

Inflation Reduction Act of 2022



**American Sustainable
Business Network**

October 2022

AGENDA

Process

What is in it?

Energy Sector

Industrial Emissions

Agriculture and Soil Carbon

Procurement

Climate Planning and technology Grants

Action Items

Questions

What is in the bill?

HIGH LEVEL

- Inflation Reduction Act (IRA) would reduce budget deficits by over \$300 billion in its first nine years, but much of the savings would take time to materialize. We estimate the IRA would reduce deficits by \$1.9 trillion over two decades, including interest savings. Assuming a permanent extension of the expanded Affordable Care Act (ACA) subsidies, the bill would reduce deficits by \$1.1 trillion with interest.
- Reduce carbon emissions by roughly 40 percent by 2030. Equivalent to a net gigaton of emission reductions
- The new proposal for the FY2022 Budget Reconciliation bill will invest approximately \$369 billion in Energy Security and Climate Change programs over the next ten years
- Funding will be allocated through technical grants, direct investments, tax credits and rebate programs

What it means for our Customers

Impact on sustainability initiatives

- Unleashes millions \$ for retrofits and emission reduction actions.
- Targets “dirty” industries with technical assistance.
- [Funding by Sector](#)

Generating and Advancing New Markets

- Added funding for smart agricultural practices
- Engages industries that have been outside of previous scope
- Leads with carrot (budget bill)

Energy Sector Impacts

According to the EPA, Electricity makes up 25% of Overall US Emissions

- \$60 billion to on-shore clean energy manufacturing in the U.S. across the full supply chain of clean energy and transportation technologies.
- 10 years of production tax credits and investment tax credits to accelerate U.S. manufacturing of solar panels, wind turbines, batteries, regardless of zero carbon energy source.
 - Added incentives for prevailing wages, US Manufacturing, and energy communities
- 10 years of consumer tax credits to make homes energy efficient and run on clean energy, making heat pumps, rooftop solar, electric HVAC and water heaters more affordable.
- Tax credits for clean sources of electricity and energy storage and roughly \$30 billion in targeted grant and loan programs for states and electric utilities to accelerate the transition to clean electricity.
- By 2030, 129GW of Solar 31GW Wind per year. For comparison, we installed 30 GW new capacity
- \$2 billion for National Labs to accelerate breakthrough energy research.
- Stand alone ITC for energy storage to support battery market and microgrid growth

Manufacturing and Industrial Emissions Impact

Greening our supply chain and creating capacity to meet the moment

- Grants and tax credits to reduce emissions from industrial manufacturing processes, including almost \$6 billion for a new Advanced Industrial Facilities Deployment Program to reduce emissions from the largest industrial emitters like chemical, steel and cement plants.
- \$10 billion investment tax credit to build clean technology manufacturing facilities, like facilities that make electric vehicles, wind turbines and solar panels. Also, \$2 billion in grants to retool existing auto manufacturing facilities to manufacture clean vehicles, ensuring that auto manufacturing jobs stay in the communities that depend on them.
- Over \$9 billion for Federal procurement of American-made clean technologies to create a stable market for clean products
- Grants to Reduce Air Pollution at Ports, funded at \$3 billion, support the purchase and installation of zero-emission equipment and technology at ports.
- Methane emissions from industry: Methane Emissions Reduction Program to reduce the leaks from the production and distribution of natural gas

Agriculture Industry Impacts and Opportunities

According to the EPA, agriculture makes up 11.2% of Overall US Emissions

- \$40 billion for agriculture, forestry and rural development.
- \$300 million for a carbon sequestration and greenhouse gas emissions quantification program
 - Previous programs were oversubscribed and will continue to be under resourced
 - Incentivizes sustainable practices — like optimizing fertilizer use and expanding cover crops — that are a win-win for conservation and for producers' bottom line..
- Climate Smart Agriculture Products Grants ([\\$35 million to ASBN](#))
- \$100 million to Wood Innovation Smart Grant System
 - Several Projects list carbon assets as a funding stream for project sustainability
 - Clear value add for our project developers and potential for US Based projects

Standardized Reporting and Increased Transparency within Government Procurement

Buy Clean Initiative

Environmental Product Information Program

This program provides \$250 million to support the development and enhanced standardization and transparency of environmental product declaration for construction materials and products.

- Correlates with the draft [SEC rulings released earlier in the year](#)
- Focussed on Government procurement contracts but will have ripple impacts for related industries (building materials ect)

Technical Assistance Grants

IRA Funding for technical assistance grants will become available over the coming months as agencies put together their budgets for the coming years. We need to find grants that target specific industries that we can serve. This application needs to be pursued closely with our Partnerships lead since it will most likely need to be a large group proposal

Grant Examples:

- Climate Smart Agricultural Projects
- Digital MRV support for industry traceability
- Platform whitelable opportunities

Q&A

Sources and Support Material

[Congressional Research Service Overview on Wind Policy in IRA](#)

[Rep. Sherrill Statement on IRA](#)

[Senate Democrats Bill Overview](#)

[Clean Air Task Force Senate IRA Bill Overview](#)

[Congressional Budget Overview of IRA Impacts](#)

[Committee for a Responsible Federal budget Overview](#)

[Penn Wharton Budget Impact Analysis](#)