TRIBAL INFLATION REDUCTION ACT WEBINAR

NOVEMBER 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)

Significant support for the electricity sector (e.g., Production & Investment Tax Credits), manufacturing, energy efficiency, electric vehicles, low carbon fuels.[1]

Includes $41.5 billion in appropriated spending and $11.7 billion in new Superfund tax revenue.

At least 15 other agencies received appropriated funding in the legislation. USDA and DOE were the other two major recipients.

Other agencies that received over $1B in appropriations include:

- 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

GUIDING PRINCIPLES

1. Maximize benefits – public health and climate benefits
2. Prioritize environmental justice/equity
3. Harmonize management structures, regulations, funding and grants
4. Engage inclusively with stakeholders
5. Support and build on EPA's strengths
6. Safeguard financial integrity

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.

INVESTMENTS ACROSS GOVERNMENT BUILD ON THE INFRASTRUCTURE LAW PASSED LAST YEAR

	Inflation Reduction Act	Bipartisan Infrastructure Law
Environmental Justice	$60B including new grant programs to reduce pollution, the Greenhouse Gas Reduction Fund with a focus on low-income communities, & bonus credits for clean energy projects and jobs in disadvantaged communities	$21B to clean up legacy pollution; $15B to replace lead pipes; $10B for clean buses; $500M for Low Income Home Energy Assistance Programs
Power Sector	Clean energy tax credits that will more than double wind, solar, and battery storage deployment; >$10B for rural electric systems and clean energy upgrades; $2B for transmission projects	$16.5B for grid upgrades like transmission; >$9B for nuclear and hydropower
Transportation	Tax credits for electric vehicles (up to $7,500 new/$4,000 used); clean commercial vehicles, electric vehicle chargers, and Sustainable Aviation Fuel; $3B for clean USPS trucks; $1B for other heavy-duty vehicles	>$90B for public transportation; $66B for rail; $7.5B for electric vehicle charging; $7B for battery supply chains; $6.4B for state actions
Industry	$60B for U.S. clean energy manufacturing; $6B for cleaner industrial facilities; $1.5B for methane reduction	$9.5B for clean hydrogen; $10B for direct air capture and carbon capture
Buildings	$9B in rebates for electric appliances and efficiency upgrades; tax credits for home/business retrofits and efficient new construction; $1B for affordable housing upgrades; $1B for building codes	$3.5B for Weatherization Assistance Program; $550M for energy efficiency block grants; $500M for clean & efficient school buildings
Land/Ag	$21B for climate-smart agriculture and forestry	$1.4B for ecosystem restoration and resilience
Climate Resilience	$4.5B for drought; $2.6B for coastal communities; $1.8B to reduce wildfire risk in National Forests; $1.5B for urban tree planting	$50B for resilience to drought, wildfire, heat, flooding, coastal impacts, and other threats

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 dockets, 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

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 '*eligible recipients*' (see righthand column)	*Eligible recipients* defined as: • 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	• 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: • 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

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

* Tribes / tribal entities are eligible recipients

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.

WE WANT TO HEAR FROM YOU

The Tribal consultation period is open until 12/27/22; there are several ways to get involved

- Formal Tribal consultation (two-way, government-to-government dialogue)
  - Consultation request due by December 20, 2022
- Repurposed regular standing meetings

Share any follow-up questions/Comments with Pat Childers, Childers.Pat@epa.gov

CURRENT INVOLVEMENT OPPORTUNITIES- (CONTINUED)

- Program-specific public meetings and stakeholder sessions
- Requests for Information (RFI) where the public can provide written input on program design
  - Note: you do **not** have to respond to all questions
- Greenhouse Gas Reduction Fund | US EPA
  - Comments due December 5, 2022 comment period
- Requests for Information where the public can provide written input on program design
- Inflation Reduction Act Non-Regulatory Dockets for Public Input | US EPA
  - January 18, 2023 comment period