, population migration, and potential employee impacts. These impacts are shown in Table 1, along with key areas they are expected to impact.

Failure or interruption of the electrical grid, fossil fuel supply, or transportation in particular have the potential to cause severe disruptions to many Treasury activities and community lifelines. Other potentially damaging impacts include:
• Supply chain interruptions.
• Fuel supplies for long term generator use may not be sustainable.
• Water supplies may become unreliable.
• Telecommunications failure.
• Water infiltration/flooding causing failure of below grade electrical systems.
• Damage to transportation infrastructure.

### Table 1. Potential Climate Change Impacts to Vital Operational Resources

<table>
<thead>
<tr>
<th>Climate Change</th>
<th>Impact</th>
<th>Affected Aspect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing average air temperature</td>
<td>Change in form of precipitation (snow vs. rain)</td>
<td>E, M</td>
</tr>
<tr>
<td></td>
<td>Changes in ecosystem structure and function</td>
<td>E</td>
</tr>
<tr>
<td></td>
<td>Changes in invasive species or pest distribution</td>
<td>E, M</td>
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<tr>
<td></td>
<td>Changes in geographic range and incidence of vector-borne, waterborne, and zoonotic diseases</td>
<td>M, I</td>
</tr>
<tr>
<td></td>
<td>Reduced efficiency and generating capacity of power plants</td>
<td>P, C</td>
</tr>
<tr>
<td></td>
<td>Changes in energy demand</td>
<td>P, C, E</td>
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<tr>
<td></td>
<td>Altered ocean circulation, changing tide &amp; surge regimes</td>
<td>E, M</td>
</tr>
<tr>
<td></td>
<td>Increased extreme events; heat waves, cold waves, ice storms, blizzards, dust storms</td>
<td>P, C, E, M, I</td>
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<tr>
<td></td>
<td>Changing persistence of large-scale atmospheric features</td>
<td>E</td>
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<tr>
<td>Changing precipitation: increasing variability, altered seasonality, and changing intensity or frequency of extremes (flood and drought)</td>
<td>Changing or more variable municipal &amp; industrial water supplies</td>
<td>C, M, I</td>
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<td></td>
<td>Changing water conditions for ecosystems</td>
<td>E</td>
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<tr>
<td></td>
<td>Changing frequency of coastal and riverine flooding</td>
<td>E, M, I</td>
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<tr>
<td></td>
<td>Changes in stormwater runoff</td>
<td>E</td>
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<tr>
<td></td>
<td>Changes in drought frequency and intensity</td>
<td>E, M, I</td>
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<tr>
<td></td>
<td>Changing levels of pollutants in runoff</td>
<td>E</td>
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<tr>
<td></td>
<td>Changes in snowmelt onset and volume</td>
<td>E</td>
</tr>
<tr>
<td>Sea Level and coastal storm changes and associated tides, waves, and surges</td>
<td>Increased storm waves, surges, tides</td>
<td>E, I</td>
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<tr>
<td></td>
<td>Changes in estuarine structure and processes</td>
<td>E</td>
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<tr>
<td></td>
<td>Altered saline intrusion into coastal aquifers</td>
<td>E, M</td>
</tr>
<tr>
<td></td>
<td>Inundation of low-lying land</td>
<td>E, M, I</td>
</tr>
<tr>
<td></td>
<td>Changes in wind regimes</td>
<td>E</td>
</tr>
<tr>
<td></td>
<td>Changes in ecosystem structure and species distributions, including invasive species and pests</td>
<td>E, M, I</td>
</tr>
</tbody>
</table>

P=Potential Power Disruption, C=Currency Production, E=Environment, M=Population Migration, I=Potential Employee Impacts
**Recommended Adaptation Action:** Treasury will assess and evaluate its real property policy and acquisition processes, real property locations, operations and maintenance, and current operations housed in existing locations and facilities for risk associated with the vulnerabilities noted above.

Findings will be used to aid in the development of Treasury-specific climate actions for incorporation in real property policy, and in partnership with GSA, as necessary for leased space, or occupancy in GSA-owned and GSA-operated federal property. It is anticipated that assessment findings may have the potential to affect financial investment policy as well, such that sectors within the energy or transportation industries may require Treasury investment to build national capacity or infrastructure.

**Timeline and Performance Metrics:** Beginning in FY 2021, Treasury will begin to address real property and operational vulnerabilities and risks. Treasury guidance for the development of bureau-level climate action plans, with procedures for developing and reporting performance measures, has been drafted and will be deployed upon the acceptance of this Plan as final by CEQ. Specific actions, milestones and metrics will be identified, developed, and implemented both at Treasury Headquarters and by Treasury Bureaus during FY 2021 through FY 2026.

**Resources:** No additional resources are needed at this time.

**Disclosure in Financial Reporting and Integration into Enterprise Risk Management Process:** The Department will evaluate the financial impact of this vulnerability; if appropriate, it will be included in disclosure reports and enterprise risk management procedures.

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**Vulnerability #4: Procurement Management**

**Anticipated Climate Threat:** Reliable and uninterruptable sources of goods and services are necessary for global and national security and to successfully maintain the day-to-day operations and functions of federal government. Treasury recognizes the potential for disruption of commerce, transportation, and energy markets by any number of possible climate change effects. Treasury also recognizes that climate impacts on supplies and services have the potential to disproportionately effect marginalized or disadvantaged communities and peoples.

Potentially damaging impacts include:

- Energy supply chain interruptions.
- Electricity outages caused by extreme weather events.
- Fuel supplies for long term generator use may not be sustainable.
- Water supplies may become unreliable.
- Raw materials needed for BEP and the U.S. Mint manufacturing processes may be subject to physical supply chain disruptions resultant from climate driven events such as severe weather events or through economic shocks resultant global ebbs and flows of demand of certain critical commodities.
- Intermodal freight transportation could be affected by severe weather events impacting rail, road, and sea networks.
- Increased lead times due to additional complexities in the procurement process such as policy driven by enhanced and often competing legislative requirements.
**Recommended Adaptation Action:** Treasury will review and modify key procurement policy and guidance including the Department of Treasury Acquisition Plan (DTAP) to ensure an adequate and appropriate supply of climate resilient sources for goods and services. Where and when such goods and services are not readily available due to underdevelopment or underinvestment of specific industries, Treasury will establish policy that supports the development and expansion of those goods and services.

**Timeline and Performance Metrics:** Treasury has begun to address programmatic vulnerabilities during FY 2021. Climate action planning has been incorporated into Treasury strategic planning, risk management, and financial investment processes. Specific actions, milestones and metrics will be identified, developed, and implemented both at Treasury Headquarters and by Treasury Bureaus during FY20 through FY20.

**Resources:** No additional resources are needed at this time.

**Disclosure in Financial Reporting and Integration into Enterprise Risk Management Process:** The Department will evaluate the financial impact of this vulnerability; if appropriate, it will be included in disclosure reports and enterprise risk management procedures.

**Vulnerability #5: Climate Literacy**

**Anticipated Climate Threat:** Climate resilience and adaptation subject matter expertise and general understanding of climate science have diminished in some Treasury components during the last several years and need to be rebuilt. Lasting and meaningful change in the programs, operations, management of real property, procurement and in financial investment throughout the Department cannot be achieved without a well-versed and educated management workforce.

**Recommended Adaptation Action:** Treasury will build an enterprise-wide approach to expanding climate literacy throughout the Department with the intent of creating a highly literate workforce capable of developing policy, guidance, procedure, and processes that encourage climate resilience and expand adaptive ability. Management functions with a high potential to positively impact climate resilience and adaptation within the Department will be prioritized early; however, 100% of the Treasury workforce will be included in the initiative over time.

**Implementation Timeline and Performance Metrics:** Treasury has assembled a Climate Literacy Work Group (CLWG) with team members from throughout the bureaus and departmental offices. Technical staff will provide specific climate literacy content for strategic employee populations and IRS Learning and Education and Communications and Liaison staff will develop media and methods for delivery of educational materials and outreach. Specific actions, milestones and metrics will be identified, developed, and implemented by the CLWG with Treasury executive guidance during FY20 through FY20.

**Resources:** No additional resources are needed at this time.

**Disclosure in Financial Reporting and Integration into Enterprise Risk Management Process:** The Department is evaluating the financial impact of this vulnerability; if appropriate, it will be included in disclosure reports and enterprise risk management procedures.
3.2 Topic #2: Agency Efforts to Enhance Climate Literacy in Its Management and Workforce

The Internal Revenue Service (IRS) Facilities Management and Security Services (FMSS) will serve as the Treasury Climate Literacy Agency Action Lead, spearheading an intra-departmental climate literacy work group that will create and implement an enterprise-wide climate literacy initiative. The Climate Literacy Work Group will develop and provide climate literacy implementation plan to the TOEC that prioritizes employee outreach efforts and develops orientation materials for Treasury’s operations and management workforces. Bureaus and operations offices will be responsible for making available the information to a wide variety of audiences, particularly those employees whose work can have significant favorable impacts on Treasury’s climate adaptation and resilience, such as financial policy, financial management, federal procurement, and real property and fleet management.

Climate literacy efforts will be focused on the understanding of man-made actions and its influence on the earth’s natural systems, the planet’s climate, and our society.

Treasury’s strategic climate literacy program goals beginning in FY 2022 will include:

- Identifying and prioritizing programs and employees that have significant potential to positively impact Treasury’s climate resilience and adaptive ability
- Developing a literacy approach to climate justice and for presenting relevant materials and information
- Deploying readily available educational materials for Treasury personnel
- Enhancing the workforce’s understanding of the latest science behind climate change programs
- Developing the ability of key stakeholders to assess scientifically credible climate information
- Ensuring that Treasury’s management can meaningfully communicate on climate and climate change issues and actions
- Developing management leaders’ ability to make informed decisions with regards to agency actions that affect climate change.

Climate literacy initiatives may include internal communications and outreach activities intended to facilitate and integrate adaptation actions into the management of key functional areas. The Treasury Climate Literacy Work Group will develop and submit climate literacy program goals, means and methods, and implementation timelines to the Department’s Chief Sustainability Officer (CSO) within 90 days of approval of the Treasury CAP by the Secretary of the Treasury and submittal of the Plan to the White House Council on Environmental Quality. Climate literacy outreach and education activities at the bureau and operations office level should begin within 180 days after acceptance of bureau plans by the Treasury CSO.
3.3 Topic #3: Agency Actions to Enhance Climate Resilience

(A) Agency Actions to Ensure Climate Ready Sites and Facilities

Treasury is incorporating adaptation actions in its management of sites and facilities to address both those that are directly owned by Treasury and those that are leased. Efforts include reducing Treasury’s vulnerability and risks with respect to climate change and its effects, across a range of functional areas, including energy consumption and sources, footprint and locations, energy intensity, and dependence on resources overall. In addition to resilience-building adaptation efforts, they can, and often do, involve implementing sustainable, green programs. While specific actions reside within each Bureau, the approach and efforts are largely guided by the agency-wide Treasury Sustainability Council which reports to the Treasury Operations Executive Council.

This framework draws on a variety of professionals across Treasury that bring unique experiences to collaborate on common problems and exchange information and ideas that support improved efforts in addressing adaptation actions in both the long- and short-term management of our sites and facilities. The context includes an emphasis on data-based accounting for performance and reporting that utilizes annual Energy Management Data Reports and annual Sustainability and Implementation Plans. Our management approach and decision-making process focuses on facility energy usage, water usage, renewable energy utilization, investments in facility efficiency improvement, achieving high performance sustainable buildings, and reducing Scope 1 and 2 greenhouse gas emissions.

Efforts have resulted in the following Treasury-wide achievements to date:

- Energy usage has decreased by over 25% from our baseline (FY 2003).
- Water consumption has decreased by over 17% from our baseline (FY 2017).
- The usage of renewable energy represents over 13% of total energy usage.
- An additional high-performance sustainable building was introduced in 2020, and another replacement one is under construction.
- Greenhouse gas emissions have decreased by over 50% from our baseline (FY 2008).

Several Treasury bureaus have also recently completed or have the following on-going actions:

The Bureau of Engraving and Printing (BEP) is constructing a new Eastern Currency Facility that will offer significant improvements in climate resiliency. The new facility will include the following future benefits:

- The physical footprint will be reduced by approximately 27%.
- A rainwater harvesting system that will be applied to the cooling towers and restrooms to reduce water demand.
- A ten-acre rooftop photovoltaic system capable of generating five-megawatts of power which will be equivalent to one-third of the projected power requirements.
- A ten-acre green roof system that will reduce stormwater runoff.
- Parking areas with a permeable surface to reduce storm runoff.
- Native landscaping to minimize watering and care.
- An energy recovery system to capture and reuse heat from exhaust air.
- A reduction in the use of hazardous metals (liquid chrome and nickel for plating).
- Installation of an intaglio wipe recovery system in the printing operations to reduce water demand.
- Utilization of high efficiency LED lighting to reduce power demand and establishing an exterior lighting system that minimizes light pollution.

BEP is also utilizing a sustainable design approach for the expansion of their Western Currency Facility. The approach utilizes high efficiency and variable speed motors, a steam condensate recovery system, a smart power monitoring capability, low maintenance finishes, and the use of construction materials that have low levels (or zero) carbon-containing substances (e.g., volatile organic compounds, also known as VOC).

It has also recently completed a study on the flood risks associated with a facility that’s located in the District of Columbia and the potential impact from a category-4 storm surge. While no immediate actions were deemed necessary, the situation is being monitored and considered for potential future actions.

Future BEP acquisitions or leases will utilize GSA processes and will include evaluation of the location of critical systems within the facility to minimize flood risk. The infrastructure for BEP’s existing facilities is believed to have sufficient design capacity to withstand projected near to medium-term changes in heating and cooling load associated with climate change.

Climate change effects are not expected to impact BEP’s ability to procure critical materials such as currency inks or paper to produce currency; however, climate change may lead to increased droughts and higher costs for water. BEP’s production process uses a substantial amount of water to clean inks from presses as they operate. To address this, BEP has recently installed a recycling plant at the DC Facility that will reduce water use for this process by 90-95%.

Both the U.S. Mint and BEP have implemented energy and water efficiency projects to reduce use of these critical resources in manufacturing operations thus decreasing exposure to the risks associated with insufficient energy and water supplies.

And the U.S. Mint maintains a contingency stock of finished coins and materials to ensure a sufficient supply to meet the needs of the American people in the event of a production disruption.

The Internal Revenue Services’ data centers are typically equipped with access to Uninterruptible Power Supply (UPS) systems which provides short-term emergency power to allow time for employees to shut down critical equipment in the event of a power failure. To the extent possible, critical equipment is often connected to redundant power supplies, so that if one power source component fails, it can be supplied from another. However, even with these safeguards, data center equipment would be susceptible to facility-wide events affecting all equipment.

All future Bureau of Fiscal Services facilities that are constructed will be equipped with generator power and a secondary source of power, if cost effective or available.

At the Main Treasury building (Headquarters), waterproofing of the areas around indoor electrical switchgear and transformers has recently been completed to address potential water infiltration. Additionally, the Main Treasury building has multiple redundant electrical feeders supporting the building. Future plans include increasing resiliency.
with the data center servers, and employees who are “telework-ready” are encouraged to telework during a significant event.

Back-up generators are in place for Main Treasury and Annex with a contract in place to supply diesel fuel in the event of long-term use. The Main Treasury generators can operate 8 hours on a full fuel load at maximum power. The generators only supply key areas of Main Treasury, not the entire building. Annex generators (two at 1000 kW each) power the entire building. All generators operate on diesel fuel and a contract is in place to supply fuel in the event of long-term use. A study is also underway for potentially using cleaner natural gas power generators.

At this time, Treasury has not detected any barriers to investments. However, we will continue to improve processes that will ensure such barriers will be identified as part of future actions that include adaptation planning. In addition, Treasury has not identified policies or funding programs that increase the vulnerability of built systems, economic sectors, or communities to climate change related risks.

(B) Agency Actions to Ensure a Climate Ready Supply of Products and Services Management of Procurement Processes

Treasury’s Office of the Procurement Executive and the Chief Risk Officer are currently engaging with leadership and stakeholders across the enterprise to address procurement-related climate risk, including risk to procurement processes and critical supply chains. The Office of Risk Management (ORM) runs Treasury’s enterprise risk management (ERM) program and integrates the top risks across the Department into the Treasury Risk Profile. ORM plans to incorporate the climate crisis in its current year Treasury Risk Profile and will work with other offices to determine where the climate risk will be incorporated in the annual agency financial reporting.

Mitigation of Disruption to Services

The following vulnerabilities significantly affecting Treasury’s ability to serve our customers have been identified and the following mitigation measures have been developed:

- Use of temporary Tax Assistance Centers in disaster areas (IRS).
- Postponing tax filings in areas that are declared natural disasters.
- Special tax law provisions to help taxpayers and businesses recover financially from the impact of natural disasters.
- IRS Facilities Management and Security Services (FMSS) conducted a preliminary assessment of vulnerable facilities. Moving forward, FMSS plans to work with other relevant IRS stakeholders to address risks at these facilities, as appropriate; these stakeholders may include Physical Security & Security Services, Employee Support Services, the Human Capital Office and/or additional groups.
- IRS telework efforts and the Treasury climate change adaptation workgroup are ongoing. Headquarters FMSS has the lead on recently initiated communications and response strategies. Additional interagency efforts were recently initiated with field offices and other business divisions possibly being engaged for support.
- The IRS is participating in a multi-agency federal workgroup to assess responses to drought conditions in California specifically focused on our Fresno, CA campus.
• The 2012 National Agreement between the IRS and the National Treasury Employees Union (NTEU) greatly expanded the list of positions in IRS meeting eligibility requirements for frequent telework. The IRS Human Capital office has expanded telework eligibility to more occupations within the agency. Workstation sharing will facilitate expanded use of telework and less reliance on physical agency offices, which will promote continuity of operations in response to climate change events.

• Workstation sharing will also serve to promote space reduction efforts at the IRS, further reducing the reliance on office space by allowing for the closure of smaller offices that could also be vulnerable. These efforts have three primary goals:

  Enhance IRS emergency response capability and employee awareness.
  Promote continuity of operations and reduce dependency on office space.
  Mitigate potential damage due to climate change events.