

Inflation Reduction Act: Comprehensive Summary of Energy and Environment Titles

Energy – Title V

- *Home Energy Efficiency Rebate Program:* Combined \$9 billion is available for rebate programs available for homeowners and aggregators for house energy-saving retrofits and high-efficiency electric home rebate programs and grants for training and educating contractors in the installation of home energy efficiency and electrification improvements. (Secs. 50121, 50122 and 50123).
- *Building Efficiency Code Adoption:* \$1 billion is available for grants to adopt building codes for residential buildings that meet or exceed the 2021 International Energy Conservation Code and commercial buildings that meet or exceed the ANSI/ASHRAE/IES standards. (Sec. 50131).
- *Funding for Department of Energy (DOE) Loan Programs Office:* \$3.6 billion is available to the Secretary of Energy to make loan guarantees for certain eligible projects under Section 1703 of the Energy Policy Act of 2005 that avoid, reduce, or sequester air pollutants or emissions of greenhouse gases (GHGs). This section also provides for the Secretary of Energy to commit to guarantee loans up to an aggregate principal amount of loans up to \$40 billion. (Sec. 50141).
- *Advanced Technology Vehicle Manufacturing:* \$3 billion is available for the Secretary of Energy to make loans for reequipping, expanding, or establishing a manufacturing facility in the U.S. to produce advanced technology vehicles that emit low- or zero-exhaust emissions of GHGs. This section also removes the loan cap of \$25 billion. (Sec. 50142).
- *Domestic Manufacturing Conversion Grants:* \$2 billion is available for domestic production of efficient hybrid, plug-in electric hybrid, plug-in electric drive, and hydrogen fuel cell electric vehicles. (Sec. 50143).
- *Energy Infrastructure Reinvestment Financing:* \$5 billion is available for the Secretary of Energy to provide guarantees to retool, repower, repurpose, or replace energy infrastructure that has ceased operations or enable operating energy infrastructure to avoid, reduce, utilize, or sequester air pollutants or emissions of GHGs (Sec. 50144).
- *Tribal Energy Loan Guarantee Program:* \$75 million is available to provide loans to American Indian tribes for energy development. (Sec. 50145).
- *Transmission Facility Financing:* \$2 billion is available to provide loans for the construction or modification of electric transmission facilities designated by the Secretary of Energy to be necessary in the national interest under Section 216(a) of the Federal Power Act. (Sec. 50151).
- *Grants to Facilitate the Siting of Interstate Electricity Transmission Lines:* \$760 million is available for the siting of a covered transmission project, including the following activities: (i) studies and analyses of the covered transmission project, (ii) examination of up to three alternate siting corridors within which the covered transmission project feasibly could be sited, (iii) participation by the siting authority in regulatory proceedings or negotiations in another jurisdiction or under the auspices of a transmission

organization, (iv) participation by the siting authority in regulatory proceedings at the Federal Energy Regulatory Commission or a state regulatory commission for determining applicable rates and cost allocation for the covered transmission project, or (e) other measures and actions that may improve the chances of, and shorten the time required for, approval by the siting authority of the application relating to the siting or permitting of the covered transmission projects. (Sec. 50152).

- *Interregional and Offshore Wind Electricity Transmission Planning*: \$100 million is available to convene relevant stakeholders to address the development of interregional electricity transmission and transmission of electricity generated by offshore wind and to conduct planning, modeling, and analysis regarding interregional electricity transmission and transmission of electricity generated by offshore wind. (Sec. 50153)
- *Advanced Industrial Facilities Deployment Program*: \$5.8 billion is available to the Office of Clean Energy Development to be used to assist eligible entities that will be involved with the purchase and installation, or implementation, of advanced industrial technology at an eligible facility; retrofits, upgrades to, or operational improvements at an eligible facility to install or implement advanced industrial technology; or engineering studies and other work needed to prepare an eligible facility for these activities. Eligible projects will be evaluated by the expected GHG emissions reductions to be achieved by carrying out the project; the extent to which the project would provide the greatest benefit for the greatest number of people within the area in which the eligible facility is located; and whether the eligible entity participates or would participate in a partnership with purchasers of the output of the eligible facility. Eligible entities will be expected to provide not less than 50% of the cost of an eligible project. (Sec. 50161)
- *Department of Energy Oversight*: \$20 million is available for oversight by the Department of Energy Office of Inspector General of the Department of Energy activities. (Sec. 50171)
- *National Laboratory Infrastructure*: Funds are available to the Office of Science for the following: \$133 million for science laboratory infrastructure projects; \$303 million for high-energy physics construction and major items of equipment projects; \$280 million for fusion energy science construction and major items of equipment projects; \$217 million for activities for nuclear physics construction and major items of equipment projects; \$163 million for activities for advanced scientific computing research facilities; \$294 million for activities for basic energy sciences projects; and \$157 for isotope research and development facilities. \$150 million is available to the Office of Fossil Energy and Carbon Management, \$150 million to Office of Nuclear Energy, and \$150 million to Office of Energy Efficiency and Renewable Energy for activities related to infrastructure and general plant projects. (Sec. 50172)
- *Availability of High-Assay Low-Enriched Uranium*: \$100 million is available to license and regulate special nuclear material fuel fabrication and enrichment facilities and certify transportation packages; assist commercial entities in designing and licensing transportation packages for high-assay low-enriched uranium; and support commercial entity submissions of such transportation package designs. \$500 million is available to acquire or provide high-assay low-enriched uranium from a Department of Energy stockpile or to use enrichment technology to make available to an established consortium for commercial use or demonstration projects; conduct a stakeholder survey to estimate the quantity of high-assay low-enriched uranium necessary for commercial

use; and support the aforementioned consortium and their needs related to high-assay low-enriched uranium. \$100 million is available to support the availability of high-assay low-enriched uranium for civilian domestic research, development, demonstration, and commercial use. (Sec. 50173)

- *Public Lands*: \$250 million is available for projects for the conservation, protection, and resiliency of lands and resources administered by the National Park Service (NPS) and Bureau of Land Management (BLM). (Sec. 50221) \$250 million is available for conservation, ecosystem, and habitat restoration projects on lands administered by the NPS and BLM. (Sec. 50222) \$500 million is available to hire employees to serve in units of the National Park System or national historic or national scenic trails administered by the NPS. (Sec. 50223) \$200 million is available to carry out priority deferred maintenance projects, through direct expenditures or transfers, within the boundaries of the National Park System. (Sec. 50224)
- *Drought Response and Preparedness*: \$550 million is available for grants, contracts, or financial assistance agreements for disadvantaged communities in a manner as determined by the Commissioner of Reclamation for up to 100% of the cost of the planning, design, or construction of water projects the primary purpose of which is to provide domestic water supplies to communities or households that do not have reliable access to domestic water supplies. (Sec. 50231) \$25 million is available for the design, study, and implementation of projects (including pilot and demonstration projects) to cover water conveyance facilities with solar panels to generate renewable energy or for other solar projects associated with Bureau of Reclamation projects that increase water efficiency and assist in implementation of clean energy goals. (Sec. 50232)

\$4 billion is available for grants, contracts, or financial assistance agreements, in accordance with the reclamation laws, to or with public entities and American Indian tribes that provide for the conduct of the following activities to mitigate the effects of drought in the reclamation states, with priority given to the Colorado River Basin and other basins experiencing comparable levels of long-term drought, to be implemented in compliance with applicable environmental law: (1) compensation for a temporary or multiyear voluntary reduction in diversion of water or consumptive water use, (2) voluntary system conservation projects that achieve verifiable reductions in use of or demand for water supplies or provide environmental benefits in the Lower Basin or Upper Basin of the Colorado River, (3) ecosystem and habitat restoration projects to address issues directly caused by drought in a river basin or inland water body. (Sec. 50233)

- *Office of Insular Affairs Climate Change Technical Assistance*: \$15 million is available for technical assistance for climate change planning, mitigation, adaptation, and resilience to United States Insular Areas. (Sec. 50241)
- *Offshore Wind*: Amends the Outer Continental Shelf Lands Act (OCSLA) to restore the ability to grant leases, easements, and rights-of-way on the Outer Continental Shelf Lands that were previously withdrawn by the presidential memorandums Memorandum on the Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition (September 8, 2020) and Presidential Determination on the Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition (September 25, 2020). Amends the OCSLA to broaden the definition of “outer continental shelf” to include land within the exclusive economic zone of the U.S.

and adjacent to U.S. territory. Provides for the Secretary of the Interior to issue calls for information and nominations for proposed wind lease sales for areas of the Outer Continental Shelf and conduct wind lease sales in each area within the exclusive economic zone of the U.S. adjacent to Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, or the Mariana Islands. (Sec. 50251)

- *Fossil Fuel Resources*: Amends the OCSLA to increase the offshore oil and gas royalty rate from a minimum of 12.5% to a minimum of 16.67% but not more than 18.75% during the 10-year period after the bill's enactment (after which the rate will be a minimum of 16.67%). (Sec. 50261)

Amends the Mineral Leasing Act to, among other things, increase the onshore oil and gas royalty rates from 12.5% to 16.67%; increase the minimum royalty rate for future rentals under lease reinstatement from 16.67% to 20%; increase the oil and gas minimum bid from \$2 per acre to \$10 per acre; increase fossil fuel rental rates and rentals in reinstated oil and gas leases; and allow for competitive bidding for land that has not accepted or received a bid or has a terminated, expired, canceled, or relinquished lease. (Sec. 50262)

Requires that royalties paid for gas produced from federal land and on the Outer Continental Shelf be assessed on all gas produced, including all gas that is consumed or lost by venting, flaring, or negligent releases through any equipment during upstream operations. This does not apply to (1) gas vented or flared for not longer than 48 hours in an emergency situation that poses a danger to human health, safety, or the environment; (2) gas used or consumed within the area of the lease, unit, or communitized area for the benefit of the lease, unit, or communitized area; or (3) gas that is unavoidably lost. (Sec. 50263)

Requires the Secretary of Interior to accept a bid for Outer Continental Shelf Lease Sale 257 and conduct lease sales for Outer Continental Shelf Lease Sales 258, 259, and 261. (Sec. 50264)

Restricts the Secretary of the Interior from issuing a right-of-way for wind or solar energy development on federal land unless (A) an onshore lease sale has been held during the 120-day period ending on the date of the issuance of the right-of-way for wind or solar energy development and (B) the sum total of acres offered for lease in onshore lease sales during the one-year period ending on the date of the issuance of the right-of-way for wind or solar energy development is not less than the lesser of (i) 2 million acres and (ii) 50% of the acreage for which expressions of interest have been submitted for lease sales during that period.

Restricts the Secretary of the Interior from issuing a lease for off-shore wind development unless (A) an offshore lease sale has been held during the one-year period ending on the date of the issuance of the lease for offshore wind development and (B) the sum total of acres offered for lease in offshore lease sales during the one-year period ending on the date of the issuance of the lease for offshore wind development is not less than 60 million acres. (Sec. 50265)

- *United States Geological Survey*: \$23.5 million is available to produce, collect, disseminate, and use 3D elevation data. (Sec. 50271)

- *Department of the Interior Oversight:* \$10 million is available for oversight by the Department of the Interior Office of Inspector General of Department of the Interior activities. (Sec. 50281)
- *Environmental Reviews:* \$115 million is available to the Department of Energy, \$110 million to the Federal Energy Regulatory Commission, and \$150 million to the Department of Interior for the hiring and training of personnel, the development of programmatic environmental documents, the procurement of technical or scientific services for environmental reviews, the development of environmental data or information systems, stakeholder and community engagement, and the purchase of new equipment for environmental analysis to facilitate timely and efficient environmental reviews and authorizations. (Secs. 50301, 50302, 50303)

Environmental – Title VI

- *Clean Heavy-Duty Vehicles:* Provides up to \$1 billion in total funding for Environmental Protection Agency (EPA) grants and rebates to replace eligible medium- and heavy-duty vehicles with zero-emissions vehicles. \$400 million of these funds are available only for eligible vehicles such as garbage trucks, beverage trucks, tow trucks, and school buses serving communities in designated nonattainment with the National Ambient Air Quality Standards. (Sec. 60101)
- *Transportation Emissions Reduction Funding:* Up to \$2.25 billion in funding is available for eligible recipients (port authorities, state, tribal, or municipal agencies and private entities) to purchase zero-emission port technology and to spend funds on associated planning and permitting costs for the installation of such technologies (Sec. 60102); also up to \$60 million in grant funding is available to identify and reduce diesel emissions from the transport of goods in low-income and disadvantaged communities (Sec. 60104). Additionally, the Act provides up to \$5 million in funding for the EPA to carry out testing and to develop protocols regarding the environmental and public health effects of fuel additives, including the effects on low-income and disadvantaged communities and up to \$10 million in grant funding to industry to support investment in advanced biofuels (Sec. 60108).
- *GHG Reduction Fund:* Up to \$7 billion in direct funding is available and an additional \$12 billion in funding is available for technical assistance to states, municipalities, tribal governments, and nonprofit organizations to assist low-income and disadvantaged communities to deploy or benefit from zero-emission technologies; an additional \$8 billion in funding is available to nonprofit organizations for the same work (Sec. 60103).
- *Air Pollution Mitigation Funding:* Up to \$118 million in grant funding is available to deploy and maintain air monitoring at the fenceline; \$50 million for grants is available to expand and repair the national ambient air quality monitoring network; \$3 million is available for grants to deploy air quality sensors in low-income and disadvantaged communities; \$15 million is available for agency testing and monitoring of emissions from wood heaters; \$20 million is available for grants to monitor methane emissions; \$25 million is available in general air pollution mitigation grant funding; \$45 million is available in general appropriations for the EPA to carry out air pollution monitoring and enforcement activities; \$5 million in grant funding is available for states to adopt and implement GHG and zero-emission standards for mobile sources (Sec. 60105); and up to \$37.5 million in grant funding is available to monitor and reduce air pollutants at schools in low-income

and disadvantaged communities as well as an additional \$12.5 million in funding for related technical assistance (Sec. 60106).

- *Consumer Education and Industry Partnerships:* Up to \$87 million in grant funding is available for consumer education about emissions reductions and electricity use, including funds dedicated to education in low-income and disadvantaged communities; industry-specific outreach and partnerships as well as state, local, and tribal outreach regarding emissions reductions from electricity use; assessments of GHG emissions reductions from changes in domestic electricity generation; and actions under the Clean Air Act to reduce GHG emissions from domestic electricity generation (Sec. 60107).
- *HFC Reduction:* \$38.5 million is available for EPA implementation of the American Innovation and Manufacturing Act, enacted as part of the 2021 Consolidated Appropriations Act, to phase down hydrofluorocarbons (HFCs). Of this funding, \$15 million is designated to fund competitive grants for reclamation and innovative HFC destruction technologies (Sec. 60109).
- *Funding for Enforcement and Technology Monitoring:* A total \$25 million is available for enforcement technology and information, of which \$18 million is available for EPA to update the Integrated Compliance Information System (ICIS); \$3 million is available for grant funding to states, municipalities, and tribal authorities to improve communications with ICIS; and \$4 million is available for grant funding to states, municipalities, and tribal authorities to acquire or update inspection software (Sec. 60110).
- *Corporate GHG Reporting:* \$5 million is available for EPA to enhance standardization and transparency of corporate climate action commitments and plans to reduce GHG emissions, including efforts to track corporate progress in meeting commitments (Sec. 60111).
- *Environmental Product Declaration Assistance:* Up to \$250 million is available to the EPA to develop and implement a program to standardize and increase transparency regarding environmental product declarations for construction materials that include assessments of GHG usage (Sec. 60112).
- *Methane Emissions Reduction Program:* Provides EPA up to \$1.55 billion over six years for (i) financial and technical assistance with preparing GHG reports; (ii) grants for methane monitoring; (iii) financial and technical assistance to reduce methane and GHG emissions from petroleum and natural gas systems, improve climate resiliency of communities, improve and deploy industrial equipment and processes that reduce methane and GHG emissions, plug wells on nonfederal land, mitigate health effects in low-income and disadvantaged communities, and support environmental restoration. \$700 million of these funds are for conducting the same activities at marginal conventional wells.

Beginning in 2025, facilities within nine segments defined by subpart W of 40 CFR 98 that emit more than 25,000 metric tons of CO₂-equivalent of GHGs annually will be subject to an annual fee on methane emissions exceeding prescribed thresholds — regardless of a facility's reporting threshold under subpart W — that the EPA will administer. Fees are applied based on each metric ton of methane emitted in the preceding year that exceed prescribed thresholds, beginning with \$900 per ton in 2025,

\$1,200 per ton in 2026, and \$1,500 per ton in 2027 and beyond. For onshore and offshore petroleum and natural gas production facilities, the fee is based on emissions that exceed (1) 0.20% of natural gas sent to sale from the facility or (2) 10 metric tons of methane per million barrels of oil sent to sale if no natural gas was sent to sale from the facility. For onshore natural gas processing, liquid natural gas (LNG) storage, LNG import and export equipment, or onshore petroleum and natural gas gathering and boosting facilities, the fee is based on emissions that exceed 0.05% of the natural gas sent to sale “from or through” the facility. For onshore natural gas transmission compression, underground natural gas storage, or onshore natural gas transmission pipeline facilities, the fee is based on emissions that exceed 0.11% of the natural gas sent to sale “from or through” the facility.

Facilities under common ownership or controls can account for facility emissions below applicable thresholds within and across all identified segments to net emissions when calculating the total emissions charge. The fee may be waived if the Administrator determines the emissions were caused by an “unreasonable delay” in environmental permitting needed to transport the gas. EPA may also approve an exemption for emissions from wells plugged in the prior year. Another exemption may be available for facilities complying with final EPA methane regulations if the final regulations meet or exceed the estimated emissions reductions of EPA’s November 2021 proposed rule and all state (and federal) plans are in effect (Sec. 60113).

- *Climate Pollution Reduction Grants*: \$250 million is available for GHG Air Pollution Planning Grants (grant for at least one eligible entity in each state for the costs of developing a plan for the reduction of GHG air pollution to be submitted with an application for a grant) and \$4.75 billion for GHG Pollution Reduction Implementation Grants. “Eligible entities” for implementation grants are a state, an air pollution control agency, a municipality, and an American Indian tribe. (Sec. 60114)
- *Improved Environmental Reviews*: \$40 million is available to the EPA for development of efficient, accurate, and timely reviews for permitting and approval process (Sec. 60115). \$30 million more is available to the Council on Environmental Quality functions to administer efficient and effective environmental reviews, training, and development of programmatic documents, tools, and guidance under the National Environmental Policy Act (Sec. 60402). \$100 million is available to the Federal Highway Administration for improved environmental reviews of surface transportation projects (Sec. 60505).
- *Funding for Low-Embodied Carbon Labeling*: \$100 million is available for the EPA’s necessary administrative costs to develop a program for construction materials used for federal buildings, to identify and label construction materials and products that have substantially lower levels of GHG emissions (Sec. 60116).
- *Environmental and Climate Justice Block Grants*: \$2.8 billion is available until 2026 for grants, for periods up to three years, to carry out activities to benefit disadvantaged communities, and an additional \$200 million is available to provide technical assistance for such grants. Only certain activities and entities qualify for these grants, including climate resiliency and adaptation, pollution monitoring, and remediation and investments in low- and zero-emission and resilient technologies/infrastructure; mitigating climate and health risks from urban heat islands, extreme heat, wood heater emissions, and wildfire

events; reducing indoor air pollution; or facilitating engagement of disadvantaged communities in state and federal advisory groups. (Sec. 60201).

- *Wildlife Protection Funding*: \$125 million is available for developing and implementing recovery plans for endangered species (Sec. 60301) and \$121.25 million for direct expenditures, grants, and contracts entered into for the purpose of rebuilding and restoring units of the National Wildlife Refuge System and state wildlife management areas.
- *Environmental and Climate Justice Data Collection*: \$32.5 million is available to the White House Counsel on Environmental Quality to support data collection efforts relating to disproportionate negative environmental harms and climate effects and cumulative effects of pollution and temperature rise and to track disproportionate burdens and cumulative effects (Sec. 60401)
- *Transportation Equity and Access Grants*: A further \$1.893 billion is available to the Federal Highway Administration for competitive grants for eligible entities to improve walkability, safety, and affordable transportation and to modify existing facilities to that end. An additional \$1.262 billion is provided to the Federal Highway Administration to provide grants for projects in underserved/disadvantaged communities. (Sec. 60501).
- *Funding for Federal Buildings and Low-Carbon Materials*: \$250 million is available to the Federal Buildings Fund to convert to high-performance green buildings (Sec. 60502) as well as \$2.15 billion to the Federal Buildings Fund to acquire and install materials and products with substantially lower GHG emissions (Sec. 60503). Additionally \$975 million is available to the Federal Buildings Fund for emerging and sustainable technologies and related sustainability and environmental programs. (Sec. 60504). The Federal Highway Administration is provided \$2 billion for grants and other incentives to support low-carbon construction materials and products for federal highways (Sec. 60506).

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