

FACT SHEET: INFLATION REDUCTION ACT OF 2022

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It's official: The Inflation Reduction Act is the most significant climate bill in history. The Inflation Reduction Act of 2022 will put our nation on the path to cut pollution in half by 2030, create millions of good paying clean energy jobs, invest in environmental justice, and reduce energy bills for working families across the country.

Here are some of the Inflation Reduction Act's critical investments that will help lower costs for families, secure real energy independence, and meet this climate moment:

- **Clean Energy Tax Credits:** Tax credits for clean electricity, vehicles, new technology and manufacturing will create jobs, jumpstart new businesses, help working families afford electric vehicles and more efficient appliances, and lower energy costs. According to Rewiring America, the tax incentives included in the climate portion of the bill will save the average household \$1,800 per year on energy bills. Additionally, the tax credits and other provisions include historic labor standards that will help support good clean energy jobs by creating incentives that depend on good wages, registered apprenticeship programs, and domestic manufacturing.
- **Clean Energy Sustainability Accelerator:** This investment will create a \$27 billion green investment fund with a focus on deployment of clean energy with 40 percent of investments targeted to disadvantaged communities.
- **Clean Transportation:** Clean energy tax credits for new and used electric and fuel cell vehicles coupled with investments in cleaner transit, buses, and trucks will help reduce climate pollution from the transportation sector while cleaning up our air and saving consumers money. Car buyers can save up to \$7,500 on the purchase of a new electric vehicle, and up to \$4,000 on the purchase of a used electric vehicle.
- **Environmental Justice Investments & Block Grants:** Communities on the front lines of our nation's most dangerous legacy environmental and health hazards can use \$3 billion in Environmental & Climate Justice Block Grants to reduce pollution and improve public health. In total, the Inflation Reduction Act of 2022 invests a historic \$60 billion in environmental justice including through the Clean Energy Sustainability Accelerator. In addition to being the most significant climate bill in history, with these investments, this bill is also likely the most significant environmental justice bill in history and will begin to serve as a long overdue answer on the path toward justice.
- **Clean Manufacturing:** \$60 billion in new investment in the decarbonization and revitalization of American manufacturing for existing industries like steel, cement, and aluminum, through grants, loans, tax credits, and procurement; and targeted support for the domestic manufacture of the clean energy technologies and components needed for deployment.
- **Healthy Ports:** Investments in healthy ports will provide \$3 billion to support the purchase and installation of zero emissions port equipment to reduce diesel emissions, improve public health and mitigate the cumulative impacts of air pollution on neighborhoods near ports, often communities of color and low-income areas.
- **Energy Efficiency and Electrification:** New consumer rebates for the purchase and installation of efficient and electric appliances will save middle-class families money. These will include

expansion of existing home energy efficiency tax credits and a rebate program for heat pump space heaters, heat pump water heaters, induction cooktops, and upgraded breaker boxes, as well as an associated worker training program and funds for state efficiency rebate programs.

- **Agriculture, Land, and Coastal Conservation:** More than \$25 billion in investments in the conservation and stewardship of forests, climate-smart agriculture, and coastal restoration projects that reduce emissions, create natural ways to absorb carbon, and make communities more resilient to climate change.
- **Methane Fee:** A fee on the oil and gas industry for the methane pollution they flare, vent, and leak during extraction. In addition to investing in our clean energy future, it is critical that oil, gas and coal companies are held responsible for polluting our communities, air and water. This fee complements a suite of overdue reforms for the federal oil and gas program to make sure taxpayers are getting their fair share from leasing, including fiscal reforms, clean-up requirements, and the elimination of noncompetitive leasing.
- **Smart-from-the-Start Clean Energy Projects:** More than \$750 million in support for agencies to do smart planning for clean energy and other projects – including ensuring additional project transparency, better engaging communities in project decision-making, and providing clearer timelines and certainty to developers.

As part of this historic bill, there are also harmful tradeoffs that Senate negotiators included in order to reach a deal. These tradeoffs include less funding than initially proposed by President Biden, two new provisions that promote dirty fossil fuels by tying offshore wind leasing to massive new oil and gas lease sales, and an agreement to later pursue changes to how new infrastructure is permitted, possibly including dirty pipelines.

The fight is not over and in order to reduce pollution at the speed scientists say is necessary, this bill must be paired with bold executive action from the Biden Administration and state and local leadership. Yet, with \$369 billion in investments for climate, justice and clean energy, the Inflation Reduction Act is the most significant climate bill in history and will put us on the path to cutting emissions in half by 2030.

Thank you President Biden and Congress for the Inflation Reduction Act of 2022.