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# Top 8 BGA Priorities in the Inflation Reduction Act of 2022

The Inflation Reduction Act of 2022 is a robust package to revitalize U.S. manufacturing and grow clean energy around the country, invest in economic and racial justice programs, and support and create the good-paying, union jobs we need to give all workers the opportunity for a middle-class life.

The Inflation Reduction Act will:

- Create or sustain millions of good jobs;
  - Tackle climate change by [reducing emissions by 31-44%](#) by 2030;
  - Create and sustain good-paying, union jobs, while reducing pollution in manufacturing to support cleaner air and more competitive industries;
  - Allow us to build our own supply chains for vital technologies;
  - Grow U.S. clean energy efforts in a way that creates good, union jobs around the country by tying the investments we make to proven standards that lift up job quality and domestic manufacturing; and
  - Invest in workers and communities that are struggling, to create good jobs that are available to those that need them the most, including workers living in communities that have been hit hard by the transition to cleaner, cheaper energy and manufacturing job outsourcing.
- expanded, or retooled with federal support and more throughout the economy.
  - Expanded **tax credits to support manufacturing of clean energy technologies—from solar to wind to batteries—would support the creation of more than 67,000 good jobs each year.**
  - A new program to invest in **pollution-reducing upgrades at steel, aluminum, cement, and other emissions-intensive manufacturing facilities would create nearly 12,000 good jobs each year.**
  - The nearly \$3 billion dollars to **update and modernize our transmission infrastructure** would create nearly **4,000 jobs each year.**

The more than 100 climate, energy, and environmental justice investments included in the bill will create millions of good jobs. This includes:

- The **investments in just two programs that will prepare facilities for electric vehicle (EV) manufacturing would create more than 7,000 good jobs each year to retrofit those facilities.** Those programs are the Advanced Technology Vehicle Manufacturing program and Domestic Manufacturing Conversion Grants. They would also create or sustain hundreds of thousands of long-term jobs at thousands of factories established,

**The time to act is now.** The Inflation Reduction Act will do more than tackle inflation. It will be a game-changer in growing clean energy, revitalizing manufacturing, and building resilient communities. Congress must act now to pass this bill and put us on the path to a clean, prosperous, and equitable economy.

## KEY INVESTMENTS IN THE INFLATION REDUCTION ACT OF 2022

### 1. Clean Energy Projects that Deliver Good Jobs

The Inflation Reduction Act delivers strong investments in the clean energy economy that will support and create high-quality, union jobs, particularly in hard-hit communities, while helping

reach our climate goals. The bill provides significant funding for clean energy projects built with high-road labor standards and support for domestic manufacturing growth. These investments also have strong incentives for clean energy deployment and manufacturing in low-income communities and communities that have experienced economic hardship through job losses in the fossil energy sector.

## 2. Clean Technology Manufacturing

The bill makes the largest ever investment in U.S. manufacturing of clean energy technologies, including wind, solar, batteries, electric vehicles, and more. [These investments are essential](#) to create good union jobs, counter the racial and economic inequality fed by manufacturing job losses, and build secure domestic supply chains instead of relying on oft-exploitative and polluting production overseas. The Inflation Reduction Act includes \$10 billion for the 48C tax credit to expand clean technology manufacturing in targeted sectors. These provisions, including the private investments they will catalyze, will support the creation of more than 67,000 good jobs each year. The bill also establishes new manufacturing production tax credits to fill critical clean technology supply chain gaps in wind, solar, and battery manufacturing. In addition, the bill's many investments in clean energy deployment include domestic content standards that will fuel demand for U.S. manufacturing. Finally, the Inflation Reduction Act includes \$500 million for the [Defense Production Act](#)—a versatile policy toolbox that the Biden administration has started to use to support manufacturing growth in critical clean energy sectors.

## 3. Industrial Transformation

The bill includes major investments to modernize our energy-intensive industrial sector in support of good jobs, clean air, and a reduction in industrial emissions, which account for [nearly one third of U.S. climate pollution](#). The Inflation Reduction Act includes nearly \$6 billion for widespread deployment of industrial efficiency and emissions reduction projects at steel, aluminum, cement, and other energy-intensive manufacturing facilities. This provision will create more than 12,000 good jobs each year, including the private investment that will be stimulated, while boosting competitiveness. The bill also expands the 48C tax credit to boost industrial efforts to reduce emissions. These two provisions alone will support not only cleaner air and good jobs, but also a more than 70 million metric ton annual reduction in U.S. climate

pollution—the equivalent of running over 20,000 wind turbines for a year. The bill also includes new investments to support the Biden administration's [Buy Clean](#) initiative, which will use the U.S. government's vast purchasing power to drive demand for low-emissions manufacturing of construction materials. To lay the groundwork for Buy Clean, the Inflation Reduction Act includes \$250 million for a grant program that will help manufacturers report their emissions in environmental product declarations.

## 4. EV Deployment, Automotive Manufacturing & Supply Chain

The bill makes significant strides to accelerate the electrification of private, public, and commercial fleets, while working to onshore the supply chain for materials and components critical to that transition. The Inflation Reduction Act achieves this through a combination of tax incentives, loans, and grants. The bill revamps the new and used clean vehicle tax credits and commercial clean vehicle tax credit while incentivizing manufacturers to source and build the batteries in North America. It also drives private investment in EV charging infrastructure through the 30C Alternative Fueling Property Credit, an essential supplement to the BIL National EV Infrastructure Program. The Inflation Reduction Act also makes direct investments in the facilities, workers, and communities who will make this transition possible, adding \$3 billion in loan authority to the highly effective Advanced Technology Vehicle Manufacturing Loan Program. It also provides a first-time funding infusion of \$2 billion to the Domestic Manufacturing Conversion Grant Program, which helps manufacturers retool facilities to meet exploding consumer demand for advanced and clean vehicles. These two EV manufacturing programs will create more than 7,000 good jobs each year, including both public and private investments. Finally, the legislation makes a \$3 billion investment in the electrification of the U.S. Postal Service delivery vehicle fleet, which represents the largest non-military federal fleet at over 200,000 vehicles. Over the lifetime of the fleet, this funding will save federal dollars and improve air quality in every community across the United States.

## 5. Transmission Deployment

Building on the \$2.5 billion included in the Bipartisan Infrastructure Law (BIL) for transmission build out, the Inflation Reduction Act provides an additional nearly \$3 billion dollars to update and

modernize our transmission infrastructure. This funding includes \$760 million in grants to facilitate the siting of interstate transmission lines, and \$100 million for offshore wind transmission planning. These investments, coupled with private investment, will create more than 4,000 jobs each year.

## 6. Buildings

The Inflation Reduction Act includes tax credits for energy efficient homes, including multi-family housing, and commercial buildings. Many of the tax credits come with strong labor standards, including prevailing wage, domestic content, and apprenticeship requirements. The bill also includes funding for residential buildings, largely to improve energy efficiency, safety, health, and affordability. For example, it includes \$9 billion for in-home retrofit and electrification rebates, and \$1 billion for energy efficiency, water efficiency, and climate resilience in affordable housing. It also includes \$250 million to retrofit federal buildings and \$1 billion in investments to upgrade building codes.

## 7. Supporting Energy Transition Workers and Communities

Our country's energy transition is well underway, but a transition that is fair for workers and communities isn't something that will happen organically. Prioritizing and targeting federal resources to workers and communities in places impacted by this shift must be a deliberate choice. The Inflation Reduction Act includes investments such as a new tax credit to drive clean energy investments to energy communities where a coal mine or coal-fired power plant has recently closed and significant financing for rural renewable energy investments through the U.S. Department of Agriculture. Additionally, the Senate bill *permanently* extends the black lung excise tax to maintain the funding that provides critical benefits to miners and

families. These investments are crucial to support workers and communities who have borne the brunt of job loss in this energy transition.

## 8. Resilient and Healthy Communities

The Inflation Reduction Act includes community-based investments to reduce pollution in disadvantaged communities while improving sustainability and resilience. This includes \$50 million to address indoor air quality and emissions at schools in low-income and disadvantaged communities, and \$3 billion for environmental and climate justice block grants. The Inflation Reduction Act also includes \$2.6 billion in National Oceanic and Atmospheric Administration (NOAA) grants to protect coastal communities and conserve and restore coastal habitats, \$5 billion in grants to support resilient forests and communities, and nearly \$250 million for Tribal and Native Hawaiian climate resilience and adaptation programs.

The bill represents a game-changing investment, and Congress should move it forward as quickly as possible. At the same time, we will continue to fight for critical investments not included in the bill, like support for dislocated energy workers and good-paying, union jobs in the care economy. As we move forward, the Inflation Reduction Act of 2022 is proof that we can solve today's environmental challenges in ways that create and maintain quality jobs and build a clean, prosperous, and equitable economy.



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