



INFLATION REDUCTION ACT OVERVIEW

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Inflation Reduction Act (IRA) Overview

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Introduction to the Greenhouse Gas Reduction Fund

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IRA and Air Pollution Control

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IRA and Environmental Justice

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Chemical Safety & Pollution Prevention IRA Overview

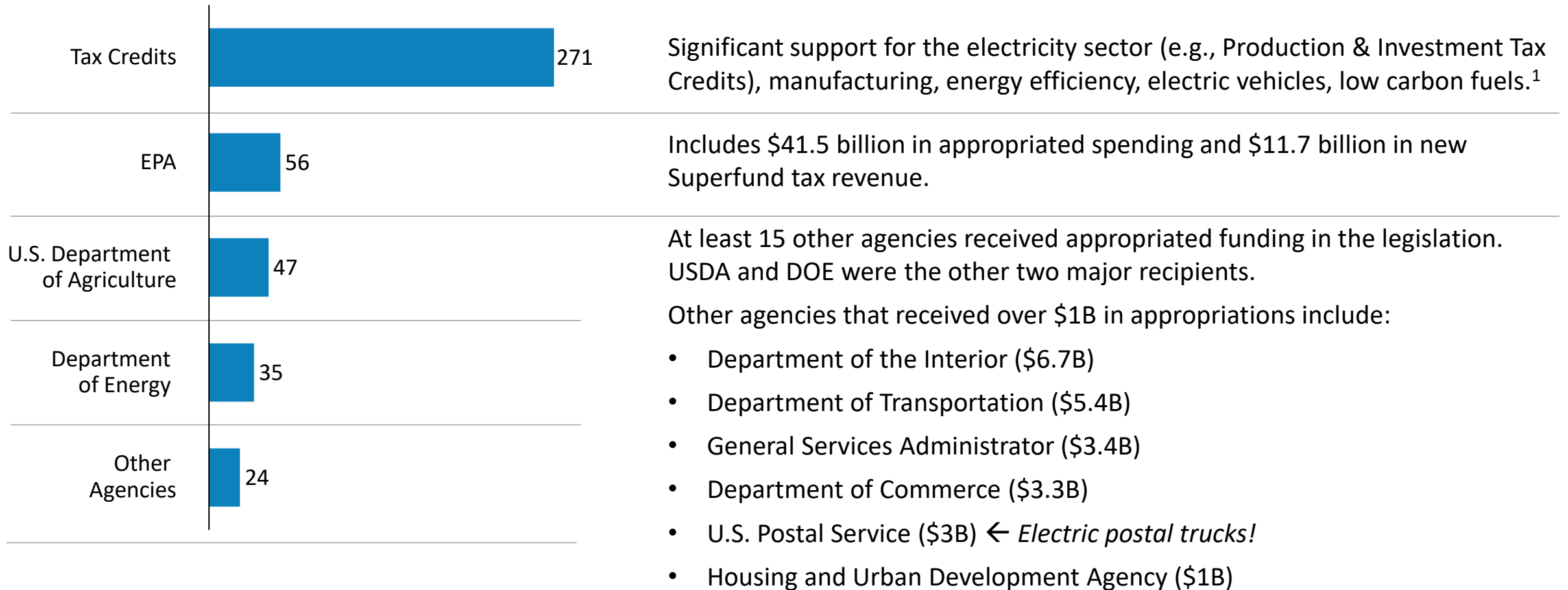
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OVERVIEW

- **The Inflation Reduction Act (IRA) makes historic investments in climate action** that are expected to reduce U.S. emissions ~40% by 2030 while supporting disadvantaged communities and the clean energy industrial base.
- **IRA investments will drive significant emissions reductions** over the next decade while also laying the groundwork for long-term decarbonization of hard-to-abate sectors.
- **EPA will play a major role in delivering these programs.** The Agency received \$41.5 billion in appropriated funds and expects to receive an additional \$11.7 billion in future revenue from reinstating the Superfund Tax on oil and gas production. Funds from methane waste emissions charges will go to the general Treasury.

BREAKDOWN OF CLIMATE & ENERGY FUNDING

Total Climate and Energy Funding (\$, billions)



1. Preliminary Joint Committee on Taxation analysis. Further CBO projections pending.
Source: Senate Democrats, Joint Committee on Taxation, CBO

EPA PROGRAMS

EPA received \$41.5 billion in appropriations to support 24 new and existing programs. This makes EPA the second largest recipient of discretionary funding after the U.S. Department of Agriculture.

Six new EPA programs account for 98% of this total funding:

- **Greenhouse Gas Reduction Fund (\$27 billion)** – Provide capital to greenhouse gas mitigation projects not currently able to access private capital, particularly in low-income and disadvantaged communities.
- **Climate Pollution Reduction Grants (\$5 billion)** – Provide grants at the state, local, and Tribal level to develop plans to reduce greenhouse gas emissions and implement those plans. At least one grant will go to an eligible entity in every state.
- **Environmental and Climate Justice Block Grants (\$3 billion)** – Fund community-based nonprofit organizations to support a wide range of climate and environmental justice activities.
- **Reduce Air Pollution at Ports (\$3 billion)** – Award rebates and grants for ports to purchase and install zero-emission technology and develop climate action plans.
- **Methane Emissions Reduction Program (\$1.55 billion)** – Fund grants and technical assistance to accelerate emissions reduction from petroleum and natural gas systems. Also establish a methane waste emissions charge starting at \$900 per ton in 2024 and increasing to \$1,500 per ton by 2026.
- **Clean Heavy-Duty Vehicles (\$1 billion)** – Provide grants, rebates, and contract support to replace heavy duty vehicles with zero emission alternatives. \$400 million is specifically for nonattainment areas.

ADDITIONAL PROGRAMS TOTAL \$906 MILLION

| National Program Office and Program | Funding (\$) |
|--|--------------------|
| Office of Air (OAR) | 491,000,000 |
| Funding to Address Air Pollution - Fenceline Air Monitoring & Screening Air Monitoring | 235,500,000 |
| Low Emissions Electricity Program | 87,000,000 |
| Diesel Emissions Reductions | 60,000,000 |
| Funding to Address Air Pollution at Schools | 50,000,000 |
| Funding for Implementation of the American Innovation & Manufacturing Act on HFCs | 38,500,000 |
| Funding for Section 211(o) of the Clean Air Act (Renewable Fuels) | 15,000,000 |
| Greenhouse Gas Corporate Reporting | 5,000,000 |
| Office of Chemical Safety and Pollution Prevention (OCSPP) | 350,000,000 |
| Environmental Product Declaration Assistance | 250,000,000 |
| Low-Embodied Carbon Labeling for Construction Materials | 100,000,000 |
| Permitting (Multiple Offices) | 40,000,000 |
| Efficient, Accurate, and Timely Permitting Reviews | 40,000,000 |
| Office of Enforcement and Compliance Assurance (OECA) | 25,000,000 |
| Funding for Enforcement Technology & Public Information | 25,000,000 |

KEY TAKEAWAYS

- Many of these programs **build on existing programs** and can proceed quickly through established relationships with state, local, and tribal partners.
- **OCSPP's embodied carbon programs will inform other infrastructure projects** such as roads, bridges, and ports.
- **A major investment in permitting will bolster EPA's capacity** to provide quality, timely environmental reviews and permitting for critical projects.

HOW TO GET INVOLVED

EPA will host multiple stakeholder engagement activities in the weeks ahead including:

- Public sessions with federal advisory committees –
 - National Environmental Justice Advisory Council (NEJAC)
 - White House Environmental Justice Advisory Council (WHEJAC)
 - Environmental Finance Advisory Board (EFAB)
 - Clean Air Advisory Committee (CAAC)
 - Local Government Advisory Committee (LGAC)
- Program-specific public meetings and stakeholder sessions
- Requests for Information where the public can provide written input on program design

Check epa.gov/newsroom for the latest updates and to sign-up for emails.



GREENHOUSE GAS REDUCTION FUND OVERVIEW



| | Funding stream #1 | Funding streams #2 and #3 |
|----------------------------------|---|---|
| Funding | \$7 billion in competitive grants | \$11.97 billion and \$8 billion in competitive grants |
| Eligible Recipients | States, municipalities, Tribal governments, and <i>'eligible recipients'</i> (see righthand column) | <i>Eligible recipients</i> defined as: <ul style="list-style-type: none"> • A nonprofit that provides capital, including by leveraging private capital • Does not take deposits other than from repayments and other revenue from using these grant funds • Is funded by public or charitable contributions • Invests in or finances projects alone or with investors |
| Use of Funds | <ul style="list-style-type: none"> • Provide eligible applicants with funding that can be used as subgrants, loans, other forms of financial assistance, and technical assistance • Distributed technologies on residential rooftops is specifically mentioned as an allowable use, in addition to zero-emission technologies | Funds for financial and technical assistance in projects that reduce or avoid greenhouse gases and other forms of air pollution. Eligible recipients shall make: <ul style="list-style-type: none"> • Direct investments in qualified projects • Indirect investment through funding and technical assistance to establish new or support existing public, quasi-public, and nonprofit entities that provide financial assistance to qualified projects at the state, local territorial, or Tribal level, as well as community lenders |
| Conditions and Carve-Outs | Funds must enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies and carry out greenhouse gas reduction activities | \$8 billion for qualified projects in low-income and disadvantaged communities |

SAMPLE RFI QUESTIONS

- **What types of projects should EPA prioritize** under sections 134(a)(1)-(3), consistent with the statutory definition of “qualified projects” and “zero emissions technology” as well as the statute’s direct and indirect investment provisions? Please describe how prioritizing such projects would:
 - a) maximize greenhouse gas emission and air pollution reductions;
 - b) deliver benefits to low-income and disadvantaged communities;
 - c) enable investment in projects that would otherwise lack access to capital or financing;
 - d) recycle repayments and other revenue received from financial assistance provided using
 - e) the grant funds to ensure continued operability; and
 - f) facilitate increased private sector investment.
- **What forms of financial assistance** (e.g. subgrants, loans, or other forms of financial assistance) are necessary to fill financing gaps, enable investment, and accelerate deployment of such projects?

SAMPLE RFI QUESTIONS

- **Beyond financial assistance for project financing what other supports – such as technical assistance** -- are necessary to accelerate deployment of such projects?
- **What should EPA consider when defining “low income” and “disadvantaged” communities for purposes of this program?** What elements from existing definitions, criteria, screening tools, etc., - in federal programs or otherwise - should EPA consider when prioritizing low-income and disadvantaged communities for greenhouse gas and other air pollution reducing projects?
- **What types of entities (as eligible recipients and/or indirect recipients)** could enable Greenhouse Gas Reduction Fund grants to support investment and deployment of greenhouse gas and air pollution reducing projects in communities where capacity to finance and deploy such projects does not currently exist?

OFFICE OF AIR INFLATION REDUCTION ACT PROGRAMS

**Climate Pollution
Reduction Grants**



**Mobile Source
Programs**



**Low Emission Electricity
Program and Greenhouse Gas
Corporate Reporting**



**Funding to Address
Community Air
Pollution**

**Methane Emission
Reduction Program**

**Funding for
American Innovation
& Manufacturing Act**



To access public docket, point your smart phone camera at the square to the left and click the link that appears, or enter the URL below into your web browser:
<https://tinyurl.com/26esdbs6>

OFFICE OF AIR INFLATION REDUCTION ACT PROGRAMS

| Theme | IRA Provisions | Exp. Year | Use of Funds | Funding |
|---|---|-------------|---|----------|
| Climate Pollution Reduction Grants | Climate Pollution Reduction Grants | 2031 / 2026 | \$250 million for Greenhouse Gas Air Pollution Planning Grants with at least one grant to an eligible entity in every state. \$4.75 billion for grants to implement select Planning Grants. | \$5B |
| Funding to Address Community Air Pollution | Air Monitoring & Screening | 2031 | Grants and other activities to support air monitoring and screening. | \$205.5M |
| | Clean Air Act Grants | 2031 | Funding for Clean Air Act's research, development, and grants program. | \$25M |
| | Funding to Address Air Pollution at Schools | 2031 | Grants and other activities to monitor and reduce air pollution and greenhouse gas emissions at schools. | \$50M |
| Mobile Source Programs | Grants to Reduce Air Pollution at Ports | 2027 | Competitive grants and rebates to reduce air pollution at ports. | \$3B |
| | Clean Heavy-Duty Vehicles | 2031 | Grants, rebates, and contract support to help cover costs of replacing dirty heavy-duty vehicles with clean zero emission vehicles. | \$1B |
| | Diesel Emissions Reductions | 2031 | Funding for Diesel Emissions Reduction Act program. | \$60M |
| | Mobile Source Grants | 2031 | Grants for States to adopt and implement zero-emission standards for mobile sources per Section 177 of the Clean Air Act (i.e., adopt / implement California's mobile source standards). | \$5M |
| Methane Emissions Program | Methane Emissions Reduction | 2028 | Financial (grants, rebates, contracts, loans, etc.) and technical assistance to reduce methane emissions and implement a methane fee. | \$1.55B |

1. Table does not include: Low Emissions Electricity Program, GHG Corporate Reporting, Funding for section 211(o) of the Clean Air Act, and Funding for implementation of the American Innovation & Manufacturing Act.

OFFICE OF ENVIRONMENTAL JUSTICE INFLATION REDUCTION ACT PROGRAMS

- **IRA:** \$2.8 billion to provide environmental and climate justice block grants for activities benefiting disadvantaged communities. \$200 million for technical assistance.
 - Eligible: Community-based nonprofits, & Indian tribes, local governments or institutions of higher education in partnership with community-based non-profits.
- **FY-22:** \$100 million to improve and enhance the agency’s ability to infuse equity and environmental justice principles and priorities into all EPA practices, policies, and programs, including \$51 million for grants and technical assistance.

| IRA Provision | Exp. Yr | Use of Funds | Funding |
|---|---------|---|--------------|
| EJ Collaborative Problem-Solving Program (EJCPS) <i>Funded 100% through IRA</i> | 2026 | <ul style="list-style-type: none"> • \$30 million (~60 awards) of up to \$500K each (community-based nonprofits, and encourage partnerships with other stakeholder groups , e.g., academia, tribal governments, local government, and industry) • Request for Applications to be released soon | \$30 million |
| Governments EJ Grants Program (EJG2G) <i>\$40 million of IRA funds and \$30 million of baseline EPM funds</i> | 2026 | <ul style="list-style-type: none"> • \$70 million (70 awards) of up to \$1M each (states, local governments, tribes, territories, Freely Associated States) • Local Governments and Tribes that partner with CBOs are eligible for IRA; States, US Territories, and Freely Associated States are ineligible for IRA • Request for Applications to be released soon | \$70 million |



OFFICE OF CHEMICAL SAFETY AND POLLUTION PREVENTION INFLATION REDUCTION ACT PROGRAMS

| OCSPPIRA Provisions | Exp. Year | Use of Funds | Funding Amount |
|---|-----------|---|----------------|
| Environmental Product Declaration Assistance [60112] | 2031 | <ul style="list-style-type: none">• Provide grants and technical assistance to businesses that manufacture construction materials and products for developing and verifying environmental product declarations, and to states, tribes, and non-profits that will support such businesses• Carry out other activities that assist in measuring, reporting, and steadily reducing the quantity of embodied carbon of construction materials and products | \$250 million |
| Low-Embodied Carbon Labeling for Construction Materials [60116] | 2026 | <ul style="list-style-type: none">• Develop and carry out a program to identify and label construction materials and products that have substantially lower levels of embodied greenhouse gas emissions associated with all relevant stages of production, use, and disposal, as compared to estimated industry averages of similar materials or products | \$100 million |