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MEMO: Climate, Care, Jobs, and Justice Analysis of Inflation Reduction Act of 2022
Green New Deal Network Assessment of IRA Compared to Build Back Better Act

The Inflation Reduction Act of 2022 is a first step towards stabilizing our planet, yet it excludes many of the transformative climate, care, jobs and justice investments needed to tackle the overlapping crises facing our nation.

The campaign to build a bold economic recovery plan began with the [THRIVE Act](#) — a \$10 trillion investment in climate, care, jobs and justice— yet the current IRA bill significantly dilutes critical components at the expense of low-income, rural, Black, Brown, and Indigenous communities on the frontlines of the climate crisis.

Below is a breakdown of community investments in the bill as well as expenditures that bolster the fossil fuel industry and crucial Build Back Better Act (BBBA) level investments that are neglected from the IRA.

INFLATION REDUCTION ACT TOPLINES:

Notable Green New Deal investments in the Inflation Reduction Act include:

- **Cross-cutting [justice and labor standards](#)** to ensure economic, social, and environmental impacts of the funds are equitable.
- Targeted **Justice40 investments** in communities with present and past injustices to ensure funding goes to communities that have been historically divested from.
- Estimated **40 percent reduction in emissions by 2030** by investing \$369 billion in environmental and climate justice provisions.
- **Dozens of environmental justice programs** that would reduce toxic pollution, ensure accessibility to clean energy technology, and increase climate resiliency for frontline communities.
- Create **9 million good jobs** over the next decade in clean energy, clean buildings, clean manufacturing supported by robust labor standards.
- Provisions that would **tax corporate polluters, the wealthy, and tax evaders**, reducing the national deficit by nearly [\\$300 billion](#) and protect frontline communities from pollution (table 1).
- **Support working families** by cutting healthcare costs, creating new, local jobs, and reducing tax disparities.

The IRA continues to fund dirty energy while neglecting crucial areas of funding that are necessary for the health and sustainability of our communities, including:

- Energy programs in the IRA **continue to prop up the fossil fuel industry** through provisions that mandate the extraction of new fossil fuel resources and finance false solutions to the climate crisis. For communities on the frontlines of legacy pollutants and environmental injustices, the risks from the climate crises are exacerbated by toxic air and water pollutants.
- The **IRA neglects Indigenous communities** investing in tribal climate resilience, drought mitigation, greenhouse gas emissions reductions, and clean energy transition. In contrast, the \$6 billion Indigenous investments in BBBA would have also funded health, education, and housing programs as well as creating a Native Climate Civilian Corps.
- **Entire sectors are being left behind** with omissions in funding for the care economy, public housing, public and rail transportation, and more.

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Detailed Analysis of IRA:

ELECTRICITY

The IRA invests in the electric sector at levels [comparable to the Build Back Better Act](#) yet, unlike the [THRIVE Act](#), it also funds fossil fuel projects extending our over reliance on dirty energy and threatening communities at the frontlines of environmental injustices.

Clean Energy Investments:

- \$180 billion for clean electricity [tax credits](#) that enables more solar and wind buildout and electric grid updates. Direct pay of tax credits has been made available to state and local governments, nonprofits, and rural cooperatives.
- Home Electrification rebates of \$1,000-\$4,000 per household for electric appliances and energy efficiency.
- \$500 million in deployment of renewable energy through the Defense Production Act.
- \$10 billion to support rural electric cooperatives retire debt-ridden coal plants and facilitate a transition to clean energy.
- \$30 billion in manufacturing of US solar panels, wind turbines, batteries & critical minerals. Clean industries are now eligible for advanced manufacturing tax credit (48C) if projects achieve at least a 20% emissions cut
- \$2.1 billion for federal procurement & buy clean policies for low-carbon materials
- \$5.8 billion to DOE clean technology grants to reduce emissions from largest industrial polluters like cement, steel and chemical plants.
- \$5 billion for Energy infrastructure financing to retool, remediate & repurpose fossil fuel power plants. [DOE loan guarantee authority increased from \\$40B to \\$250B](#)
- \$145.5 million for the Tribal Electrification program.
- Solar, wind, and offshore wind investment tax credit of 30% extended through 2033.
- Includes community solar to reduce energy burdens for low-income households and affordable housing complexes.

- \$75 million for DOE Tribal Energy loan guarantee program to support more clean energy projects.

Fossil Fuel Expenditures:

- Mandatory offshore oil and gas lease sales in Alaska and the Gulf of Mexico.
- Mandatory oil and gas lease sales for every solar and wind project on federal lands.
- Scaling up the 45Q tax credit by allowing five years of direct pay and qualification for any carbon capture, direct air capture or carbon utilization project beginning construction before January 1, 2033.
- Expenditures in false climate solutions that extend the life of fossil fuels.

CLIMATE

This package includes a strategy to [cut greenhouse gas emissions 40% by 2030](#) to combat climate change while also investing in climate disaster adaptation and recovery.

Climate Investments:

- \$27 billion Greenhouse Gas Reduction Fund provides low-cost financing projects to reduce pollution and climate resiliency with 60 percent of the benefits of these investments going to disadvantaged communities.
- \$1.5 billion for the Methane Emissions Reduction Program, tackling a greenhouse gas that is [80 times](#) more potent than carbon and responsible for [30%](#) of the climate impacts we are experiencing today.
- \$5 billion for climate resilience investments for wildfires and \$2.6 billion for protection of coastal communities.
- \$ 4 billion for drought resiliency in Western states and tribal governments of Colorado basin
- Targeted climate resiliency funding for tribes and Native Hawaiians.

Climate Omissions:

- \$30 billion for Civilian Climate Corp that would have created jobs for young people in combating the impacts of the climate crisis.
- Domestic and international fossil fuel subsidies are not eliminated.

TRANSPORTATION

The IRA reduces the same amount of [emissions](#) from the transportation sector as the Build Back Better Act yet, at a 19% emissions reduction, the transportation sector will continue to spew significant amounts of [pollutants](#).

Transportation Investments:

- Up to \$7,500 in tax credits to buy new electric vehicles as well as \$4,000 tax credits for the purchase of used EVs.
- Funds nation-wide network of EV charging stations.
- \$3 billion for USPS to purchase zero-emission electric vehicles and charging stations.
- \$1 billion for clean school and transit buses, garbage trucks, and heavy duty vehicles.

- \$3 billion to fund zero-emission technology at ports to reduce pollution.
- \$3 billion for public transportation equity and neighborhood connectivity for communities cleaved by highways.

Transportation Omissions:

- E-bike tax rebate with up to \$900 in savings.
- \$10 billion in omitted fundings for high speed rail and rail emissions reductions.
- \$10 billion in omitted funding for public transportation to improve affordability, reliability, and access to public transportation.

CARE

Despite the social, economic, and racial benefits of access to education, health, and home and child care, the IRA excludes over \$500 billion dollars of crucial home care and education investments, compared to Build Back Better levels.

Care investments:

- Raises \$288 billion from prescription drug pricing reform.
- Empowers Medicare to negotiate drug prices and caps beneficiaries out-of-pocket costs to \$2,000. Places a \$35 cap on insulin prices for Medicare patients.
- Lowers American Care Act (ACA) health care premiums - an average saving of \$800 a year for 13 million people.
- Full and permanent funding for the Black Lung Disability Trust Fund to ensure coal miners suffering from Black Lung disease have access to medical care.

Care Omissions:

- \$150 billion for long term home care for seniors and people with disabilities and expansion of high labor standard care jobs.
- \$400 billion for universal Pre-K for 3-and 4-year-old including federal funding to states to expand existing Pre-K.
- A Child Tax Credit extended for one year with monthly payments of \$250 to \$300 per child under the age of 6 to reduce child poverty.
- 4 weeks of paid family and medical leave.

HOUSING

Despite the affordable housing crisis across the country and high energy demands of outdated buildings, the IRA's housing investments are nearly a third of Build Back Better levels and excludes public housing from the affordable housing retrofits provision.

Housing Investments:

- \$4 billion to boost Department of Housing and Urban development (HUD) programs to improve affordable housing.
- Home electrification rebates of \$1,000-\$4,000 per household for increased efficiency and electric appliances.

- \$4.2 billion for states in the development of a high-efficiency electric home rebate program.

Housing Omissions:

- Exclusion of public housing from the affordable housing retrofits provision (Section 30002).
- \$150 billion to upgrade chronically neglected homes and improve access to housing.
- Omission of funding for more than a million affordable and sustainable homes outside the market through the National Housing Trust fund.

POLLUTION

While the IRA invests a fraction of the funding needed to combat pollution and environmental injustice in the seventh deadliest country for premature pollution related deaths, the IRA seeks to reduce the federal deficit by ensuring corporate polluters pay for the damage they wreak. This included reinstating Superfund excise taxes that were repealed in 1995 as well as new taxes on corporations for past pollution.

Pollution Investments:

- \$11B raised by reinstating the Superfund tax to ensure companies pay to cleanup industrial pollution in low-income and disadvantaged communities.
- Funding for White House agencies to map and identify cumulative pollution burden in communities and \$281 million for air pollution monitoring in fenceline communities, empowering the Environmental Protection Agency to reduce pollution.
- Methane penalties of \$900 increasing to \$1,500 are imposed on oil & gas companies to make them pay for leaks in fossil fuel infrastructure and fix them.

Pollution Omissions:

- \$10 billion for lead pipe removal in BBBA is neglected, preventing half of all lead pipes in the United States from being replaced.
- Domestic and international fossil fuel subsidies are not eliminated.

JOBS

[PERI University of Massachusetts \(Amherst\) economic analysis](#) shows IRA's investment will create [9 million jobs](#) over the decade in growing sectors like clean energy, manufacturing, buildings, and more. Coupled with strong labor standards, like prevailing wages, the IRA offers a lifeline to working families. To advance economic and racial justice, the IRA's registered apprenticeship programs, targeted investments, and equitable hiring practices can be used to prioritize job access for low-income workers, workers of color, and workers in environmental justice, deindustrialized, and energy transition communities.

- 5 million clean energy jobs, including more than 1.7 million jobs from clean energy tax credits.
- 900,000 clean manufacturing jobs including, 670,000 jobs in wind turbines, solar panels, EV batteries and other clean technologies and nearly 120,000 jobs in projects at steel, aluminum, cement and other energy-intensive manufacturing facilities.

- 900,000 efficient buildings jobs, including nearly 720,000 jobs from retrofitting and energy efficiency tax credits.
- 400,000 clean transportation jobs in clean vehicles, trucks and buses.
- 150,000 environmental justice jobs from grants and investments that address disproportionate health and pollution impacts.

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About the Green New Deal Network

The Green New Deal Network is a nationwide network of organizations committed to transforming our politics and economy with policies that address the climate crisis, that create good, union jobs, and that repair past harm and advance justice. The Network includes coalitions in 25 states, as well as a coordinating team of 15 national organizations: Center for Popular Democracy, Climate Justice Alliance, Grassroots Global Justice Alliance, Greenpeace, Indigenous Environmental Network, Indivisible, Movement for Black Lives, MoveOn, People's Action, Right To The City Alliance, Service Employees International Union, Sierra Club, Sunrise Movement, US Climate Action Network, and the Working Families Party.

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Table 1: INFLATION REDUCTION ACT SUMMARY

Policy	Cost (-) / Savings (2022-2031)
Energy and Climate	-\$405 billion
Clean Electricity Investment	-\$177 billion
Clean Manufacturing investment	-\$68 billion
Transportation	-\$33 billion
Agriculture, Lands and Resilience	-\$42 billion
Buildings	-\$48 billion
Other Climate and Energy Investment	-\$39 billion
Health Care	-\$100 billion
Extension of Expanded ACA Subsidies (three years)	-\$65 billion
Medicare Part D, LIS Subsidies, Vaccine coverage	-\$35 billion
Total Investment	-\$505 billion
Revenue	\$477 billion
15 Percent Corporate Minimum Tax	\$258 billion
IRS Tax Enforcement Funding	\$125 billion
1% excise fee on Stock buybacks	\$74 billion
Methane Fee, Superfund fee, other revenue	\$20 billion
Health Savings	\$280 billion
Medicare Negotiation of certain drug prices	\$100 billion
Repeal Trump-Era drug rebate rule	\$120 billion
Drug price Inflation cap	\$60 billion
Total, Savings and Revenue	\$757 billion
Net Deficit Reduction	\$252 billion

Source: [Blue Green Alliance, CBO, JCT scores](#)