

Inflation Reduction Act of 2022 (IRA): Provisions Related to Climate Change

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Inflation Reduction Act of 2022 (IRA): Provisions Related to Climate Change

On August 16, 2022, President Biden signed H.R. 5376 (P.L. 117-169), a budget reconciliation measure commonly referred to as the “Inflation Reduction Act of 2022” (IRA). IRA contains eight titles, each with some provisions that directly or indirectly address issues related to climate change, including reduction of U.S. greenhouse gas (GHG) emissions or promotion of adaptation and resilience to climate change impacts.

The funding and financial incentives of IRA could promote deployment of low- and no-GHG emission technologies beyond what would otherwise occur (i.e., in a “business as usual” baseline). This deployment would likely reduce or avoid some quantity of GHG emissions compared to baseline projections. A number of recent analyses by researchers generally estimate that under baseline conditions (i.e., without IRA), U.S. GHG emissions would decrease by 24% to 35% by 2030 compared to 2005 levels. The same analyses estimated that IRA could reduce U.S. GHG emissions by 32% to 40% by 2030 compared to 2005 levels. The range of estimates from the baseline and IRA scenarios is due to varied assumptions in the models, such as future oil and natural gas prices, among other uncertain factors. Actual GHG emission levels will depend on how the provisions are implemented, the growth rate of the U.S. economy, fuel prices, and a range of other factors.

A number of factors will likely play a role in determining the economic effects of IRA and the distribution of these effects across geographic areas, income groups, and communities. These factors include federal implementation of the law, and state, local, and private responses to the financial incentives and provisions in IRA.

This report identifies provisions of IRA related to climate change, with abbreviated information about their content and the Congressional Budget Office’s estimates of revenue effects over the period of the law, from 2022 to 2031. The provisions are organized by sectoral sources of GHG emissions:

- electricity;
- transportation;
- fossil fuel resources;
- buildings and energy efficiency;
- manufacturing;
- environment and climate justice;
- agriculture, forestry, and land conservation;
- climate research; and
- cross-cutting.

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Background

On August 16, 2022, President Biden signed H.R. 5376 (P.L. 117-169), a budget reconciliation measure commonly referred to as the “Inflation Reduction Act of 2022” (IRA).¹ IRA contains eight titles, each with some provisions that directly or indirectly address issues related to climate change, including reduction of U.S. greenhouse gas (GHG) emissions or promotion of adaptation and resilience to climate change impacts. Some selected provisions in the eight titles are listed below.

- **Title I—Committee on Finance** includes provisions that modify, extend, or provide new tax credits for electricity from clean and renewable resources, alternative fuels and alternative fuel infrastructure, residential and commercial energy efficiency, advanced energy manufacturing, and clean vehicles, while reinstating or extending certain taxes on oil and coal.
- **Title II—Committee on Agriculture, Nutrition, and Forestry** includes provisions that provide funding for the U.S. Department of Agriculture (USDA) for agriculture, forestry, and land conservation.
- **Title III—Committee on Banking, Housing, and Urban Affairs** includes provisions that provide funding to influence domestic industry to produce certain materials and goods for the national defense, and for projects to increase energy or water efficiency of affordable housing.
- **Title IV—Committee on Commerce, Science, and Transportation** includes provisions that provide funding for the National Oceanic and Atmospheric Administration (NOAA) for coastal communities, NOAA facilities, and weather research and forecasting; and for the Department of Transportation (DOT) for aviation fuels and low-emission aviation technologies.
- **Title V—Committee on Energy and Natural Resources** includes provisions that provide funding for the Department of Energy (DOE) for energy rebates, building codes, energy efficiency, transmission of electricity, advanced and reduced-emission industrial facilities, and energy infrastructure, and loan programs for advanced vehicle manufacturing; provides funding for the Department of the Interior (DOI) for conservation of lands and resources, drought preparedness, technical assistance to Insular Areas (i.e., American Samoa, Northern Mariana Islands, Guam, Puerto Rico, and the U.S. Virgin Islands), leasing for offshore wind energy development, and increased royalty rates for federal land and offshore oil and gas leases.
- **Title VI—Committee on Environment and Public Works** includes provisions that provide funding to the Environmental Protection Agency (EPA) for a Greenhouse Gas Reduction Fund, renewable fuels programs, environmental and climate justice block grants, and more; provides funding to the Fish and Wildlife Service for recovery plans for endangered and threatened species; and for resilience and capacity of—and reducing damage to—habitats and infrastructure; provides funding to the Council on Environmental Quality for collecting data on environmental and climate issues, including tracking disproportionate burdens and environmental impacts; provides funding to the Federal Highway

¹ The law provided for reconciliation of the federal budget, allowing the Senate to pass it with a simple majority. For further information on reconciliation, see, among other CRS products, CRS Report R44058, *The Budget Reconciliation Process: Stages of Consideration*, by Megan S. Lynch and James V. Saturno.

Administration (FHWA) and the General Services Administration (GSA) for transportation projects, environmental reviews, and use of low-carbon construction materials and products in federally funded transportation projects; and directs EPA to impose a charge on methane emissions from specific petroleum and natural gas system facilities.

- **Title VII—Committee on Homeland Security and Governmental Affairs** includes provisions that provide funding for several environmental programs, including to the Department of Homeland Security (DHS) to carry out sustainability and environmental programs; the Federal Emergency Management Agency (FEMA) for low-carbon building materials and low- or no-emission energy projects; and the U.S. Postal Service to purchase zero-emission vehicles and related infrastructure.
- **Title VIII—Committee on Indian Affairs** includes provisions that provide funding for the Bureau of Indian Affairs (BIA) and Office of Native Hawaiian Relations for climate resilience and adaptation programs; and provides funding to the BIA for a tribal electrification program.

The funding and financial incentives of IRA could promote increased deployment of low- and no-GHG emission technologies beyond what would otherwise occur (i.e., in a “business as usual” baseline). This deployment would likely reduce or avoid some quantity of GHG emissions compared to a baseline scenario. A number of recent analyses by researchers generally estimate that under baseline conditions (i.e., federal, state, and local policies and practices in place before IRA), U.S. GHG emissions would decrease by 24% to 35% by 2030 compared to 2005 levels.² The same analyses estimated that IRA could reduce U.S. GHG emissions by 32% to 40% by 2030 compared to 2005 levels. The range of estimates from the baseline and IRA scenarios is due to varied assumptions in the models, such as future oil and natural gas prices, among other uncertain factors. Actual GHG emission levels will depend on how the provisions are implemented, the growth rate of the U.S. economy, fuel prices, and a range of other factors.

A number of factors will likely play a role in determining the economic effects of IRA and the distribution of these effects across geographic areas, income groups, and communities. These factors include federal implementation of the law, and state, local, and private responses to the financial incentives and provisions in IRA. Assessments of the analyses published to date and other information regarding GHG emissions and other effects of the law are beyond the scope of this report.

Table 1 identifies climate-change-related provisions of IRA that are included in specific IRA sections. The selected provisions include those that (1) are explicitly intended to affect GHG emissions or climate-related or weather-disaster-related adaptation or resilience; (2) are intended to influence deployment of technologies and practices that are widely recognized as influencing GHG emissions, such as energy efficiency incentives or agricultural soil conservation; (3) may affect the prices of fossil fuels, which are a major source of GHG emissions; (4) more generally support climate or weather research, analysis, or policymaking.

² For example, see Princeton University, Rapid Energy Policy Evaluation and Analysis Toolkit (REPEAT), *Preliminary Report: The Climate and Energy Impacts of the Inflation Reduction Act of 2022*, August 4, 2022, https://repeatproject.org/docs/REPEAT_IRA_Preliminary_Report_2022-08-04.pdf; Rhodium Group, *A Turning Point for US Climate Progress: Assessing the Climate and Clean Energy Provisions in the Inflation Reduction Act*, August 12, 2022, <https://rhg.com/research/climate-clean-energy-inflation-reduction-act/>; Energy Innovation, *Modeling the Inflation Reduction Act Using the Energy Policy Simulator*, August 1, 2022, <https://energyinnovation.org/publication/modeling-the-inflation-reduction-act-using-the-energy-policy-simulator/>.

The table provides a general overview of the provisions, Congressional Budget Office estimates of the cumulative revenue effects (2022-2031) when available, and appropriations and funding mechanisms for applicable provisions. Funding mechanisms include grants, loans, and other agency activities, the details of which are provided in the provision highlights column.

The table also identifies for congressional clients a CRS contact for each provision. In addition, the table notes identify selected CRS products that offer further description of specific IRA provisions and additional context.

The provisions are organized by sectoral sources of GHG emissions, compiling related and possibly interacting provisions from different titles. The table sections are

- electricity;
- transportation;
- fossil fuel resources;
- buildings and energy efficiency;
- manufacturing;
- environment and climate justice;
- agriculture, forestry, and land conservation;
- climate research; and
- cross-cutting.

Table I. Climate-Related Provisions in P.L. 117-169

Section Number and Title	Overview of Climate-Related Provisions	CBO Estimated Revenue Effects \$ Billions Cumulative 2022-2031	Appropriations ^a		CRS Contact (for Congressional Clients)
			\$ Billions Cumulative 2022-2031	Type of Federal Assistance	
ELECTRICITY					
Section 13101 Extension and Modification of Credit for Electricity Produced from Certain Renewable Resources ^b	Extends and modifies the production tax credit (PTC) for electricity produced from wind, biomass, geothermal, solar, landfill gas, trash, qualified hydropower, and marine and hydrokinetic resources; credit amounts depend in some cases on meeting prevailing wage or apprenticeship requirements, domestic content requirements, or being located in an “energy community”	-51.062	—	—	Molly Sherlock
Section 13102 Extension and Modification of Energy Investment Tax Credit ^b	Extends and modifies the energy investment tax credit (ITC) for investments in certain energy property, such as solar, fuel cells, waste energy recovery, combined heat and power, small wind property, microturbines, and geothermal heat pumps; expands scope to include energy storage, qualified biogas properties, electrochromic glass, and microgrid controllers, and interconnection property; credit amounts depend in some cases on meeting prevailing wage or apprenticeship requirements, domestic content requirements, or being located in an “energy community”	-13.962	—	—	Molly Sherlock
Section 13103 Increase in Energy Credit for Solar and Wind Facilities Placed in Service in Connection with Low-Income Communities ^b	Allows allocation of “environmental justice solar and wind capacity” credits in 2023 and 2024 in addition to otherwise allowed ITCs	Revenue effects included in Sections 13101 and 13102	—	—	Molly Sherlock

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Section 13104 Extension and Modification of Credit for Carbon Oxide Sequestration ^b	Extends and modifies the carbon oxide capture credit for industrial carbon capture or direct air capture (DAC) facilities; increases the credit amount, with higher credit amounts for DAC; reduces the threshold amount of carbon oxide that must be captured at a qualifying facility, adding the restriction for electricity generating facilities that the property must be designed to capture not less than 75% of the baseline carbon oxide production or 60% for electricity generating facilities not yet or recently placed into service; credit amounts depend in some cases on meeting prevailing wage or apprenticeship requirements	-3.229	—	—	Molly Sherlock
Section 13105 Zero-Emission Nuclear Power Production Credit ^b	Creates a new tax credit for qualifying nuclear power that phases out as electricity prices rise; increased credit amounts are available for taxpayers satisfying prevailing wage and apprenticeship requirements	-30.001	—	—	Molly Sherlock
Section 13701 Clean Electricity Production Credit ^b	Creates a new production tax credit for sale of qualified domestically produced electricity with GHG emissions not greater than zero; credit amounts depend in some cases on meeting prevailing wage or apprenticeship requirements, domestic content requirements, or being located in an “energy community”	-11.204	—	—	Molly Sherlock

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Section 13702 Clean Electricity Investment Credit ^b	Creates a new technology-neutral investment tax credit for qualifying zero-emissions electricity generation facilities or energy storage technology, with credit rates determined by paying prevailing wage and meeting apprenticeship or domestic content requirements, or in an energy community; allows for an allocation for environmental justice solar and wind capacity credits in a low-income community or on Indian land	-50.858	—	—	Molly Sherlock
Section 13703 Cost Recovery for Qualified Facilities, Qualified Property, and Energy Storage Technology ^b	Allows cost recovery as a five-year property for facilities qualifying for the clean electricity production or investment tax credits	-0.624	—	—	Molly Sherlock
Section 22001 Additional Funding for Electric Loans for Renewable Energy	Provides funding to USDA for electric loans for renewable energy under the Rural Electrification Act, including for projects that store electricity	—	1.000	Direct loans	Kelsi Bracmort
Section 22002 Rural Energy for America Program	Provides funding to USDA to support the Rural Energy for America Program (REAP), which provides grants for energy efficiency and renewable energy projects (\$1.7 billion); provides funding for grants and loans for underutilized renewable energy technologies and technical assistance with REAP applications (\$304 million)	—	2.025	Grants and direct loans	Kelsi Bracmort

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Section 22004 USDA Assistance for Rural Electric Cooperatives	Provides funding to USDA to offer financial assistance (e.g., loans) to eligible entities for the long-term resiliency, reliability, and affordability of rural electric systems through the purchase of renewable energy, renewable energy systems, zero-emission systems, carbon capture and storage systems, and more	—	9.700	Direct loans and other assistance	Kelsi Bracmort
Section 22005 Additional USDA Rural Development Administrative Funds	Provides funding to USDA for administration and implementation of Sections 22001-22004, among other provisions	—	0.100	Other agency activities	Kelsi Bracmort
Section 50141 Funding for Department of Energy Loan Programs Office ^c	Increases loan guarantee commitment authority to \$40 billion for the Department of Energy (DOE) Title XVII Innovative Technology Loan Guarantee Program (§1703), supporting eligible projects that avoid, reduce, utilize, or sequester air pollutants or anthropogenic GHG emissions, and—with the exception of projects supported by a State Energy Financing Institution—employ new or significantly improved technologies; provides funding to DOE to pay for loan guarantee costs and program administration	—	3.600	Loan guarantees	Phillip Brown

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Section 50144 Energy Infrastructure Reinvestment Financing ^b	Creates a temporary loan guarantee authority of \$250 billion for DOE under Title XVII of the Energy Policy Act of 2005 (§1706) for projects that (1) retool, repower, repurpose, or replace energy infrastructure, subject to the requirement that fossil fuel electricity generation projects must have controls to avoid, reduce, utilize, or sequester air pollutants and anthropogenic GHG emissions, or (2) enable operating infrastructure to avoid, reduce, utilize, or sequester air pollutants or anthropogenic GHG emissions; for the purpose of this program, “energy infrastructure” means a facility and associated equipment used for (1) generation or transmission of electrical energy, or (2) production, processing, and delivery of fossil fuels, fuels derived from petroleum, or petrochemical feedstocks; provides funding to DOE to implement Section 1706 activities	—	5.000	Loan guarantees	Phillip Brown
Section 50145 Tribal Energy Loan Guarantee Program ^b	Permanently increases the Tribal Energy Loan Guarantee Program lending authority to \$20 billion and appropriates money for program activities	—	0.075	Loan guarantees	Corrie Clark
Section 50151 Transmission Facility Financing ^d	Creates a new direct loan program for development of certain transmission projects located in a National Interest Electric Transmission Corridor (NIETC), as designated by DOE; NIETCs are to promote goals such as energy security or use of intermittent energy sources such as wind and solar	—	2.000	Direct loans	Ashley Lawson
Section 50152 Grants to Facilitate the Siting of Interstate Electricity Transmission Lines ^d	Creates a new DOE grant program generally for state and local governments aimed at facilitating the siting of certain onshore and offshore transmission lines, to cover project studies, host negotiations, participate in federal and state regulatory proceedings, and promote economic development in affected communities	—	0.760	Grants	Ashley Lawson

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Section 50153 Interregional and Offshore Wind Electricity Transmission Planning, Modeling, and Analysis ^d	Provides new funding to DOE for interregional and offshore wind electricity transmission planning, modeling, and analysis, and stakeholder convening; may include planning for the effects of weather changes due to climate change on the reliability and resilience of the electric grid	—	0.100	Planning, modeling, analysis, among others	Ashley Lawson
Section 50251 Leasing on the Outer Continental Shelf ^e	Authorizes DOI to issue offshore wind leases in portions of the Mid- and South Atlantic and the Gulf of Mexico that had previously been withdrawn from leasing disposition through 2032; authorizes renewable energy leasing offshore of U.S. territories and directs DOI to take steps to pursue offshore wind lease sales in these locations	0.160 ^f	—	—	Laura Comay
Section 60107 Low Emissions Electricity Program	Provides funds to EPA to support education, outreach, technical assistance, and/or partnerships to (1) consumers; (2) low-income and disadvantaged communities; (3) industries; and (4) state, tribal, and local governments; directs EPA to assess within one year of enactment the GHG emission reductions anticipated to result from changes in domestic electricity generation and use each year through 2031	—	0.087	Technical assistance, outreach, and partnerships	Jonathan Ramseur
Section 80003 Tribal Electrification Program	Adds funds to BIA for zero-emission electricity systems for tribal homes, including associated home repairs and retrofitting	—	0.150	Various mechanisms under BIA authorities	Mariel Murray

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TRANSPORTATION					
Section 13201 Extension of Incentives for Biodiesel, Renewable Diesel and Alternative Fuels ^b	Extends existing tax credits for alternative fuels and alternative fuel mixtures and biodiesel and renewable diesel	-5.571	—	—	Molly Sherlock
Section 13202 Extension of Second Generation Biofuel Incentives ^b	Extends the existing second-generation biofuel producer tax credit	-0.054	—	—	Molly Sherlock
Section 13203 Sustainable Aviation Fuel Credit ^b	Creates a new tax credit for the sale or mixture of sustainable aviation fuel; credit amount is \$1.25 per gallon with a supplemental credit amount of \$0.01 per gallon for each percentage point by which the lifecycle GHG emissions reduction percentage for the fuel exceeds 50%	-0.049	—	—	Molly Sherlock
Section 13204 Clean Hydrogen ^b	Creates a new tax credit for the qualified production of clean hydrogen; the credit rate would be determined by the lifecycle GHG emissions rate achieved in producing clean hydrogen, with higher credit amounts available when prevailing wage and apprenticeship requirements are met	-13.166	—	—	Molly Sherlock

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Section 13401 Clean Vehicle Credit ^g	Extends and modifies vehicle tax credits; revised credit provides up to \$7,500 for the purchase of fuel cell or eligible new plug-in electric vehicles meeting a critical minerals requirement and/or battery components requirement; the credit is disallowed for certain higher-income taxpayers and is subject to vehicle price limits	-7.541	—	—	Molly Sherlock
Section 13402 Credit for Previously-Owned Clean Vehicles ^g	Creates a new tax credit—\$4,000, limited to 30% of the purchase price—for the purchase of previously owned plug-in electric or fuel cell vehicles, subject to purchaser income and vehicle price limits	-1.347	—	—	Molly Sherlock
Section 13403 Qualified Commercial Clean Vehicles ^g	Creates a new tax credit for qualified commercial clean vehicles; credit amount varies by vehicle cost and weight	-3.583	—	—	Molly Sherlock
Section 13404 Alternative Fuel Refueling Property Credit ^b	Extends and modifies a tax credit for qualifying charging or alternative fuel refueling property at a business or taxpayer's principal residence; eligible charging or refueling property must be placed in service within a low-income or rural census tract	-1.738	—	—	Molly Sherlock
Section 13704 Clean Fuel Production Credit ^b	Creates a new tax credit for domestic clean fuel production, depending on the type of fuel (aviation or nonaviation), the CO ₂ emissions rate of the fuel, and the producer's labor practices	-2.946	—	—	Molly Sherlock

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Section 40007 Alternative Fuel and Low-Emission Aviation Technology Program	Creates a competitive grant program in DOT for sustainable aviation fuel (SAF) and low-emission aviation technologies; financial assistance is for the production, transportation, blending, and storage of SAF as well as for projects related to low-emission aviation technologies, among other things; SAF is defined as achieving at least a 50% lifecycle greenhouse gas emission reduction in comparison with petroleum-based jet fuel	—	0.297	Grants	Kelsi Bracmort
Section 60101 Clean Heavy-Duty Vehicles	Creates EPA program to provide grants and rebates to eligible recipients (a state, municipality, Indian tribe, or nonprofit school transportation association) or eligible contractors for the incremental costs of replacing eligible vehicles with zero-emission vehicles, for associated infrastructure and workforce development and training, and planning and technical activities; includes \$400 million for recipients that propose to replace eligible vehicles to serve one or more communities in air pollution nonattainment areas	—	1.000	Grants and rebates	Richard Lattanzio
Section 60102 Grants to Reduce Air Pollution at Ports	Creates EPA program to provide grants and rebates to purchase or install zero-emission port equipment or technology at or to serve ports, for connected planning or permitting, and “to develop qualified climate action plans”; of rebates and grants, \$750 million is for activities with respect to ports in air pollution nonattainment areas	—	3.000	Grants and rebates	Richard Lattanzio
Section 60105 Funding to Address Air Pollution	Provides funding (\$20 million) to EPA for grants and other activities to monitor methane emissions (§60105(e)); provides funding (\$5 million) to EPA for grants to states to adopt and implement GHG and zero-emission standards for mobile sources (§60105(g))	—	0.025	Grants and other authorized activities	Richard Lattanzio

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Section 60108 Funding for Section 211(O) of the Clean Air Act	Provides funding to EPA to carry out the Renewable Fuel Standard program, in part, for data collection and analyses for lifecycle greenhouse gas emissions of a fuel (\$5 million); provides funding for new grants to support investment in advanced biofuels (\$10 million)	—	0.015	Grants, analysis, and data collection	Kelsi Bracmort
Section 60501 Neighborhood Access and Equity Grants Program	Provides funding to the Federal Highway Administration (FHWA) for competitive grants to support projects to improve walkability, safety, and affordable transportation access; to mitigate or remediate negative impacts from a surface transportation facility, such as those that create an obstacle to community connectivity; and for planning and capacity building activities in disadvantaged or underserved communities	—	3.205	Grants	Robert Kirk
Section 60506 Low-Carbon Transportation Materials Grants	Provides funding to FHWA to reimburse incremental costs or provide incentives to eligible recipients for use in projects of construction materials with substantially lower embodied GHG emissions, as determined by EPA (see §60116) and reviewed by FHWA for appropriate use	—	2.000	Reimbursements or incentives	Robert Kirk
Section 70002 United States Postal Service Clean Fleets	Provides funding to the U.S. Postal Service to purchase zero-emission delivery vehicles (\$1.290 billion) and for purchase, design, and installation of related infrastructure leases from nonfederal entities (\$1.710 billion)	—	3.000	Other agency activities	Melissa Diaz

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FOSSIL FUEL RESOURCES					
Section 50261 Offshore Oil and Gas Royalty Rate	Increases the minimum royalty rate for new offshore fossil fuel leases from 12.5% to 16.6%; sets a maximum royalty rate of 18.8% for new offshore oil and gas leases for 10 years	0.484 ^f (total estimate for §§50261-50265)	—	—	Laura Comay
Section 50262 Mineral Leasing Act Modernization	Increases the minimum royalty rate for new onshore fossil fuel leases from 12.5% to 16.6%; eliminates noncompetitive leasing, adjusts rental rates, and establishes a higher minimum bid on federal leases	0.484 ^f (total estimate for §§50261-50265)	—	—	Laura Comay
Section 50263 Royalties on All Extracted Methane	Modifies the scope of royalty collection for natural gas produced on federal land or the outer continental shelf to include “gas that is consumed or lost by venting, flaring, or negligent releases through any equipment during upstream operations,” with certain exceptions	0.484 ^f (total estimate for §§50261-50265)	—	—	Laura Comay
Section 50264 Lease Sales Under the 2017-2022 Outer Continental Shelf Leasing Program	Requires DOI to conduct three offshore oil and gas lease sales that had been canceled under the 2017-2022 five-year offshore oil and gas leasing program; specifies dates by which each sale must be conducted; requires DOI to issue leases from Gulf of Mexico Lease Sale 257, which was conducted in November 2021 but was later vacated by a court ruling	0.484 ^f (total estimate for §§50261-50265)	—	—	Laura Comay

Section Number and Title	Overview of Climate-Related Provisions	CBO Estimated Revenue Effects \$ Billions Cumulative 2022-2031	Appropriations ^a		CRS Contact (for Congressional Clients)
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Section 50265 Ensuring Energy Security ^h	Requires DOI to conduct oil and gas lease sales each year for a decade as a prerequisite to issuing leases or rights-of-way for any new solar or wind energy; without offering minimum parcels for fossil fuel leasing, the federal government would not have the authority to approve utility-scale renewable energy projects on public lands or waters	0.484 ^f (total estimate for §§50261-50265)	—	—	Laura Comay
Section 60113 Methane Emissions Reduction Program ⁱ	Establishes a methane emissions charge (fee) that applies to specific types of petroleum and natural gas system facilities; charge based on emissions reported to EPA and an emissions threshold that varies by facility type; appropriates \$850 million to EPA to provide grants to these facilities to help reduce their methane emissions; appropriates \$700 million to EPA to support similar activities at “marginal conventional wells”	6.350	1.550	Grants	Jonathan Ramseur
BUILDINGS AND ENERGY EFFICIENCY					
Section 13301 Extension, Increase, and Modifications of Nonbusiness Energy Property Credit ^b	Extends and modifies the tax credit for qualified energy efficiency improvements made to a taxpayer’s residence; increases the credit rates, and modifies energy efficiency standards over time; expands credit to include home energy audits	-12.451	—	—	Molly Sherlock
Section 13302 Residential Clean Electricity Credit ^b	Extends and modifies tax credit for purchase of residential solar electric property, solar water heating property, fuel cells, geothermal heat pump property, small wind energy property, and qualified biomass fuel property; adds qualified battery storage technology	-22.022	—	—	Molly Sherlock

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Section 13303 Energy Efficient Commercial Buildings Deduction ^b	Updates energy efficiency requirements to qualify for the tax deduction for certain energy-saving commercial building property installed as part of the (1) interior lighting system; (2) heating, cooling, ventilation, or hot water system; or (3) building envelope; deduction amount depends on meeting requirements for prevailing wage and apprenticeship requirements; allows a tax-exempt entity to allocate the deduction to the designer of the building or retrofit plan	-0.362	—	—	Molly Sherlock
Section 13304 Extension, Increase, and Modifications of New Energy Efficient Home Credit ^b	Extends and modifies the energy efficient new home credit; increases the credit amount and provides a larger credit if prevailing wage and apprenticeship requirements are met; allows credit for low-income housing tax credit recipients	-2.043	—	—	Molly Sherlock
Section 30002 Improving Energy Efficiency or Water Efficiency or Climate Resilience of Affordable Housing	Provides funding to the Department of Housing and Urban Development (HUD) for loans, loan modifications, and grants to finance projects in existing HUD-funded multifamily housing developments that improve energy or water efficiency, enhance indoor air quality or sustainability, implement the use of zero-emission electricity generation, low-emission building materials or processes, energy storage, or building electrification strategies, or address climate resilience; provides direct loan authority not to exceed \$4 billion	—	1.000	Loans, loan modifications, and grants	Maggie McCarty Libby Perl
Section 50121 Home Energy Performance-Based, Whole-House Rebates	Provides funding to DOE for state energy offices (\$4.3 billion) to develop and implement a rebate program to homeowners and aggregators for whole-house energy saving retrofits	—	4.300	Grants	Corrie Clark

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Section 50122 High-Efficiency Electric Home Rebate Program	Provides funding to DOE for state energy offices (\$4.275 billion) and Indian tribes (\$225 million) to develop and operate high-efficiency electric home rebate programs for appliance and nonappliance upgrades	—	4.500	Grants	Corrie Clark
Section 50123 State-Based Home Energy Efficiency Contractor Training Grants	Provides funding to DOE for states to establish programs providing training and education to contractors who install home energy efficiency and electrification improvements	—	0.200	Financial assistance	Corrie Clark
Section 50131 Assistance for Latest and Zero Building Energy Code Adoption	Provides funding to DOE for grants to state and local governments (1) to adopt the latest residential or commercial building energy codes and implement a plan to achieve full compliance with codes (\$330 million), and (2) to adopt residential or commercial building energy codes that meet or exceed the zero energy provisions of the 2021 International Energy Conservation Code or equivalent stretch code and implement a plan to achieve full compliance with codes (\$670 million)	—	1.000	Grants	Corrie Clark
Section 60502 Assistance for Federal Buildings	Provides funding to the General Services Administration (GSA) for the Federal Buildings Fund, to convert GSA facilities to high-performance green buildings	—	0.250	Other agency activities	Garrett Hatch
Section 60503 Use of Low-Carbon Materials	Provides funding to GSA to acquire and install materials that have substantially lower levels of embodied GHGs as determined by EPA (see §60501), for use in construction or alteration of GSA buildings	—	2.150	Other agency activities	Garrett Hatch

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Section 60504 General Services Administration Emerging Technologies	Provides funding to GSA's Federal Buildings Fund for emerging and sustainable technologies, and related sustainability and environmental programs	—	0.975	Other agency activities	Garrett Hatch
Section 70006 FEMA Building Materials Program	Allows the Federal Emergency Management Agency (FEMA) to provide financial assistance for hazard mitigation under the Robert T. Stafford Disaster Relief and Emergency Assistance Act for costs of low-carbon materials and incentives for low-carbon and net-zero energy projects	—	— ^j	Financial assistance	Diane Horn
MANUFACTURING					
Section 13501 Extension of the Advanced Energy Project Credit ^b	Provides \$10 million in allocations of a tax credit for qualifying investments in advanced energy projects, with at least \$4 billion for “energy communities”; Secretary of the Treasury is to establish a program to award credits to project sponsors; credit rate depends on whether a project pays prevailing wages and meets apprenticeship requirements	-6.255	—	—	Molly Sherlock
Section 13502 Advanced Manufacturing Production Credit ^b	Creates a new production tax credit for domestic production and sale of qualifying solar and wind components	-30.632	—	—	Molly Sherlock

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Section 30001 Enhanced Use of the Defense Production Act ^k	Provides funding to carry out activities under the Defense Production Act of 1950 (DPA); on March 31, 2022, and June 6, 2022, President Biden invoked the DPA to accelerate domestic production of clean energy technologies, including large-capacity batteries, solar panel components, and heat pumps, among others ^l	—	0.500	Other agency activities	Heidi Peters
Section 50142 Advanced Technology Vehicle Manufacturing	Provides funding to DOE for costs of loans for equipping, expanding, or establishing manufacturing facilities in the United States to produce, or for engineering integration performed in the United States of, advanced technology vehicles that emit, under any possible operational mode or condition, low- or zero-GHG emissions; eliminates previous loan program cap of \$25 billion	—	3.025	Direct loans	Melissa Diaz
Section 50143 Domestic Manufacturing Conversion Grants	Provides funding to DOE for grants for domestic production of efficient hybrid, plug-in electric hybrid, plug-in electric drive, and hydrogen fuel cell electric vehicles, and administrative costs of making grants	—	2.000	Grants	Melissa Diaz
Section 50161 Advanced Industrial Facilities Deployment Program	Provides funding to DOE for financial assistance for clean energy demonstrations by eligible facilities, with priority to projects to achieve GHG reductions, provide the greatest benefit for the greatest number of people in the area, and participate in a partnership with purchasers of the facility's output	—	5.812	Grant, rebate, direct loan, or cooperative agreement	Corrie Clark
Section 60109 Funding for Implementation of the American Innovation and Manufacturing Act	Provides funding to EPA to implement provisions to reduce hydrofluorocarbons (HFCs) under the American Innovation and Manufacturing Act, including \$20 million for general implementation, \$3.5 million to deploy new implementation and compliance tools, and \$15 million for competitive grants for "reclaim and innovative destruction technologies"	—	0.039	Grants	Richard Lattanzio

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Section 60112 Environmental Product Declaration Assistance	Provides funding to EPA to develop and carry out a program to support development, enhanced standardization and transparency, and reporting criteria for environmental product declarations that include measurements of the embodied GHG emissions of the material or product associated with all relevant stages of production, use, and disposal, and conformance with international standards, for construction materials and products (see also §60106); includes grants and technical assistance to manufacturers of construction materials and to states, tribes, and nonprofit organizations that assist such manufacturers; and other activities	—	0.250	Grants and technical assistance	Richard Lattanzio
Section 60116 Low-Embodied Carbon Labeling for Construction Materials	Provides funding to EPA to develop a program that identifies and labels construction materials with substantially lower levels of embodied GHG emissions compared to industry averages, in consultation with the Federal Highway Administration (FHWA) for construction materials used in transportation projects and GSA for construction materials used for federal buildings; in association with funds provided in Section 60503 (federal buildings), Section 60506 (transportation), and Section 70006 to federal agencies to promote use of low-carbon materials, and Section 60112 to support Environmental Product Declarations to include measurements of embodied GHG emissions in products	—	0.100	Other agency activities	Richard Lattanzio

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ENVIRONMENT AND CLIMATE JUSTICE					
Section 13901 Permanent Extension of Tax Rate to Fund Black Lung Disability Trust Fund ^b	Permanently extends higher excise tax rates to fund the Black Lung Disability Trust Fund on underground and surface coal mines; prior to this change, these tax rates were temporary	1.159	—	—	Scott Szymendera
Section 60103 GHG Reduction Fund	Provides funding to EPA for a new GHG Reduction Fund with \$7 billion to make competitive grants to states, municipalities, tribal governments, and eligible recipients to provide financing and technical assistance to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies, including distributed technologies on residential rooftops, and to carry out other GHG emission reduction activities; \$11.97 billion for general assistance; \$8 billion for low-income and disadvantaged communities; and \$30 million for EPA administrative costs	—	27.000	Grants	Richard Lattanzio
Section 60106 Funding to Address Air Pollution at Schools	Provides funding to EPA for grants and other activities to monitor and reduce GHG emissions and other air pollutants at schools in low-income and disadvantaged communities, and for providing technical assistance to such schools	—	0.050	Grants and other assistance	Richard Lattanzio

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Section 60201 Environmental and Climate Justice Block Grants	Establishes an EPA grant program for community-based groups and partnerships to reduce pollution and climate threats in “disadvantaged communities”; these grants would provide support for community-led priorities to reduce pollution, improve public health and climate readiness, and facilitate community engagement	—	3.000	Grants and technical assistance	Angela Jones
Section 80001 Tribal Climate Resilience	Add funds to the Bureau of Indian Affairs (BIA) for tribal climate resilience and adaptation programs, including for fish hatcheries	—	0.235	Various mechanisms under BIA authorities	Marriel Murray
Section 80002 Native Hawaiian Climate Resilience	Add funds to the Office of Native Hawaiian Relations for climate resilience and adaptation activities that serve the Native Hawaiian Community; funds can be distributed through financial assistance, technical assistance, direct expenditure, grants, contracts, or cooperative agreements	—	0.025	Various mechanisms under BIA authorities	Marriel Murray
Section 80004 Emergency Drought Relief for Tribes	Adds funds to the Bureau of Reclamation for near-term drought relief actions to mitigate drought impacts for Indian tribes affected by the operation of a Bureau of Reclamation water project, including through direct financial assistance to address drinking water shortages and to mitigate the loss of tribal trust resources	—	0.001	Other agency activities	Charles Stern

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AGRICULTURE, FORESTRY, AND LAND CONSERVATION					
Section 21001 Additional Agricultural Conservation Investments	Increases funding for Environmental Quality Incentives Program (\$8.5 billion), a USDA voluntary conservation program that provides farmers and ranchers with grants to implement environmentally beneficial conservation practices; increases funding for Conservation Stewardship Program (\$3.25 billion), a USDA voluntary conservation program that provides farmers and ranchers with grants to maintain and improve existing conservation practices, and adopt additional practices on privately owned lands; increases funding for Agriculture Conservation Easement Program (\$1.4 billion), a USDA program that purchases easements to protect, restore, and enhance wetlands and working agricultural land; increases funding for Regional Conservation Partnership Program (\$4.95 billion), a USDA program that provides grants to partners to deliver conservation assistance to landowners and producers to restore and improve soil, water, and wildlife on a regional or watershed scale	—	18.100	Grants	Megan Stubbs
Section 21002 Conservation Technical Assistance	Provides funding to the Natural Resources Conservation Service (NRCS) at USDA for conservation technical assistance and for NRCS to carry out a program to quantify carbon sequestration and carbon dioxide, methane, and nitrous oxide emissions, to collect field-based data to assess the carbon sequestration and GHG emission reduction outcomes of the program, and to use the data to monitor and track those carbon sequestration and emissions trends through the USDA GHG Inventory and Assessment Program	—	1.400	Technical assistance and data collection	Megan Stubbs

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Section 22003 Biofuel Infrastructure and Agriculture Product Market Expansion	Provides funding to USDA for grants to increase the sale and use of agricultural commodity-based fuels through infrastructure improvements for blending, storing, supplying, or distributing biofuels	—	0.500	Grants	Kelsi Bracmort
Section 23001 National Forest System Restoration and Fuels Reduction Projects	Provides funding to USDA for National Forest Service restoration, including hazardous fuels reduction, vegetation management, and the protection of old-growth forests and watersheds	—	2.150	Other agency activities	Katie Hoover
Section 23002 Competitive Grants for Non-Federal Forest Landowners	Provides funding to USDA to support (1) a grant program under the Cooperative Forestry Assistance Act of 1978 to support underserved landowners with climate mitigation or forest resilience; and (2) the wood innovation grant program (pursuant to §8643 of the Agriculture Improvement Act of 2018)	—	0.550	Grants	Anne Riddle
Section 23003 State and Private Forestry Conservation Programs	Provides funding to USDA for tree planting and related activities under the Urban and Community Forestry Program and acquisition of lands and interests in lands to protect forests threatened with conversion under the Forest Legacy Program	—	2.200	Grants	Anne Riddle
Section 50221 National Parks and Public Lands Conservation and Resilience	Provides funding to DOI for projects for conservation, protection, and resiliency of lands and resources on lands administered by the National Park Service and Bureau of Land Management	—	0.250	Other agency activities	Laura Comay

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Section 50232 Canal Improvement Projects	Provides funding to Bureau of Reclamation for design, study, and implementation of projects to cover water conveyance facilities with solar panels to generate renewable energy or for other solar projects that increase water efficiency and assist in implementation of clean energy goals	—	0.025	Other agency activities	Charles Stern
Section 50233 Drought Mitigation in the Reclamation States	Adds funds for the Bureau of Reclamation for grants, contracts, or financial assistance agreements to or with public entities and Indian tribes, for activities to mitigate the impacts of drought in the Reclamation States, with priority to the Colorado River Basin and other basins experiencing comparable levels of long-term drought	—	4.000	Grants, contracts, or financial assistance	Charles Stern
Section 60302 Funding for the United States Fish and Wildlife Service to Address Weather Events	Adds funds for Fish and Wildlife Service for expenditures, grants, and contracts and cooperative agreements for rebuilding and restoring units of the National Wildlife Refuge System and State wildlife management areas by addressing the threat of invasive species; increasing the resiliency and capacity of habitats and infrastructure to withstand weather events; and reducing damage caused by weather events	—	0.125	Direct expenditures, grants, contracts, and cooperative agreements	Pervaze Sheikh

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CLIMATE RESEARCH					
Section 40001 Investing in Coastal Communities and Climate Resilience	Adds funds to the National Oceanic and Atmospheric Administration (NOAA) to conserve, restore, and protect coastal and marine habitats and resources, support natural resources that sustain coastal and marine resource dependent communities, and complete marine fishery and marine mammal stock assessments	—	2.600	Direct expenditures, contracts, grants, cooperative agreements, or technical assistance	Eva Lipiec
Section 40004 Oceanic and Atmospheric Research and Forecasting for Weather and Climate	Adds funds to NOAA to accelerate advances and improvements in research, observation systems, modeling, forecasting, assessments, and dissemination of information to the public related to weather, coasts, oceans, and climate; and for competitive grants to fund climate research as it relates to weather, ocean, coastal, and atmospheric processes and conditions, and impacts to marine species and coastal habitat	—	0.200	Grants and research	Eva Lipiec
Section 40005 Computing Capacity and Research for Weather, Oceans, and Climate	Adds funds to NOAA to procure additional high-performance computing, data processing capacity, data management, and storage assets	—	0.190	Other agency activities	Eva Lipiec
CROSS-CUTTING					
Section 50172 National Laboratory Infrastructure	Provides funding to DOE for national laboratory infrastructure and general plant projects, of which: Office of Science: \$1.55 billion, including high energy physics, fusion energy science, nuclear physics projects, and basic energy sciences, among others; Office of Fossil Energy and Carbon Management: \$150 million; Office of Nuclear Energy: \$150 million; Office of Energy Efficiency and Renewable Energy: \$150 million	—	2.000	Other agency activities	Corrie Clark

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Section 60111 Greenhouse Gas Corporate Reporting	Provides funding to EPA to support enhanced standardization and transparency of corporate climate action commitments and plans to reduce GHG emissions; enhanced transparency regarding progress toward meeting such commitments and implementing such plans; and progress toward meeting such commitments and implementing such plans	—	0.005	Other agency activities	Angela Jones
Section 60114 Climate Pollution Reduction Grants	Provides funding (\$250 million) to EPA to issue a grant to at least one eligible entity (e.g., states, state agencies, municipalities, Indian tribes) in each state to develop a plan for GHG emission reduction; provides funding (\$4.75 billion) to EPA to issue grants to entities to implement their GHG reduction plans	—	5.000	Grants	Jonathan Ramseur

Sources: CRS analysis of P.L. 117-169; estimated revenue effects from Congressional Budget Office, “Estimated Budgetary Effects of H.R. 5376, the Inflation Reduction Act of 2022, as Amended in the Nature of a Substitute (ERN22335) and Posted on the Website of the Senate Majority Leader on July 27, 2022,” revised August 5, 2022, <https://www.cbo.gov/publication/58366>.

Notes: A “—” indicates no revenue effects or appropriations for this provision.

- a. Appropriation amounts provided in this table are from the statutory text. For the budgetary effects of these provisions, see the “estimated outlays” provided in Congressional Budget Office, “Estimated Budgetary Effects of H.R. 5376, the Inflation Reduction Act of 2022, as Amended in the Nature of a Substitute (ERN22335) and Posted on the Website of the Senate Majority Leader on July 27, 2022,” revised August 5, 2022, <https://www.cbo.gov/publication/58366>.
- b. See CRS Report R47202, *Tax Provisions in the Inflation Reduction Act of 2022 (H.R. 5376)*, coordinated by Molly F. Sherlock.
- c. See CRS Insight INI 1984, *Inflation Reduction Act of 2022 (IRA): Department of Energy Loan Guarantee Programs*, by Phillip Brown.
- d. See CRS Insight INI 1981, *Electricity Transmission Provisions in the Inflation Reduction Act of 2022*, by Ashley J. Lawson.
- e. See CRS Insight INI 1980, *Offshore Wind Provisions in the Inflation Reduction Act*, by Laura B. Comay, Corrie E. Clark, and Molly F. Sherlock.
- f. In leasing offshore wind resources, the federal government collects certain proceeds, such as bid bonuses, rents, and royalties. Although this amount is listed as “revenue” in this table, proceeds from such offshore leasing are treated as offsetting receipts, which are recorded in the federal budget as negative spending (i.e., reductions in federal spending).
- g. See CRS Insight INI 1996, *Clean Vehicle Tax Credits in the Inflation Reduction Act of 2022*, by Molly F. Sherlock.
- h. See CRS Report R44692, *Five-Year Offshore Oil and Gas Leasing Program: Status and Issues in Brief*, by Laura B. Comay.

- i. See CRS Report R47206, *Inflation Reduction Act Methane Emissions Charge: In Brief*, by Jonathan L. Ramseur.
- j. In CBO's cost estimate report, "estimated outlays" from this provision totaled \$61 million between FY2022 and FY2031. Congressional Budget Office, "Estimated Budgetary Effects of H.R. 5376, the Inflation Reduction Act of 2022, as Amended in the Nature of a Substitute (ERN22335) and Posted on the Website of the Senate Majority Leader on July 27, 2022," revised August 5, 2022, <https://www.cbo.gov/publication/58366>.
- k. See CRS Report R43767, *The Defense Production Act of 1950: History, Authorities, and Considerations for Congress*, by Heidi M. Peters; and CRS Report R47124, *2022 Invocation of the Defense Production Act for Large-Capacity Batteries: In Brief*, by Heidi M. Peters et al.
- l. See White House, "FACT SHEET: President Biden Takes Bold Executive Action to Spur Domestic Clean Energy Manufacturing," press release, June 6, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/06/fact-sheet-president-biden-takes-bold-executive-action-to-spur-domestic-clean-energy-manufacturing/>. In addition, explanatory documentation released by Senate Democrats describe this funding as allocated for DPA activities connected to heat pumps and critical minerals mining; see Senate Democrats, "Summary of the Energy Security and Climate Change Investments in the Inflation Reduction Act of 2022," https://www.democrats.senate.gov/imo/media/doc/summary_of_the_energy_security_and_climate_change_investments_in_the_inflation_reduction_act_of_2022.pdf.

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