



Environmental Justice

Inflation Reduction Act of 2022 | Office of U.S. Senator Tina Smith

Reducing Greenhouse Gases in Disadvantaged Communities

The *Inflation Reduction Act* makes a huge investment in low-income individuals and disadvantaged communities to reduce legacy pollution, ensure affordable and accessible clean energy, and improve quality of life and good-paying jobs.

Greenhouse Gas Reduction Fund

This fund provides \$27 billion for a clean energy and sustainability accelerator with at least 60% of the funds focused on disadvantaged communities. Non-federal governments and regional green banks are eligible for funding. Of the total funding, there is \$7 billion for zero-emission technology deployment and \$8 billion for reducing greenhouse gas emissions and pollution, both in low-income and disadvantaged communities.

Climate Pollution Reduction Grants

The *Inflation Reduction Act* recognizes the disproportionate amount of pollution in black and brown communities. It provides \$5 billion for planning and implementation grants to states, Tribes, or pollution control agencies to reduce greenhouse gas pollution in low-income and disadvantaged communities.

Environmental and Climate Justice Block Grants

These grants invest \$3 billion in community led projects in disadvantaged communities and at community capacity building centers to address disproportionate environmental and public health harms related to pollution and climate change. The funds can be used to monitor, remediate, or invest in zero-emission technology, workforce development to reduce greenhouse gases, mitigate health risks, climate resilience and adaptation, or reduce indoor air pollution.

Clean Energy Tax Credits

The *Inflation Reduction Act* makes a \$260 billion total investment in clean energy tax credits, which are the biggest piece of the climate provisions. All of the tax credits include direct pay for non-profit entities, which Senator Smith was instrumental in securing. The credits also include a new 10% bonus for projects built in legacy energy communities as well as another 10-20% for projects installed in a low-income community, on Tribal land, or as part of a low-income economic benefit project. This helps ensure that all Americans benefit from clean, reliable energy resources and the economic opportunity of these investments.

Energy and Water Efficiency for Affordable Housing

The bill includes \$1 billion in grants and \$4 billion in loan authority to improve energy and water efficiency of affordable housing. This funding can be used to improve indoor air quality, implement low-emission technologies or energy storage, make electrification upgrades, or improve the climate resiliency of affordable housing.

Commercial Clean Vehicles

The bill includes a new EPA program funded at \$1 billion to cover the cost of zero-emission school buses, garbage trucks, and transit busses with a specific focus on disadvantaged communities and communities with significant air pollution. The funding can also be used to install, operate, and maintain infrastructure to re-fuel or re-charge these vehicles, for workforce development and training to support operation and maintenance of clean vehicles and charging infrastructure, or for planning and technical activities to support adoption and deployment. The funding will be awarded for projects with states, municipalities, Tribes, or nonprofit schools. There is also an additional \$60 million to reduce diesel emissions from facilities like airports, railyards, and distribution centers. This will help improve air pollution and public health in our communities.

Neighborhood Access and Equity Grants

Provides \$3 billion to support neighborhood safety, equity, and affordable transportation. The grants can be used to improve walkability, build multiuse trails or greenways, or mitigate negative impacts on the human or natural environment from infrastructure in underserved communities, including projects that reconnect neighborhoods split by prior infrastructure projects.

High Efficiency Electric Home Rebate Program

Funding for state energy offices (\$4.28 billion) and Tribes (\$225 million) over 10 years to implement a high efficiency electric home rebate program that provides rebates for qualified electrification projects.

- **Heat pumps** – \$1,750 for a water heater or \$8,000 for heating/cooling units
- **Electric appliances** – \$840 for an electric stove/cooktop/range/oven or clothes dryer
- **Electric load service center upgrade** – \$4,000
- **Weatherization** – \$1,600 for insulation or \$2,500 for electrical wiring

Maximum of \$14,000 in rebates per individual, including \$500 for installation. Eligible recipients include: low- or moderate-income households, owner of a multifamily building with at least 50% low- and moderate-income residents, or a government, commercial, or nonprofit entity carrying out a qualified project on behalf of such an entity (total annual income less than 150% of the median area income).

Grants to Reduce Air Pollution at Ports

Electrifying our ports is really important for reducing local air pollution. The *Inflation Reduction Act* provides \$3 billion to support the purchase and installation of zero-emission equipment and technology at ports. The grants also provide funds to develop port climate action plans.

Methane Emissions Reduction

\$850 billion in EPA grants, rebates, and loans for projects that reduce methane emissions and leaks. The provision also imposes a fee on methane emissions above a threshold. Together, these will help reduce emissions of this potent greenhouse gas, with a particular benefit to communities near fossil fuel facilities.