



ADD SESSION 8 – IRA OVERVIEW

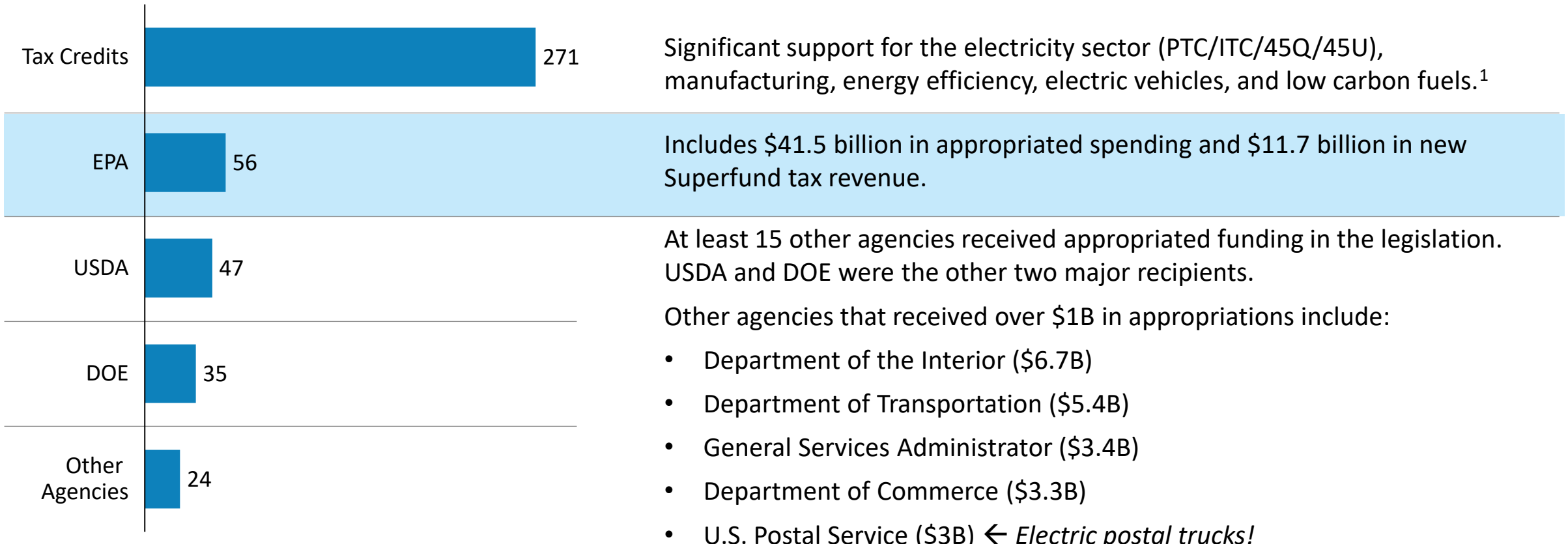
OCTOBER 2022

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)



- Department of the Interior (\$6.7B)
- Department of Transportation (\$5.4B)
- General Services Administrator (\$3.4B)
- Department of Commerce (\$3.3B)
- U.S. Postal Service (\$3B) ← *Electric postal trucks!*
- Housing and Urban Development Agency (\$1B)

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 USDA (see exhibit to right). In addition, Superfund will receive a projected \$11.7 billion in tax revenue.

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. **(AO)**
- **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. **(OAR)**
- **Environmental and Climate Justice Block Grants (\$3 billion)** – Fund community-based nonprofit organizations to support a wide range of climate and environmental justice activities. **(OEJECR)**
- **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. **(OAR)**
- **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. **(OAR)**
- **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. **(OAR)**

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 AIM (American Innovation & Manufacturing) Act	38,500,000
Funding for Section 211(o) of the Clean Air Act (Renewable Fuels)	15,000,000
GHG Corporate Reporting	5,000,000
Office of Chemical Safety and Pollution Prevention (OCSP)	350,000,000
Environmental Product Declaration Assistance	250,000,000
Low-Embodied Carbon Labeling for Construction Materials	100,000,000
Permitting (Multiple Offices, Coordinated by OP)	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 and local partners.
- OCSP'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.

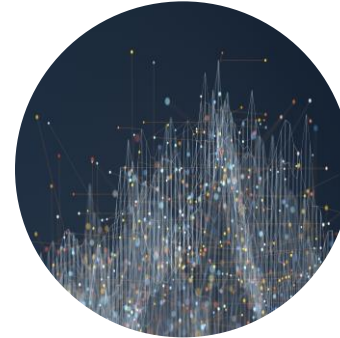
OAR IRA PROGRAMS OF INITIAL FOCUS



Methane



Climate Pollution
Reduction Grants



Monitoring



Clean HDV
Vehicles



Ports

Up next: CAA Grants

LEGISLATIVE CONTEXT: CLIMATE POLLUTION REDUCTION GRANTS

Office: OAQPS

	Planning Grants	Implementation Grants
Funding	\$250,000,000	\$4,750,000,000
Use of funds	<ul style="list-style-type: none"> Develop plans for reducing greenhouse gas air pollution 	<ul style="list-style-type: none"> Implement the plans developed under the Planning Grants
Eligible recipients	<ul style="list-style-type: none"> States, air pollution control agencies, municipalities, tribes – or a group of such eligible entities 	<ul style="list-style-type: none"> States, air pollution control agencies, municipalities, tribes – or a group of such eligible entities
Conditions and Carve-Outs	<ul style="list-style-type: none"> Grants should be made to at least one eligible entity in each State for the costs of developing a plan for reduction of greenhouse gas air pollution 	<ul style="list-style-type: none"> N.A.
Key statutory deadlines	<ul style="list-style-type: none"> Funding opportunity is to be published no later than 270 days after enactment of the IRA Funding expires September 30, 2031 	<ul style="list-style-type: none"> Funding expires September 30, 2026

LEGISLATIVE CONTEXT: CLEAN AIR ACT GRANTS

Office: OAQPS

	Clean Air Act Grants
Funding	\$25,000,000
Use of funds	<ul style="list-style-type: none">• General funding for Clean Air Act’s research, development, and grants program
Eligible recipients	<ul style="list-style-type: none">• State, Local and Tribal Air pollution control agencies, to other public or nonprofit private agencies, institutions, and organizations, and to individuals
Conditions and carve-outs	<ul style="list-style-type: none">• N.A.
Key statutory deadlines	<ul style="list-style-type: none">• Funding expires September 30, 2031