



Oregon
Environmental
Council

The Inflation Reduction Act

Benefits for Oregon's Climate, Jobs & Communities

Sustainable Northwest Fall Energy Symposium
October 2022

Huge. Historic. Unprecedented.

The Inflation Reduction Act “**will have a profound effect across industries** in the next decade and beyond” and could ultimately **shape the direction of the American economy.**

– September 2022 Credit Suisse report.

By 2030, the Inflation Reduction Act could...

- Reduce U.S. climate emissions by 40 percent
- Increase GDP nearly 1 percent
- Create 9 million jobs
- Generate ~\$1.7 trillion in new investment
- Prevent 3,900 premature deaths
- Cut energy costs by \$200-\$1000 per year

... But securing the IRA's full economic development potential will depend state and utility implementation.

Topline Takeaways for Oregon

- ✓ **Supercharge the benefits** of Oregon's existing climate programs and policies.
- ✓ Increase **energy affordability and access** to the clean energy economy.
- ✓ Create **thousands of good-paying jobs**, building on our existing clean energy workforce.
- ✓ Help Oregon communities **prepare and adapt to the impacts of climate change**.
- ✓ **Save Oregonians money** at the pump and on electricity bills.



IRA: Highlights for Climate & Clean Energy

- **CLEAN, AFFORDABLE ENERGY: \$158B**
 - Extension of wind & solar tax credits
 - New/expanded investment & production tax credits
 - Rural electricity & transmission infrastructure investments
- **CLEAN, EFFICIENT BUILDINGS: \$37B**
 - Electrification and efficiency tax credits & rebates for homes & buildings
- **CLEAN MANUFACTURING + INDUSTRY: \$60B**
 - Expanded investment tax credit for new & existing facilities
 - Manufacturing production credit for clean energy technologies
- **CLEAN, EQUITABLE TRANSPORTATION: \$28.2B**
 - Clean Vehicle/EV credits
 - Biofuel/biodiesel incentives

Clean Energy + Rural Electricity Investments

- **Clean Energy + Manufacturing**

- \$65 billion in extended wind & solar energy tax credits
- \$62 billion in clean electricity investment & production tax credits
- \$37 billion in clean energy incentives for individuals
- \$30 billion in clean energy/tech. manufacturing tax incentives

- **Rural Electricity Investments**

- \$12.8 billion to help rural communities deploy more clean energy, including:
 - \$9.7 billion for USDA loans to rural electric cooperatives.
 - \$3 billion for rural clean energy loans and grants.
- Direct pay options for electric cooperatives, which serve about 215,000 homes, businesses, and other customers in Oregon.

Clean Energy + Energy Affordability

- **Hundreds of thousands of low- and moderate-income households in Oregon** will be eligible for rebates that will cover 50-100% of new electric appliances.
- **75,000 Oregon households will install rooftop panels** as a result of tax credits.
- Increased **energy affordability** thanks to tax credits covering 30% of the costs of community solar projects that save families on their electric bills.
- Grant incentives for the state to strengthen building energy codes, which would **save the average new homeowner in Oregon 5.1% on their utility bills.**
- **Millions of Oregonians will be eligible for upfront discounts on electric vehicles**, up to \$7,500 for new EVs and \$4,000 for used EVs.

Climate-Smart Ag., Water, and Forests

AGRICULTURE

- \$20 billion into climate-smart agriculture practices, which will help Oregon's 37,100 farms lead on climate solutions and reward their stewardship.

WATER

- \$4 billion for drought relief programs
- \$550 million for water programs in disadvantaged communities
- \$12.5 million for emergency drought funding for Tribes

FORESTS

- \$4 billion in investments in forest conservation and restoration, including programs focused on preventing wildfires and protecting bio-diverse old growth forests.

Note: these figures represent **total IRA investments; we do not yet have an Oregon-specific breakdown.*

IRA Force Multipliers

Greenhouse Gas Reduction Fund

- \$7 billion in grants for states, municipalities, Tribal governments, and eligible recipients to invest in clean energy technologies + community projects.
- \$20 billion in grants to invest in projects that reduce climate pollution. 40% will be dedicated to projects benefiting low-income and disadvantaged communities.

Environmental and Climate Justice Block Grants

- \$3 billion for community-led projects, from climate resilience and adaptation to increasing community engagement in public processes like rulemakings.
- Includes \$200 million to provide technical assistance to communities.

Maximizing the IRA's Impact in Oregon

Oregon's recent clean energy policies & programs make our state well-positioned to harness the IRA's investments.

At the same time, additional state action will be necessary to ensure Oregon is prepared to maximize benefits the IRA's benefits for climate, jobs, and communities.



Thank You!

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