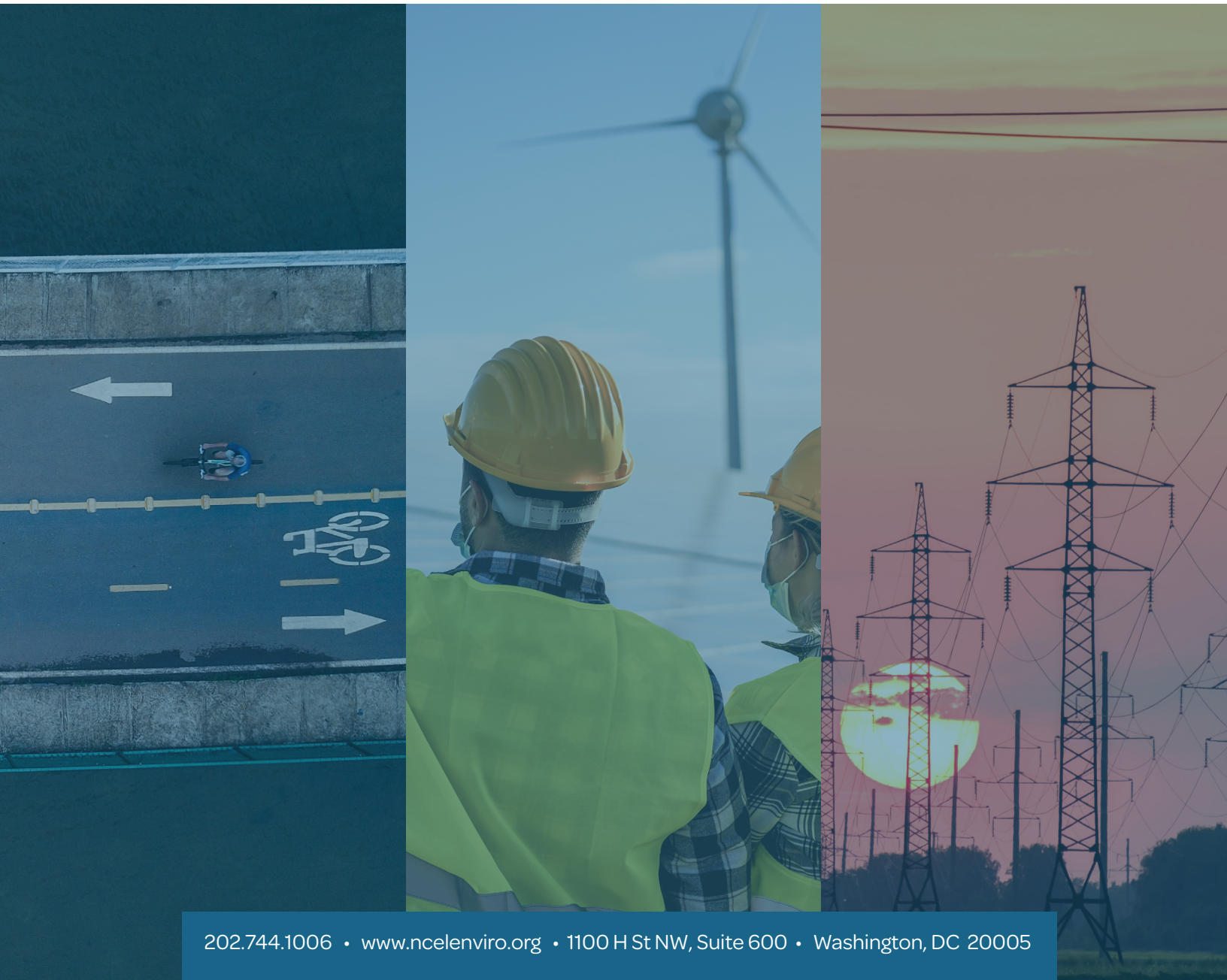


National Caucus of Environmental Legislators

# Inflation Reduction Act Briefing Book





## Overview

The [Inflation Reduction Act \(IRA\)](#) of 2022 invests a landmark [\\$369 billion](#) in climate and energy investments along with tax and healthcare reforms. While the IRA creates myriad tax credits for the American people to access directly, a large portion of the funding will be applied by states, who will have a vital role in the success of the programs. If properly implemented, the IRA funds have the potential to reduce emissions [up to 44% below 2005 levels by 2030](#). This briefing book is meant to provide insight for state legislators into the various programs and funding opportunities within the IRA in order to most effectively further their climate and conservation goals.

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### Agriculture

#### Sec. 21001 Additional Agricultural Conservation Investments

- **Description:**

- » Allocates \$8.45 billion for the [Environmental Quality Incentives Program](#) to improve soil carbon, reduce nitrogen losses, or to reduce, capture, avoid, sequester carbon dioxide, methane, or nitrous oxide emissions.
- » Allocates \$4.95 billion for the [Regional Conservation Partnership Program](#) that assists agricultural producers and nonindustrial forestland owners in improving soil carbon, reducing nitrogen losses, or to reduce, capture, avoid, sequester carbon dioxide, methane, or nitrous oxide emissions.
- » Allocates \$3.25 billion for the [Conservation Stewardship Program](#) for agricultural conservation projects that directly improve soil carbon, reduce nitrogen losses, or reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions.
- » Allocates \$1.4 billion for the [Agricultural Conservation Easement Program](#) for easements that will most reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions.

- **Total Allocation:** \$18.05 billion

- **Learn more:** page 198

#### Sec. 21002 Conservation Technical Assistance

- **Description:** Provides funding for the Natural Resources Conservation Service to carry out technical assistance for conservation.
- **Allocation:** \$1 billion
- **Learn more:** page 201

### Air Pollution

#### Sec. 60102 Grants to Reduce Air Pollution at Ports

- **Description:** Creates a rebates and grant program to eligible recipients on a competitive basis to purchase or install zero-emission port equipment or technology for use at, or to directly serve, one or more ports; to conduct any relevant planning or permitting in connection with the purchase or installation of such zero-emission port equipment or technology; and to develop qualified climate action plans.
- **Allocation:** \$2.25 billion through 2027, \$750 million specifically for projects serving 1 or more communities located in a high air pollution area.
- **Learn more:** page 247.

#### Sec. 60105 Funding to Address Air Pollution

- **Description:** Allocates funding to the Environmental Protection Agency to make grants for air toxics and community monitoring such as fenceline and screening air monitoring; adding new multipollutant monitoring stations and maintain existing stations; adding new air quality sensors in low-income and disadvantaged communities; addressing emissions from wood heaters; monitor methane emissions; Clean Air Act projects; and greenhouse gas and zero-emission standards for mobile sources.
- **Allocation:**
  - » \$117.5 million for air toxics and community monitoring
  - » \$50 million for adding new and existing multipollutant monitoring stations
  - » \$3 million for adding new air quality sensors in low-income and disadvantaged communities
  - » \$15 million for addressing emissions from wood heaters
  - » \$20 million for monitoring methane emissions
  - » \$25 million for Clean Air Act grants
  - » \$5 million for mobile sources
- **Learn more:** page 250.







### Sec. 60106 Funding to Address Air Pollution at Schools

- **Description:** Allocates funding to the Environmental Protection Agency to create grants and other activities to monitor and reduce greenhouse gas emissions and other air pollutants at schools in low-income and disadvantaged communities.
- **Allocation:** \$37.5 million through 2031, \$12.5 million for technical assistance through 2031
- **Learn more:** page 252

### Sec. 60114 Climate Pollution Reduction Grants

- **Description:** Creates two grant programs through EPA:
  - » Greenhouse Gas Air Pollution Planning Grants: grants for at least one eligible entity per state to develop a plan to reduce greenhouse gas air pollution. Plans shall outline programs, policies, measures, and projects that will reduce greenhouse gas air pollution.
  - » Greenhouse Gas Air Pollution Reduction Implementation Grants: competitive grants to implement the plan described above.
- **Allocation:** \$250 million for planning grants through September 30, 2031 and \$4.75 billion for implementation grants through September 30, 2026.
- **Learn more:** page 259

## Buildings

### Sec. 50121 Home Energy Performance-Based, Whole House Rebates

- **Description:** Grants for state energy offices to create the Home Owner Managing Energy Savings (HOMES) rebate program. The rebates would be provided to contractors and homeowners based on energy

savings, type of dwelling (e.g. single-family or multi-dwelling home), and whether the residence is low- or moderate-income or located in a disadvantaged community.

- **Allocation:** \$4.3 billion in formula grants through September 30, 2031
- **Learn more:** page 219

### Sec. 50122 High-Efficiency Electric Home Rebate Program

- **Description:** Grants to state energy offices and Tribes to establish a high-efficiency electric home rebate program. Rebates are income-based and cover electrification projects, such as purchasing or installing a heat pump, electric stove, or insulation.
- **Allocation:** \$4.275 billion in formula grants to states; \$225 million to Tribes. Expires September 30, 2031.
- **Learn more:** page 220

### Sec. 50123 State-Based Home Energy Efficiency Contractor Training Grants

- **Description:** Grants to states to create and maintain training programs for contractors carrying out home energy efficiency and electrification programs.
- **Allocation:** \$200 million in grants through September 30, 2031.
- **Learn more:** page 224

### Sec. 50131 Assistance for Latest and Zero Building Energy Code Adoption

- **Description:** Grants to states to adopt a building energy code(s) for residential and commercial buildings that meets or exceeds the 2021 International Energy Conservation Code generally or its zero-energy provisions; the ANSI/ASHRAE/IES Standard 90.1–2019 for commercial buildings; or an equivalent stretch code.
- **Allocation:** \$330 million in grants through September 30, 2029
- **Learn more:** page 224





## Coastal and Insular Programs

### Sec. 50241 Office of Insular Affairs Climate Change Technical Assistance

- **Description:** Provides technical assistance for climate change planning, mitigation, adaptation, and resilience to United States Insular Areas.
- **Allocation:** \$15 million through September 30, 2026
- **Learn more:** page 237.

### Sec. 40001 Investing in Coastal Communities and Climate Resilience

- **Description:** Authorizes NOAA to provide funding for direct expenditure, contracts, grants, cooperative agreements, and technical assistance to coastal states, DC, tribal and local governments, NGOs, and higher education institutions for:
  - » Conserving, restoring, and protecting coastal and marine habitats, resources, Pacific Salmon, and fisheries.
  - » Preparing for extreme storms and changing climate conditions.
  - » Supporting natural resource projects that sustain coastal and marine dependent communities.
  - » Assessing marine fishery and marine mammal stocks.
- **Allocation:** \$2.6 billion
- **Learn more:** page 211

[Assistance Act](#) and [Agriculture Improvement Act](#) of 2018:

- » One: Supports underserved forest landowners in carrying out climate mitigation and forest resilience practices.
- » Two: Supports underserved forest landowners in emerging private markets for climate mitigation and forest resilience.
- » Three: Supports the participation of forest landowners with less than 2,500 acres of forest lands in private markets for climate mitigation and forest resilience.
- » Four: Provides grants to states and other eligible entities for payments to private forest land practices for the implementation of forestry practices to increase carbon sequestration and storage beyond customary practices.
- » Five: Establishes grants to reduce hazardous fuels and haul them to locations where these materials can be utilized.
- **Allocation:** \$150 million for program one, \$150 million for program two, \$150 million for program three, \$50 million for program four, and \$100 million for program five.
- **Learn more:** pages 209-210

### Sec. 23003 State and Private Forestry Conservation Programs

- **Description:** Funds two programs for forestry conservation:
  - » Program One: Provides competitive grants to states through the [Forest Legacy Program](#) for acquisition of land and intersects in land.
  - » Program Two: Provides multiyear, programmatic, competitive grants to State and DC agencies, local government entities, and Indian tribes for tree planting and related activities.
- **Allocation:** \$700 million for Program One and \$1.5 billion for Program Two.
- **Learn more:** page 209

## Forests

### Sec. 23002 Competitive Grants for Non-Federal Forest Landowners

- **Description:** Funds five grant programs available to non-federal forest landowners through competitive grant programs from the [Cooperative Forestry](#)





## Renewables

### Sec. 60103 Greenhouse Gas Reduction Fund

- **Description:** EPA grants and loans to programs that provide financial support to low and zero carbon technologies. These funds can act as seed capital for state, local, and tribal Green Bank programming. \$11.97 billion is allocated for entities that would provide financial or technical support to establish financial institutions like a state Green Bank. \$15 billion is allocated to provide financial and technical support for clean energy technologies in low-income and disadvantaged communities. Eligible programs must prioritize projects that would not otherwise have access to financing.
- **Allocation:** \$26.97 billion in grants and loans through September 30, 2024
- **Learn more:** page 249

### Sec. 50151 Transmission Facility Financing

- **Description:** Direct loan program for transmission projects. This money is only available for transmission projects within a National Interest Electric Transmission Corridor (NIETC). The Department of Energy has not yet designated any NIETCs, so ways to access this funding will become clear later on.
- **Allocation:** \$2 billion in direct loans through September 30, 2030
- **Learn more:** page 229

### Sec. 50152 Grants to Facilitate the Siting of Interstate Electricity Transmission Lines

- **Description:** Grants to states for transmission project studies, examination of alternative siting corridors, hosting negotiations with project backers and opponents, participating in federal and state regulatory proceedings, and promoting economic development in affected communities. The siting decision must take place within two years. The federal cost share cannot be more than half.

- **Allocation:** \$760 million in grants through September 30, 2029
- **Learn more:** page 229

### Sec. 50153 Interregional and Offshore Wind Electricity Transmission Planning, Modeling, and Analysis

- **Description:** Covers costs of planning, modeling, analysis, and development of interregional transmission and/or optimized integration of energy generated from offshore wind.
- **Allocation:** \$100 million through September 30, 2031
- **Learn more:** page 231

## Rural Programs

### Sec. 22001 Additional Funding for Electric Loans for Renewable Energy

- **Description:** Provides additional funding to the existing program under the Farm Security and Rural Investment Act and expands criteria to include energy storage.
- **Allocation:** \$1 billion in loans. Expires September 30, 2031.
- **Learn more:** page 201

### Sec. 22004 USDA Assistance for Rural Electric Cooperatives

- **Description:** USDA loans or other financial assistance to rural electric cooperatives for projects achieve the greatest reduction in carbon dioxide, methane, and nitrous oxide emissions associated with rural electric systems through renewable energy, zero-emission systems, or energy efficiency improvements to generation or transmission.
- **Allocation:** \$9.7 billion in loans through September 30, 2031
- **Learn more:** page 203



## Transportation

### Sec. 60101 Clean Heavy-Duty Vehicles

- **Description:** Creates a grant program for eligible contractors, including states, for providing rebates, for up to 100 percent of costs for the incremental costs of replacing an eligible vehicle that is not a zero-emission vehicle with a zero-emission vehicle, purchasing, installing, operating, and maintaining infrastructure needed to charge, fuel, or maintain zero-emission vehicles; workforce development and training to support the maintenance, charging, fueling, and operation of zero-emission vehicles; and planning and technical activities to support the adoption and deployment of zero-emission vehicles.
- **Allocation:** \$600 million through 2031, and \$400 million through 2031 specifically for projects serving 1 or more communities located in a high air pollution area.
- **Learn more:** page 247

### Sec. 60501 Neighborhood Access and Equity Grant Program

- **Description:** Allocates funding to the Federal Highway Administration for a competitive grant program to:
  - » Support efforts to improve walkability, safety, and affordable transportation access;
  - » Mitigate or remediate negative impacts on the human or natural environment resulting from a facility in a disadvantaged or underserved community;
  - » Support planning and capacity building activities in disadvantaged or underserved communities.
- **Allocation:** \$1.9 billion through 2026, \$1.3 billion through 2026 for economically disadvantaged and underserved communities.
- **Learn more:** page 263

### Sec. 60104 Diesel Emissions Reductions

- **Description:** Allocates funding to the Environmental Protection Agency to identify and reduce diesel emissions resulting from goods movement facilities (including vehicles) in low-income and disadvantaged communities.
- **Allocation:** \$60 million through 2031
- **Learn more:** page 251

### Sec. 60506 Low-Carbon Transportation Materials Grants

- **Description:** Allocates funding to the Federal Highway Administration to reimburse or provide incentives to use low-carbon transportation materials.
- **Allocation:** \$2 billion through 2026
- **Learn more:** page 268

## Tribal Nations and Indigenous Communities

### Sec. 60201 Environmental and Climate Justice Block Grants

- **Description:** Grants for eligible entities to pursue projects for pollution monitoring, prevention, and remediation; workforce development; climate mitigation and adaptation; and participation in state and federal stakeholder processes. Eligible entities are partnerships between a community-based non-profit and a Tribe, local government, or higher education institution.
- **Allocation:** \$3 billion in grants and technical assistance through September 30, 2026.
- **Learn more:** page 261

### Sec. 80001 Tribal Climate Resilience

- **Description:** Establishes the Tribal Climate Resilience and Adaptation program and allocates funds for tribal fish hatchery operations and maintenance programs.
- **Allocation:** \$220 million for Tribal Climate Resilience and Adaptation; \$10 million for hatcheries
- **Learn more:** page 271





### Sec. 80002 Native Hawaiian Climate Resilience

- **Description:** Establishes the Native Hawaiian Climate Resilience and Adaptation program to carry out climate resilience and adaptation activities.
- **Allocation:** \$25.5 million
- **Learn more:** page 271

### Sec. 80003 Tribal Electrification Program

- **Description:** Monies to the Bureau of Indian Affairs for the provision of electricity to unelectrified Tribal homes through zero-emissions systems, transitioning electrified Tribal homes to zero-emissions energy systems, and associated home repairs and retrofitting necessary to install zero-emission energy systems.
- **Allocation:** \$145.5 million through September 30, 2031
- **Learn more:** page 272

### Sec. 80004 Emergency Drought Relief for Tribes

- **Description:** Disperses funds to mitigate near-term drought relief impacts that are impacted by the operation of a Bureau of Reclamation water project.
- **Allocation:** \$12.5 million
- **Learn more:** page 272

## Water

### Sec. 50233 Drought Mitigation in the Reclamation States

- **Description:** Appropriates funds, through grants, contracts, or financial assistance agreements, to public entities and Indian tribes to mitigate the impacts of drought in the [Reclamation States](#) experiencing long-term drought. These projects may include:
  - » Compensation for reduction in diversion of water or consumptive water use.

- » Voluntary system conservation projects that achieve reductions in water supplied or provide environmental benefits.
- » Ecosystem and habitat restoration projects to address issues directly caused by drought in a river basin or inland water body.

- **Allocation:** \$4 billion
- **Learn more:** page 236

## Wildlife Conservation

### Sec. 60302 Funding for the US Fish and Wildlife Service to Address Weather Events

- **Description:** Authorizes the FWS to make direct expenditures, award grants, and enter into contracts & cooperative agreements to rebuild and restore units of the National Wildlife Refuge System and State wildlife management areas by:
  - » Addressing the threats of invasive species.
  - » Increasing habitat resiliency for weather events.
  - » Reducing amounts of damage caused by weather events.
- **Allocation:** \$121.250 million
- **Learn more:** page 262







## Resources

- [Inflation Reduction Act](#) (climate sections start on page 89)
- A Turning Point for US Climate Progress: Assessing the Climate and Clean Energy Provisions in the Inflation Reduction Act - [Rhodium Group](#)
- Breaking Down the Environmental Justice Provisions in the 2022 Inflation Reduction Act - [Environmental & Energy Law Program at Harvard University](#)
- Electricity Transmission Provisions in the Inflation Reduction Act of 2022 - [Congressional Research Service](#)
- Five Things to Know About the Updated EV Charging Tax Credit - [Union of Concerned Scientists](#)
- Green Banks and the Inflation Reduction Act Issue Brief - [National Caucus Of Environmental Legislators](#)
- How much money will you get with the Inflation Reduction Act? (Savings Calculator) - [Rewiring America](#)
- How States and Cities Can Benefit From Climate Investments in the IRA - [Center for American Progress](#)
- Implementing the Inflation Reduction Act: A Roadmap for State Electricity Policy - [Energy Innovation](#)
- Inflation Reduction Act: Buildings Provisions - [US Green Buildings Alliance](#)
- IRA EV Tax Credits - [SAFE and Electrification Coalition](#)
- Inflation Reduction Act (IRA) Summary: Energy and Climate Provisions - [Bipartisan Policy Center](#)
- Understanding the Inflation Reduction Act - [Council of State Governments](#)
- User Guide to the Inflation Reduction Act - [BlueGreen Alliance](#)
- What is in the Inflation Reduction Act for Bikes? - [People for Bikes](#)

