

Welcome to:

How to Advance Climate Action With Federal Funding

Please share in the chat:

- where you're based and
- what you're hoping to get out of this webinar

The logo for SSG, consisting of the letters 'SSG' in a bold, white, sans-serif font. The background of the slide features a white line-art illustration of a city skyline with various skyscrapers and a bicycle on the right side, set against a dark blue background with a scalloped white border at the bottom.

CLIMATE ACTION AND THE INFLATION REDUCTION ACT

A Guide for Local Government Leaders

OCTOBER 2022



C4O
CITIES



WHERE DO THE DOLLARS GO?

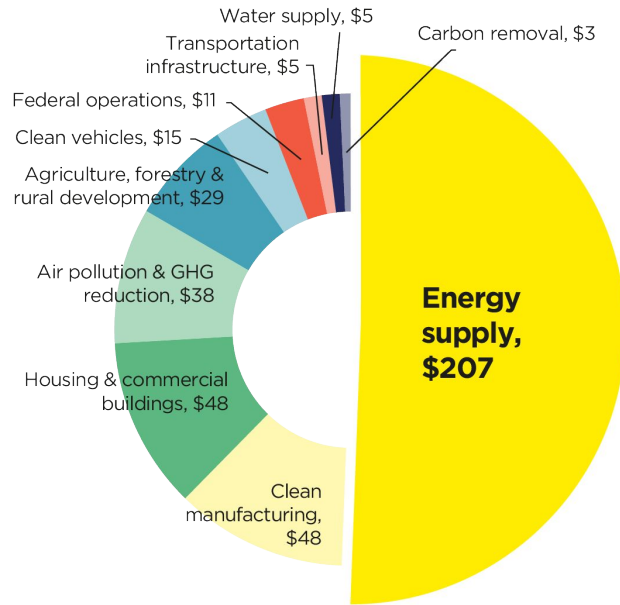


Figure 1. Energy supply receives about half of IRA resources, with significant investments in clean manufacturing and housing (billions of dollars)

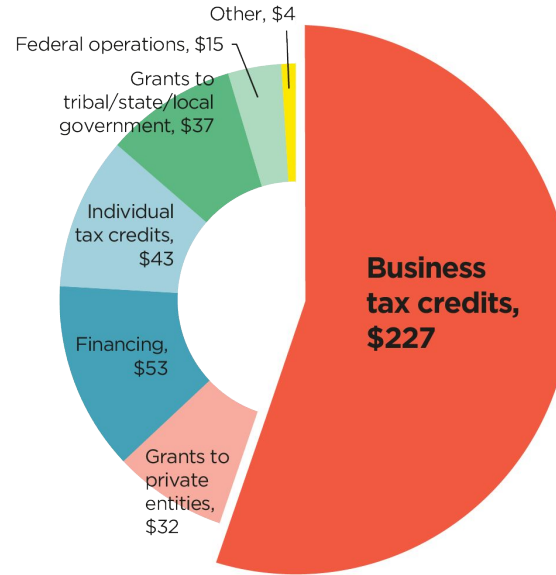


Figure 2. The largest share of IRA funding will be available as tax credits to businesses (billions of dollars)

HOW THE IRA CAN SUPPORT ECONOMIC INCLUSION

The IRA tax credits creates strong incentive for businesses to pay prevailing wages and provide apprenticeships including:

- Clean electricity production tax credit (PTC)
- Clean electricity investment tax credit (ITC)
- Credit for carbon capture
- Nuclear power production credit
- Clean hydrogen production credit
- Energy efficient commercial buildings deduction
- New energy efficient home credit
- Advanced energy project credit
- Alternative fuel refueling property credit
- Clean fuel production credit



JUSTICE40 AND THE IRA

President Biden has ordered that Justice40 apply to the IRA Programs.

To support Justice40, Local Governments can:

- Apply for Justice40-covered programs
- Track benefits to disadvantaged communities
- Commit at least 40% of funding they receive to frontline organisations



Justice40 is the Biden-Harris Administration's commitment to direct at least 40% of the overall benefits from federal investments in climate and clean energy to disadvantaged communities



STRATEGIC ROLES FOR LOCAL GOVERNMENTS



APPLY for funding that is directly available to local governments.



PROTECT against detrimental impacts of new or continuing fossil-fuel facilities.



SUPPORT & PARTNER with frontline communities and community-based organizations to center their priorities and secure resources.



ASSIST businesses and individuals to access new tax credits and higher incentives by fostering economic inclusion and workforce development.



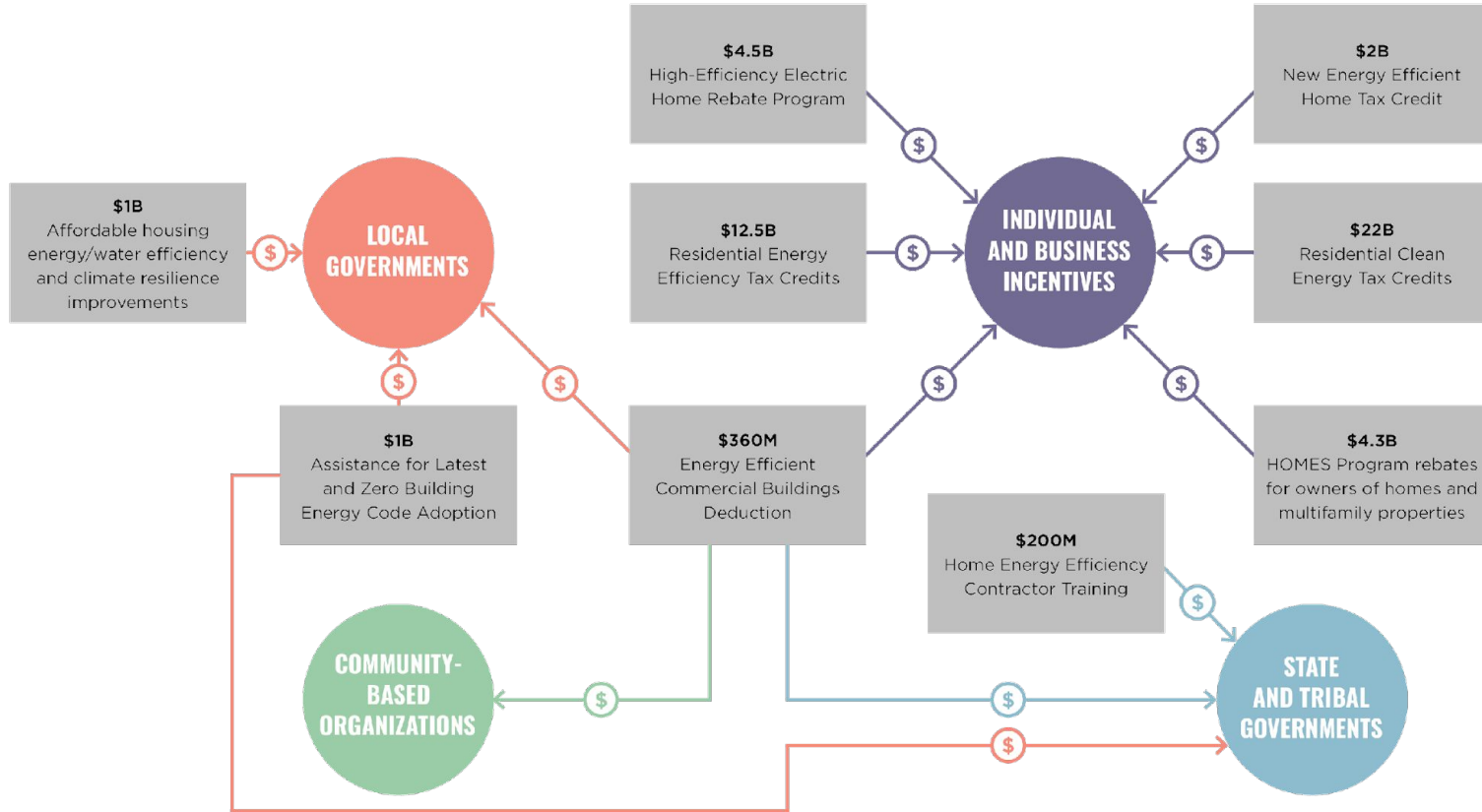
STREAMLINE permitting processes and train staff to remove obstacles to installation of renewable energy systems, vehicle charging infrastructure, and highly efficient equipment.

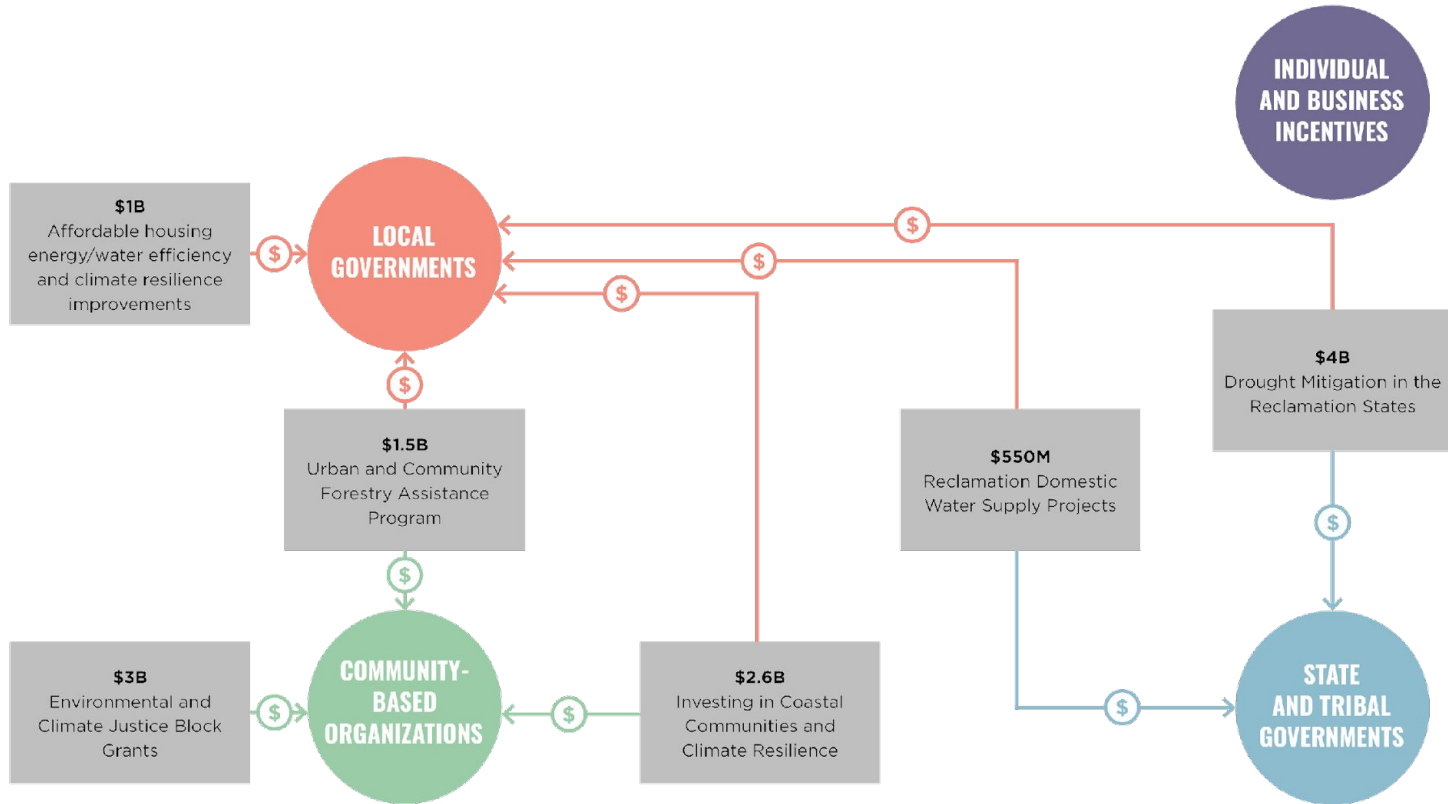


ENGAGE & COORDINATE across jurisdictions regionally and with states, tribes, utilities, and ports.

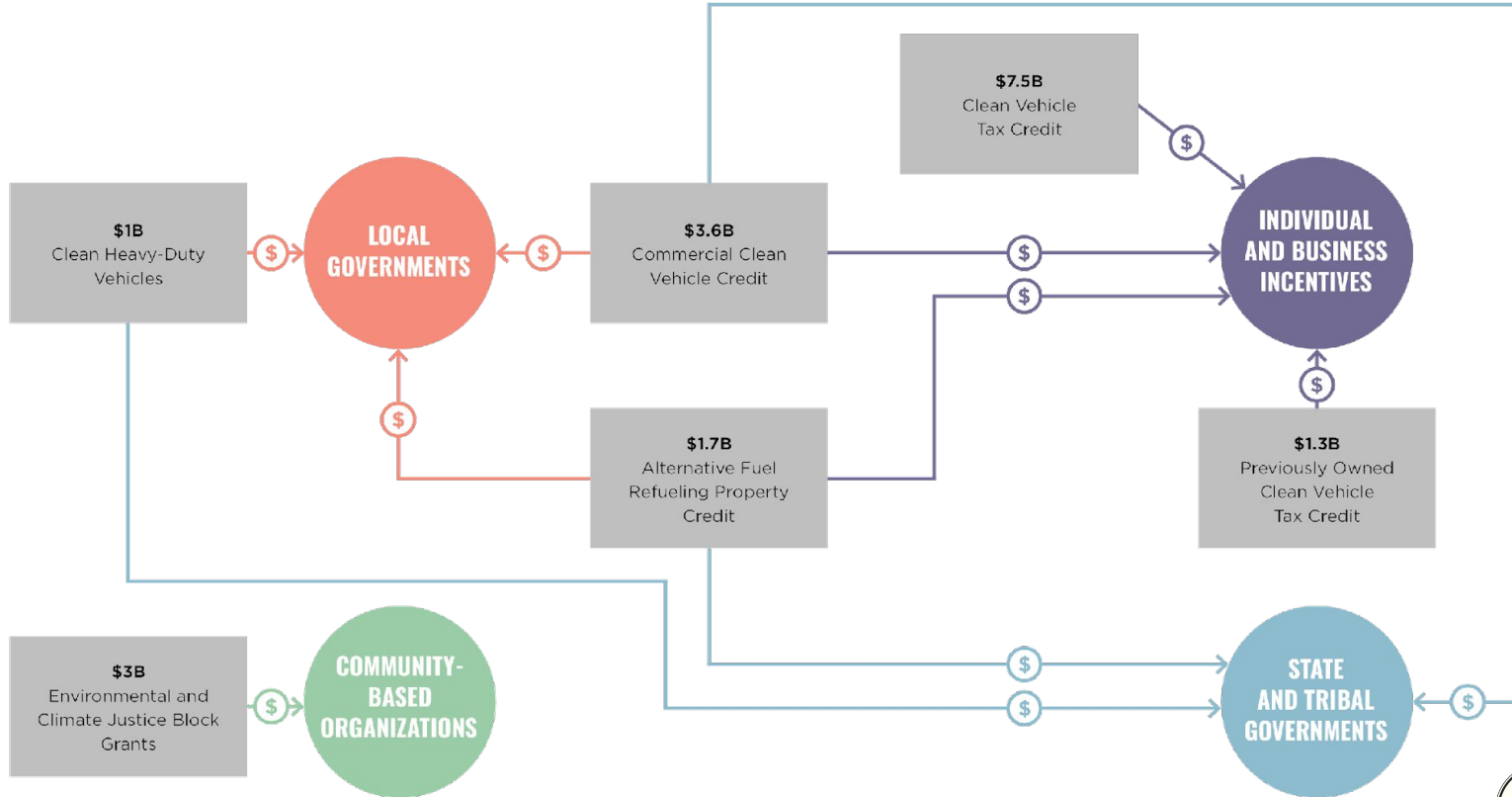


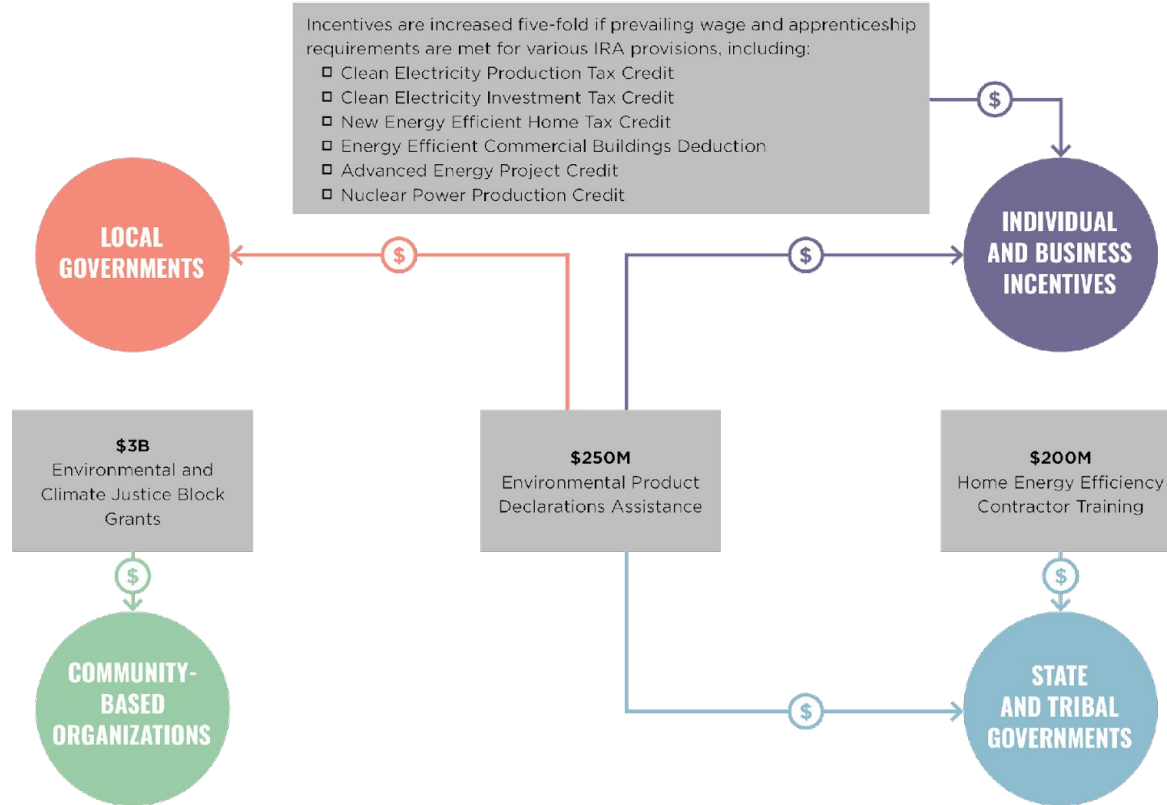
HOUSING AND COMMERCIAL BUILDINGS





CLEAN VEHICLES





AIR QUALITY & GREENHOUSE GAS REDUCTION

TITLE (SECTION IN THE LAW)	AMOUNT	MECHANISM	FOCUS AREA	WHO IS ELIGIBLE?	AGENCY	TIMEFRAME FOR NEXT STEPS
GHG Air Pollution Plans & Implementation Grants (§60114)	\$5 billion	Grants	Cross-cutting	State, municipal, and tribal governments	EPA	Spring 2023
GHG Reduction Fund (§60103)	\$27 billion	Grants and loans	Cross-cutting	State and local governments, non-profit financial institutions	EPA	Spring 2023
Environmental and Climate Justice Block Grants (§60201)	\$3 billion	Grants	Cross-cutting	Community-based non-profit organizations, including partnerships with local and tribal governments or universities	EPA	Not specified
Air Pollution Monitoring & Screening (§60105)	\$280 million	Grants	Air pollution	State, local, and tribal governments	EPA	Not specified
Grants to Reduce Air Pollution at Ports (§60102)	\$3 billion	Grants	Air pollution at ports	Ports and state, local, tribal governments with jurisdiction over ports	EPA	Not specified
Neighborhood Access and Equity Grant Program (§60501)	\$3 billion	Grants	Transportation	State and local governments, metropolitan planning organizations	DOT	Not specified
Clean Electricity Production Tax Credit (§13101 and §13701)	\$62 billion (estimated but uncapped)	Tax credits	Electricity generation	Electricity producers, including municipal electric utilities and other non-tax paying entities	Treasury	Extension is immediate; significant modifications take effect in 2025
Clean Electricity Investment Tax Credit (§13102 and §13702)	\$65 billion (estimated but uncapped)	Tax credits	Electricity generation	Individuals, businesses, and non-tax paying entities who invest in clean-electricity projects	Treasury	Extension is immediate; significant modifications take effect in 2025



HOUSING AND COMMERCIAL BUILDINGS

TITLE (SECTION IN THE LAW)	AMOUNT	MECHANISM	FOCUS AREA	WHO IS ELIGIBLE?	AGENCY	TIMEFRAME FOR NEXT STEPS
Environmental Product Declarations Assistance (§60112)	\$250 million	Grants	Construction material manufacturers	Businesses, states, local, and tribal governments, and non-profit organizations	EPA	Not specified
Home Owner Managing Energy Savings (HOMES) Program (§50121)	\$4.3 billion	Rebates	Housing energy retrofits	Individuals and owners of multifamily buildings; administered by State Energy Offices	DOE	DOE must approve state plans by August 2024
High-Efficiency Electric Home Rebate program (§50122)	\$4.5 billion	Rebates	Housing electrification	Individuals and owners of multifamily buildings; administered by State Energy Offices	DOE	DOE must approve state plans by August 2024
Residential Energy Efficiency Tax Credit (§13301)	\$12.5 billion (estimated but uncapped)	Tax credits	Housing energy retrofits	Individuals who install energy upgrades in their primary residence	Treasury	Effective 2023
Residential Clean Energy Tax Credit (§13302)	\$22 billion (estimated but uncapped)	Tax credits	Housing energy systems	Individuals who install renewable energy systems	Treasury	Effective immediately (except addition of battery storage takes effect in 2023)
New Energy Efficient Home Tax Credit (§13304)	\$2 billion (estimated but uncapped)	Tax credits	New housing	Contractors who build energy-efficient new houses or multifamily housing	Treasury	Extension effective immediately; new eligibility and higher incentives take effect in 2023
Improving energy or water efficiency or climate resilience of affordable housing (§30002)	Inflation	Grants and loans	Affordable housing	Owners of public or affordable housing	HUD	Not specified
Energy efficient commercial buildings deduction (§13303)	Inflation	Tax credits	Commercial buildings	Owners of commercial buildings, including non-tax-paying entities	Treasury	Higher incentive levels take effect 2023
Assistance for Latest and Zero Building Energy Code Adoption (§50131)	Inflation	Grants	Building code adoption	State and local governments that have authority to adopt codes	DOE	Not specified (states to submit plans)



RESILIENCE

TITLE (SECTION IN THE LAW)	AMOUNT	MECHANISM	FOCUS AREA	WHO IS ELIGIBLE?	AGENCY	TIMEFRAME FOR NEXT STEPS
Urban and Community Forestry Assistance Program (§23003)	\$1.5 billion	Grants	Forestry	State, local, and tribal governments or nonprofits	Forest Service	Not specified, but annual grant solicitation expected spring 2023
Investing in Coastal Communities and Climate Resilience (§40001)	\$2.6 billion	Grants	Coastal resilience	Coastal and Great Lakes states, local, and tribal governments, nonprofits, universities	NOAA	Not specified
Reclamation Domestic Water Supply Projects (§50231)	\$550 million	Grants	Water supply infrastructure	Not specified but will likely include local drinking water suppliers	DOI	Not specified
Drought Mitigation in the Reclamation States (§50233)	\$4 billion	Grants	Water use reduction projects and programs	Public entities in AZ, CA, CO, ID, KS, MT, NE, NM, NV, ND, OK, OR, SD, UT, WA, WY	DOE	Not specified



CLEAN VEHICLES

TITLE (SECTION IN THE LAW)	AMOUNT	MECHANISM	FOCUS AREA	WHO IS ELIGIBLE?	AGENCY	TIMEFRAME FOR NEXT STEPS
Clean Heavy-Duty Vehicles (§60101)	\$250 million	Grants	Construction material manufacturers	Businesses, states, local, and tribal governments, and non-profit organizations	EPA	Not specified
Clean Vehicle Tax Credit (§13401)	\$4.3 billion	Rebates	Housing energy retrofits	Individuals and owners of multifamily buildings; administered by State Energy Offices	DOE	DOE must approve state plans by August 2024
Credit for Previously Owned Clean Vehicles (§13402)	\$4.5 billion	Rebates	Housing electrification	Individuals and owners of multifamily buildings; administered by State Energy Offices	DOE	DOE must approve state plans by August 2024
Commercial Clean Vehicles (§13403)	\$12.5 billion (estimated but uncapped)	Tax credits	Housing energy retrofits	Individuals who install energy upgrades in their primary residence	Treasury	Effective 2023
Tax credit for alternative refueling property (§13404)	\$22 billion (estimated but uncapped)	Tax credits	Housing energy systems	Individuals who install renewable energy systems	Treasury	Effective immediately (except addition of battery storage takes effect in 2023)

WORKFORCE DEVELOPMENT

TITLE (SECTION IN THE LAW)	AMOUNT	MECHANISM	FOCUS AREA	WHO IS ELIGIBLE?	AGENCY	TIMEFRAME FOR NEXT STEPS
Home Energy Efficiency Contractor Training (§50123)	\$200 million	Grants	Workforce development	State energy offices	DOE	Not specified



GREENHOUSE GAS REDUCTION FUND



FUNDING	AMOUNT	AGENCY AND PROCESS
\$27 billion over 2 years	State, local, and tribal governments and non-profit financing organizations	EPA <i>EPA Funding availability notice expected Q1 2023</i>

DESCRIPTION

Competitive grants to establish or expand financial institutions that support GHG-reduction and zero-emission projects, with a majority of funds devoted to benefiting low-income and disadvantaged communities.

KEY FEATURES

- Funding recipients will provide grants, loans, and other financial or technical assistance to support GHG-reduction activities
- \$7 billion is designated to support states, municipalities, tribal governments, and non-profit financial institutions to make grants and loans for zero-emissions technologies in low-income and disadvantaged communities.
- \$20 billion is designated for non-profit financial organizations such as community development financial institutions (CDFIs), credit unions, and green banks to provide loans and grants to GHG and air pollution-reduction programs.

OPPORTUNITIES FOR ENVIRONMENTAL JUSTICE

\$15 billion of the funding is explicitly designated to provide financial and technical assistance to low-income and disadvantaged communities. The remaining \$12 billion could also flow to these communities.

POTENTIAL LOCAL GOVERNMENT ROLES

- Engage with existing non-profit and state/local financing agencies to explore opportunities that could be supported by this funding, including CDFIs, green banks, credit unions, minority depository institutions, and housing finance agencies.
- Establish or re-focus financing programs to be able to access these funds to advance local priorities



Please visit this [link](#) for the full report

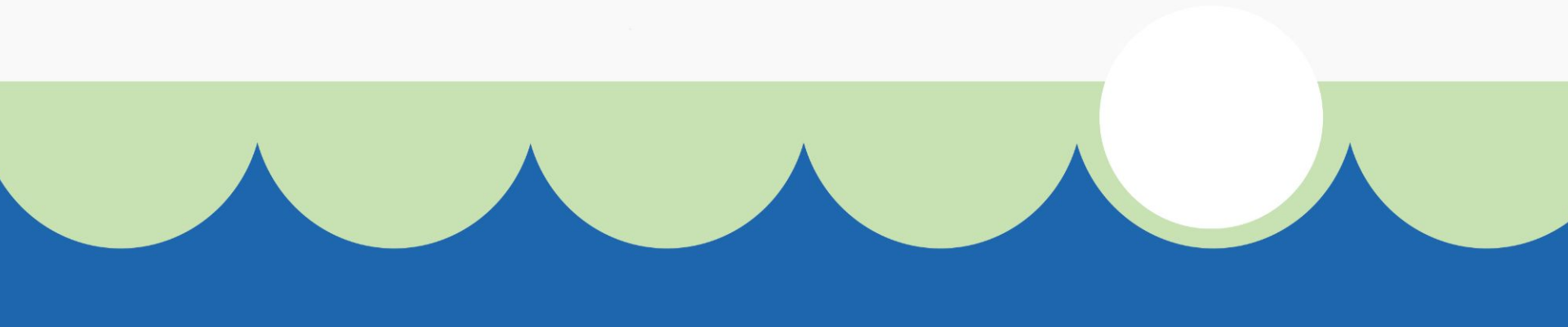
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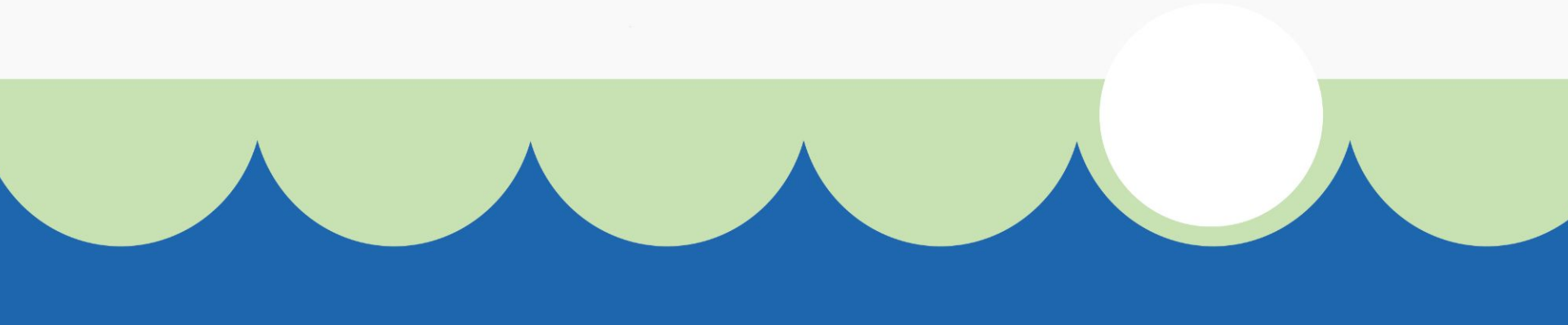


Climate Action Planning in the era of IRA



Objective of CPRG

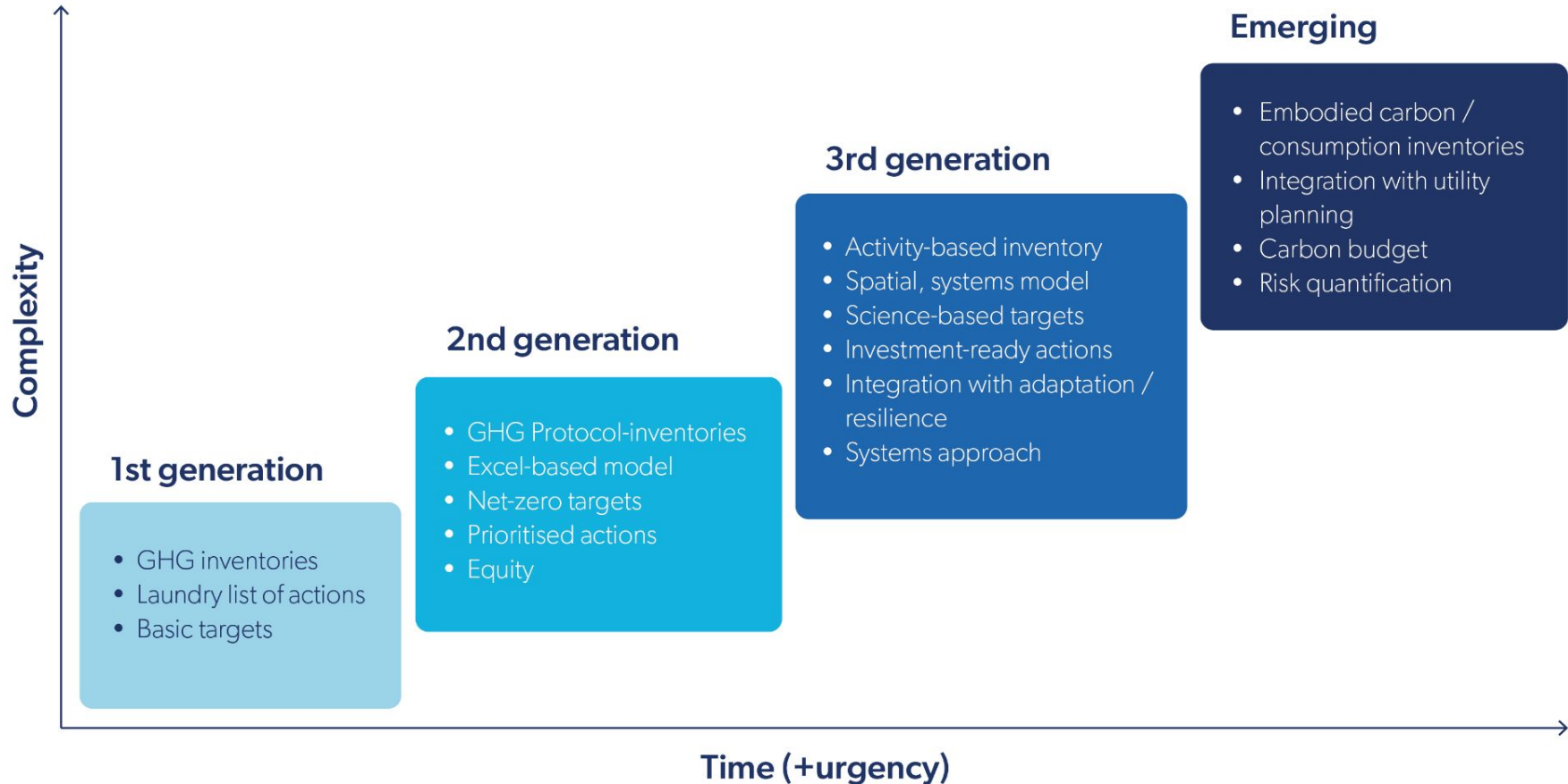
CPRG aims to position cities, states, territories and tribes to be able to make transformative investments with the support of IRA funding programs



Two Key Deliverables

Deliverable 1	Deliverable 2
Priority Climate Action Plan (PCAP)	Comprehensive Climate Action Plan (CCAP)
March 1, 2024	Summer-fall 2025
<ul style="list-style-type: none">• GHG inventory;• Quantified GHG Reduction measures;• Low-income and disadvantaged communities benefits analysis; and• Review of authority to implement.	<ul style="list-style-type: none">• GHG inventory;• GHG emissions projections;• GHG reduction targets;• Quantified GHG reduction measures;• Benefits analysis for the full geographic scope and population covered by the plan;• Low-income and disadvantaged communities benefits analysis;• Review of authority to implement;• Plan to leverage other federal funding; and• Workforce planning analysis.

The Practice of **Climate Action Planning** is Evolving



Answer four questions:

1. How do we reduce emissions > the pathway
2. How much will it cost/save? > economic analysis
3. Who will do what? > implementation strategy
4. Where will the money come from? > financing plan

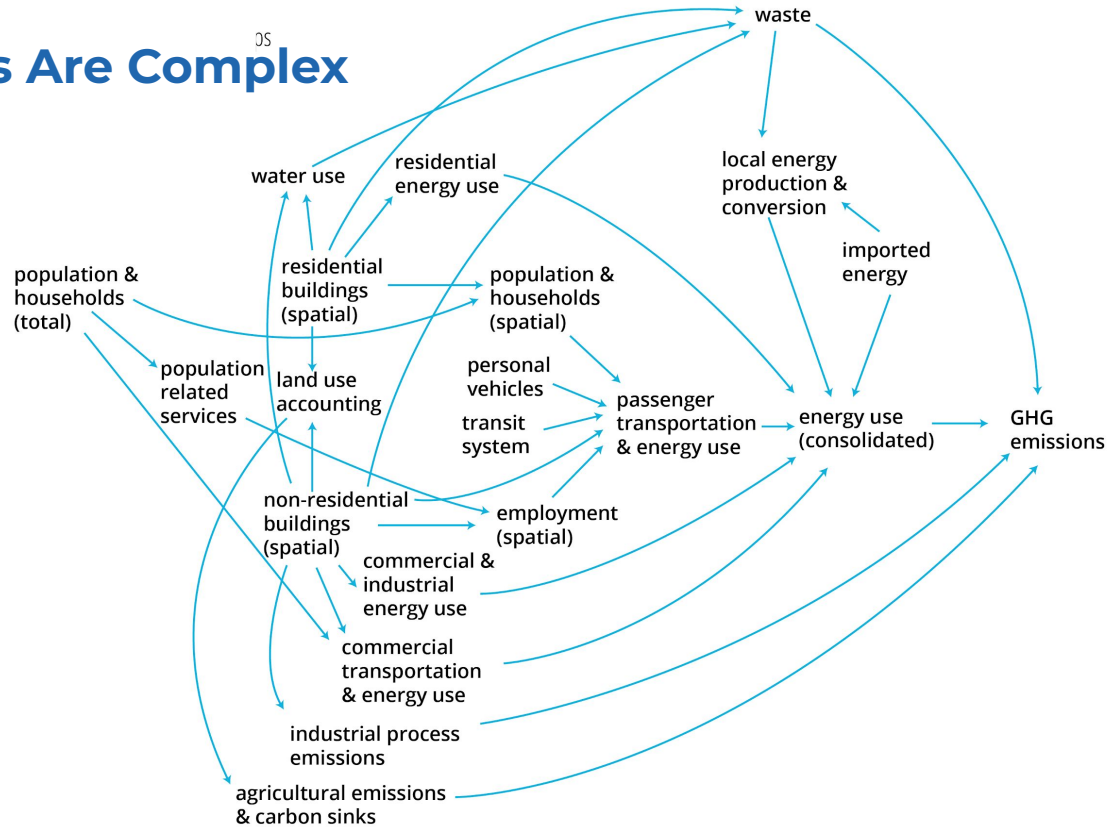
1. How do we reduce emissions > the pathway

Process:



1. How do we reduce emissions > the pathway

Urban Systems Are Complex



1. How do we reduce emissions > the pathway



Each Community Is Unique

A

Design an equitable process

B

Evaluate the context

C

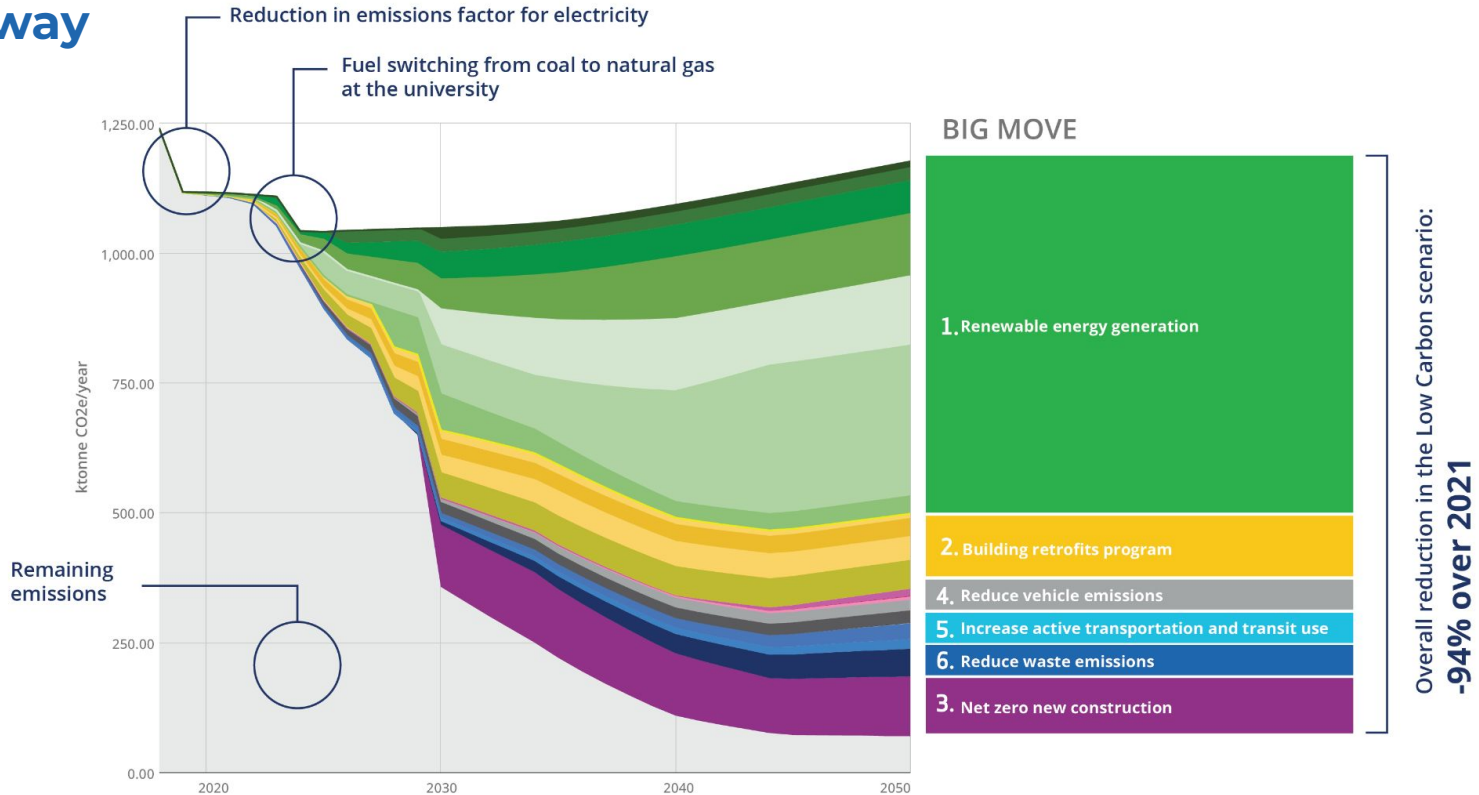
Quantify equity impacts

D

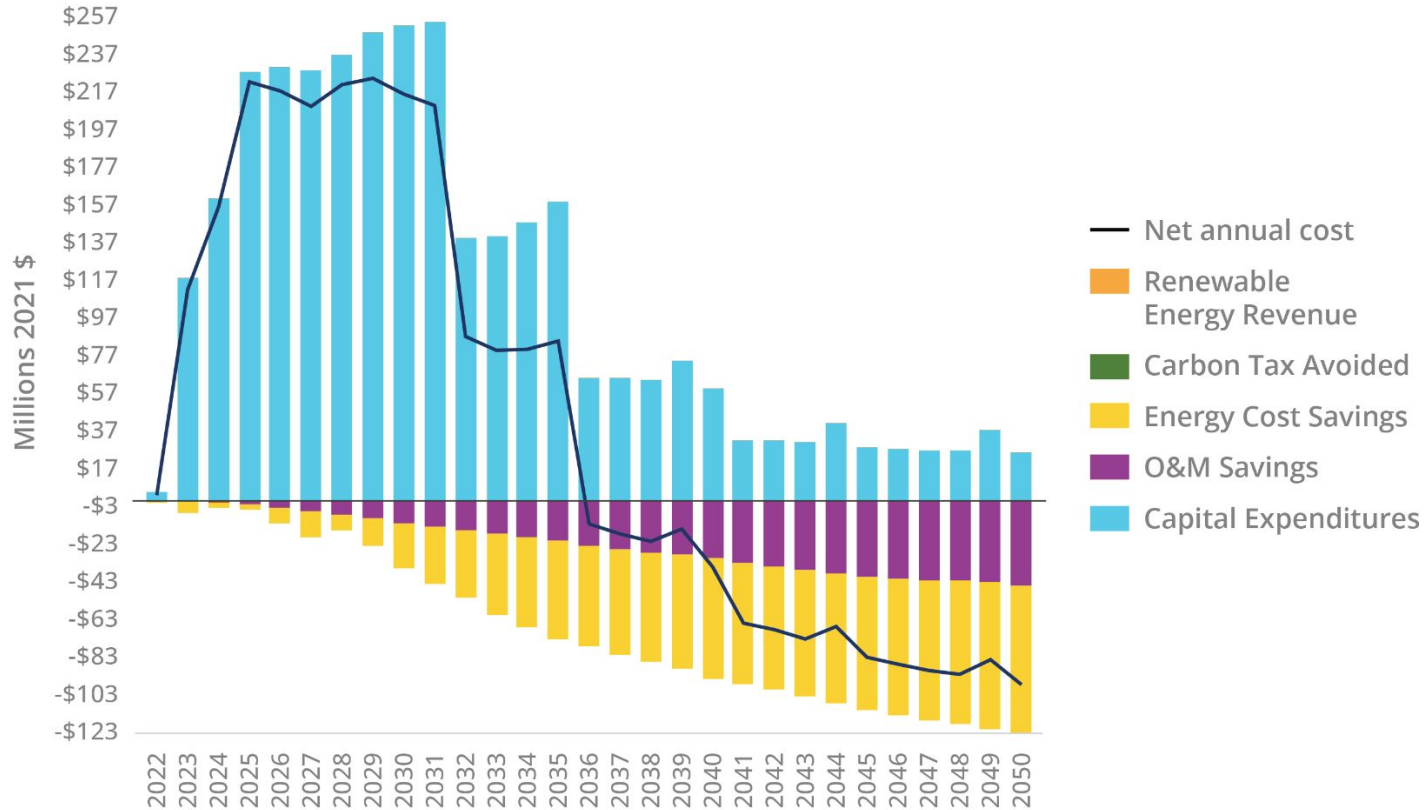
Embed equity into implementation

1. How do we reduce emissions > the pathway

The Pathway



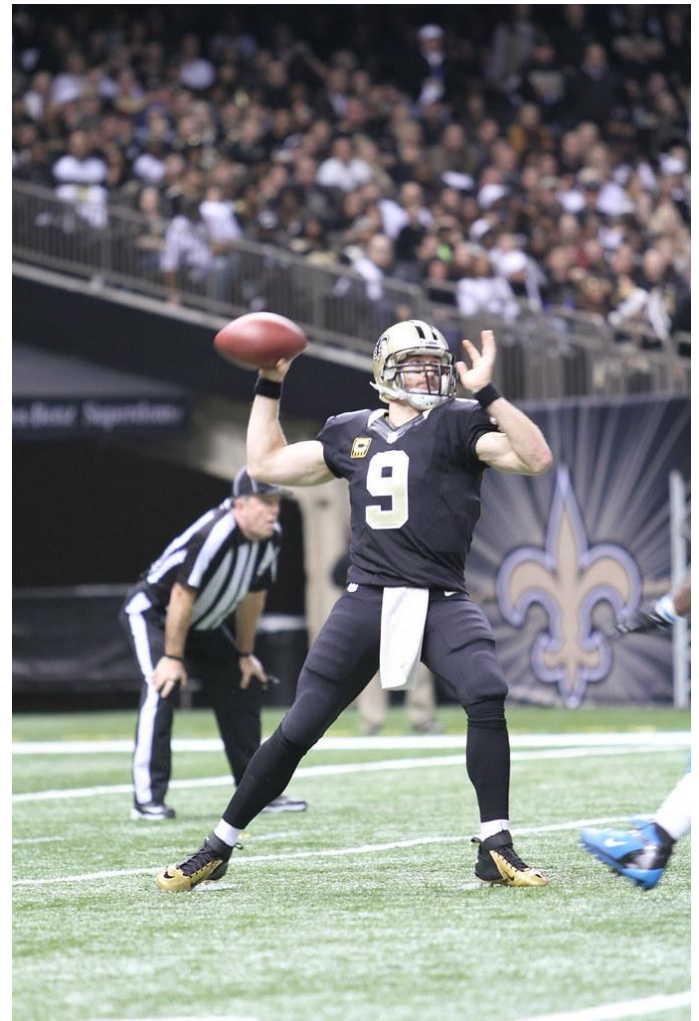
2. How much will it cost/save? > economic analysis



2. How much will it cost/save? > economic analysis

A climate action plan is an
economic development strategy

3. Who will do what? > implementation strategy





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Please visit this [link](#) for the full report

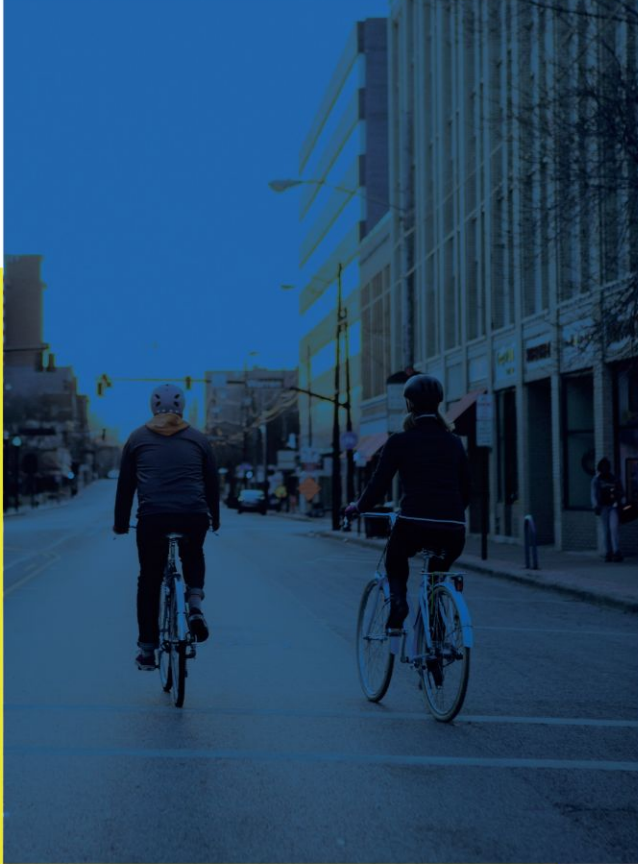
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Lakewood, OHIO

Case Study

Amanda Cramer AICP
City Planner, City of Lakewood

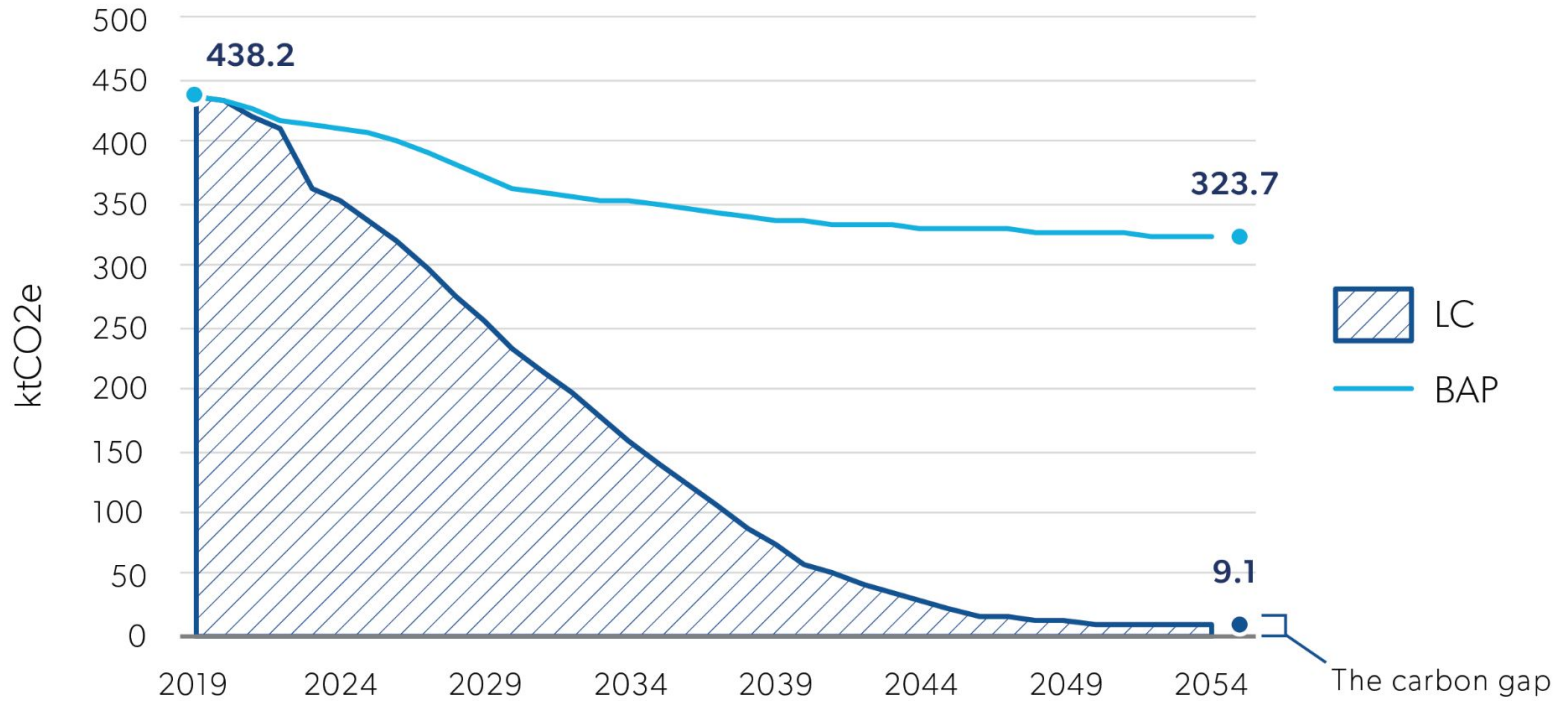




Lakewood, OHIO

Case Study

- Greater Cleveland Metro Area, Cuyahoga County
- **Population:** 50,000 people
- **Climate hazards:** flooding, extreme temperatures, severe winter, storms



GHG emissions for Lakewood in the BAP and LC scenarios, 2019–2050.



The Four
BIG MOVES



1

BUILDINGS



2

TRANSPORTATION



3

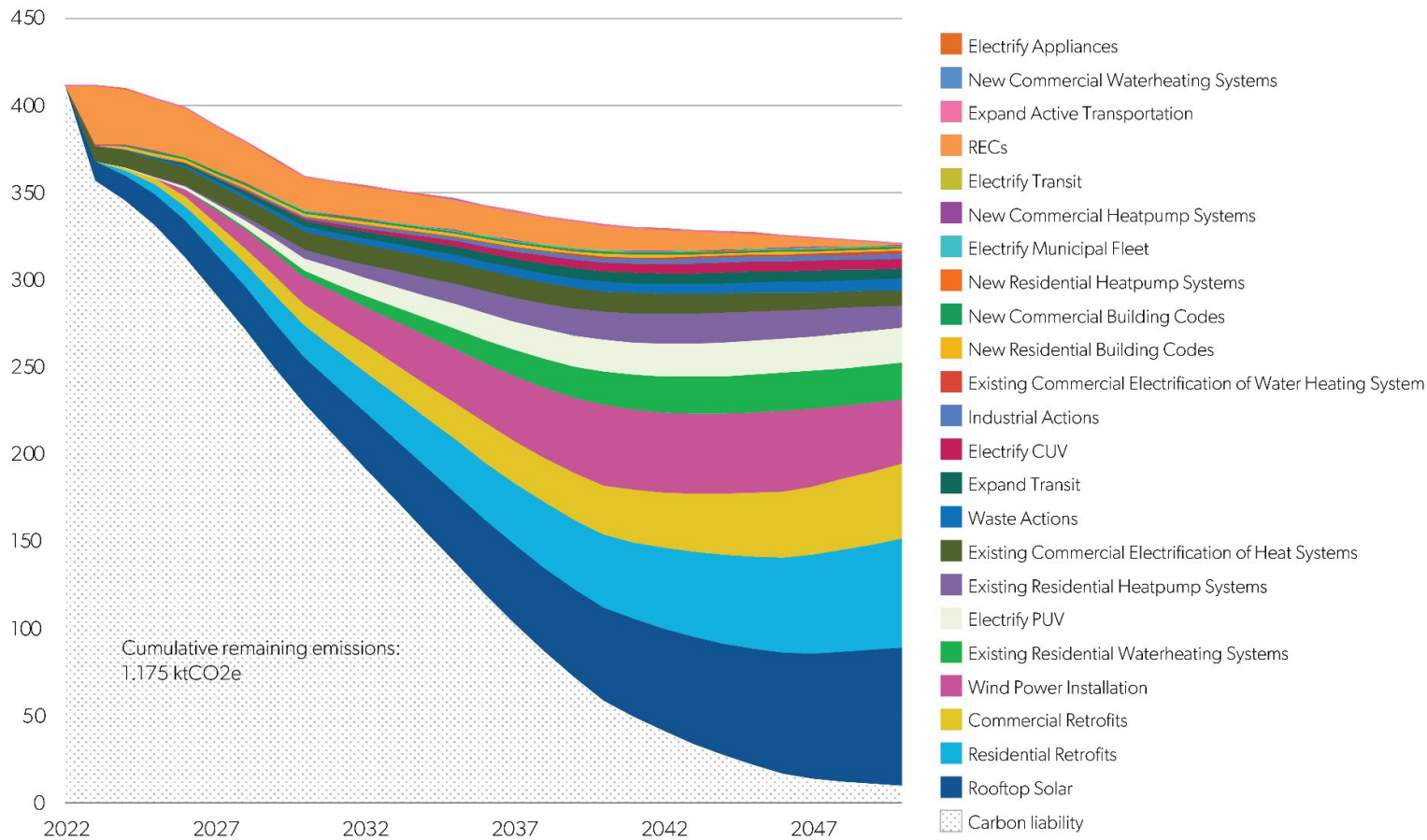
LOCAL RENEWABLE ENERGY



4

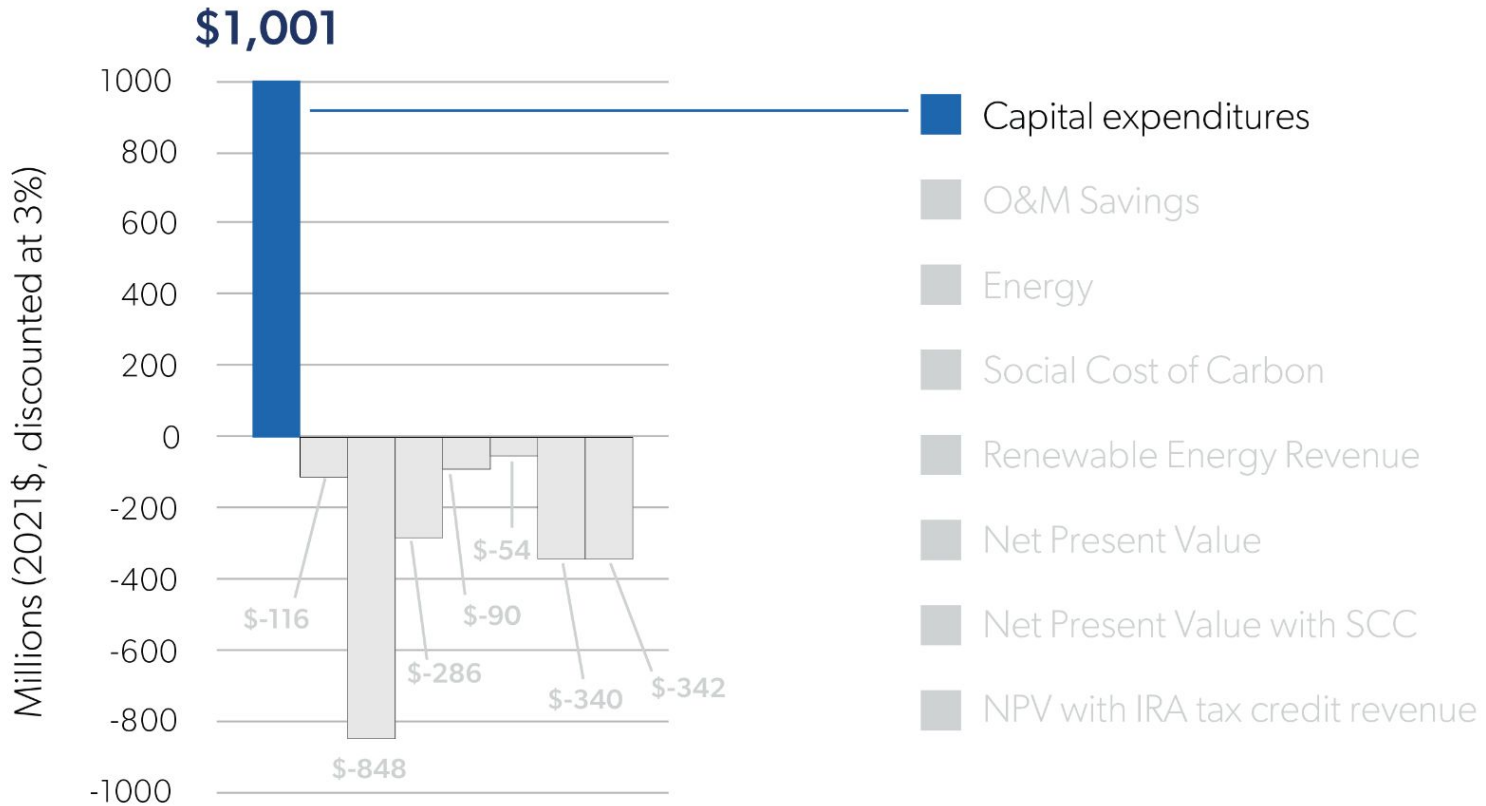
WATER AND WASTE

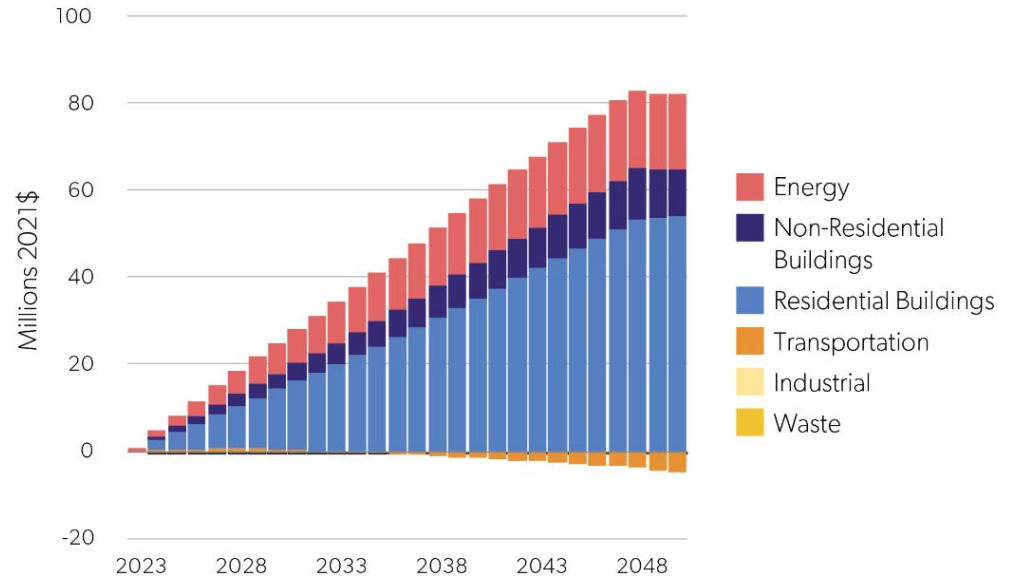
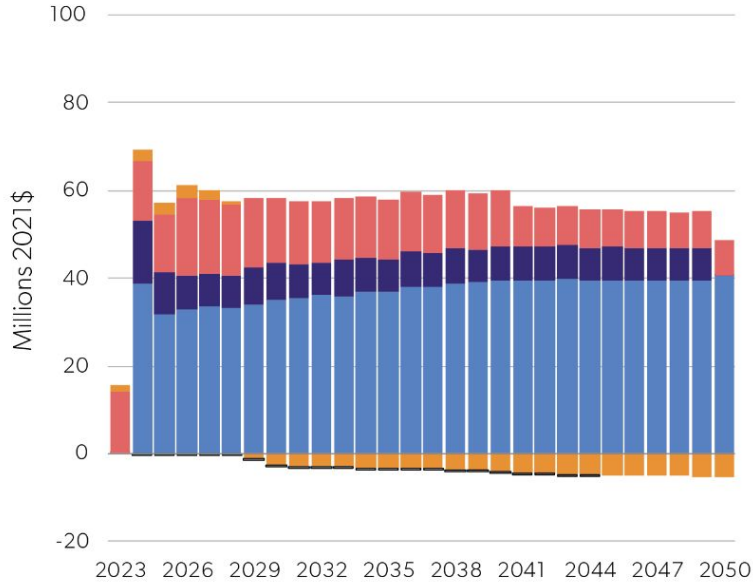




Wedge diagram showing the impact of modeled actions on GHG emissions reductions in the LC Scenario.

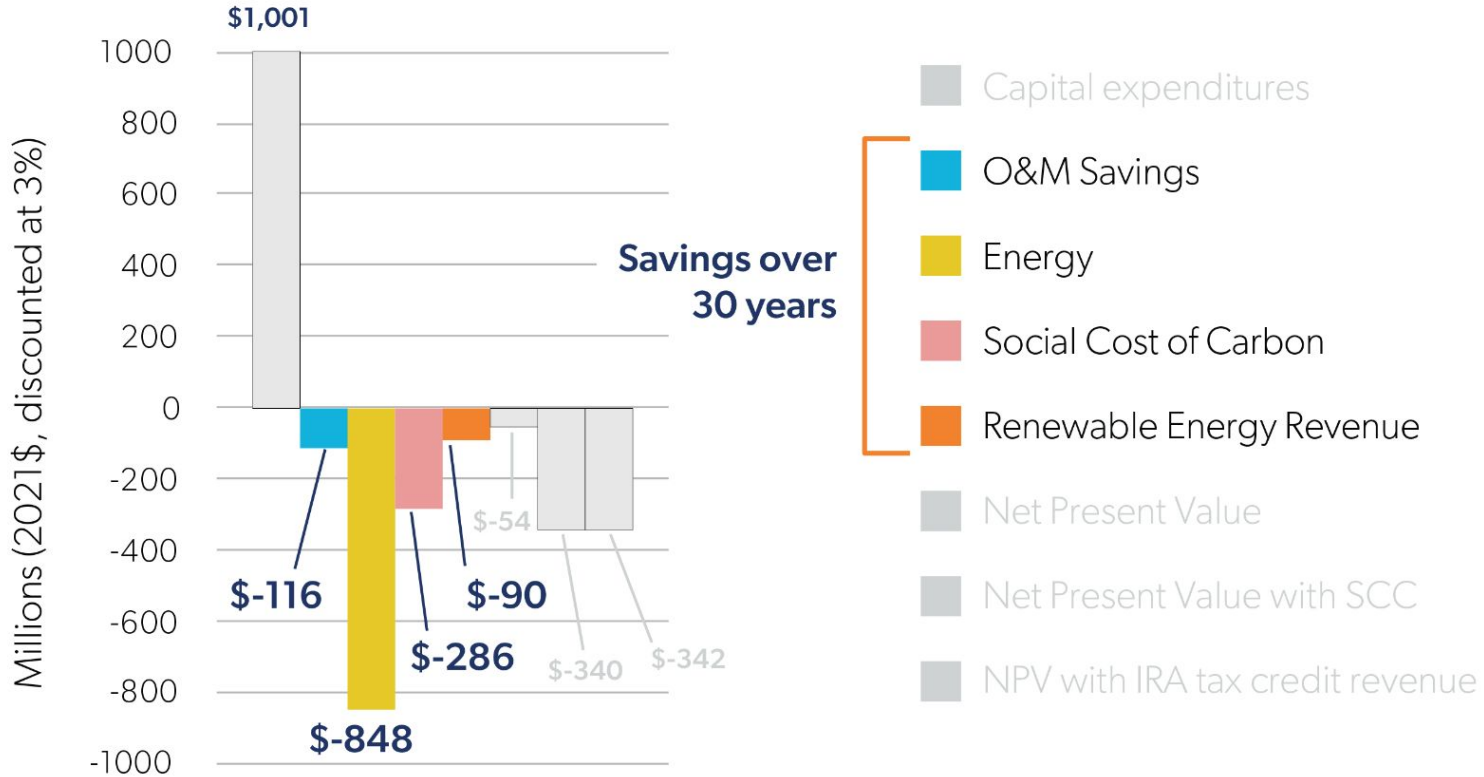


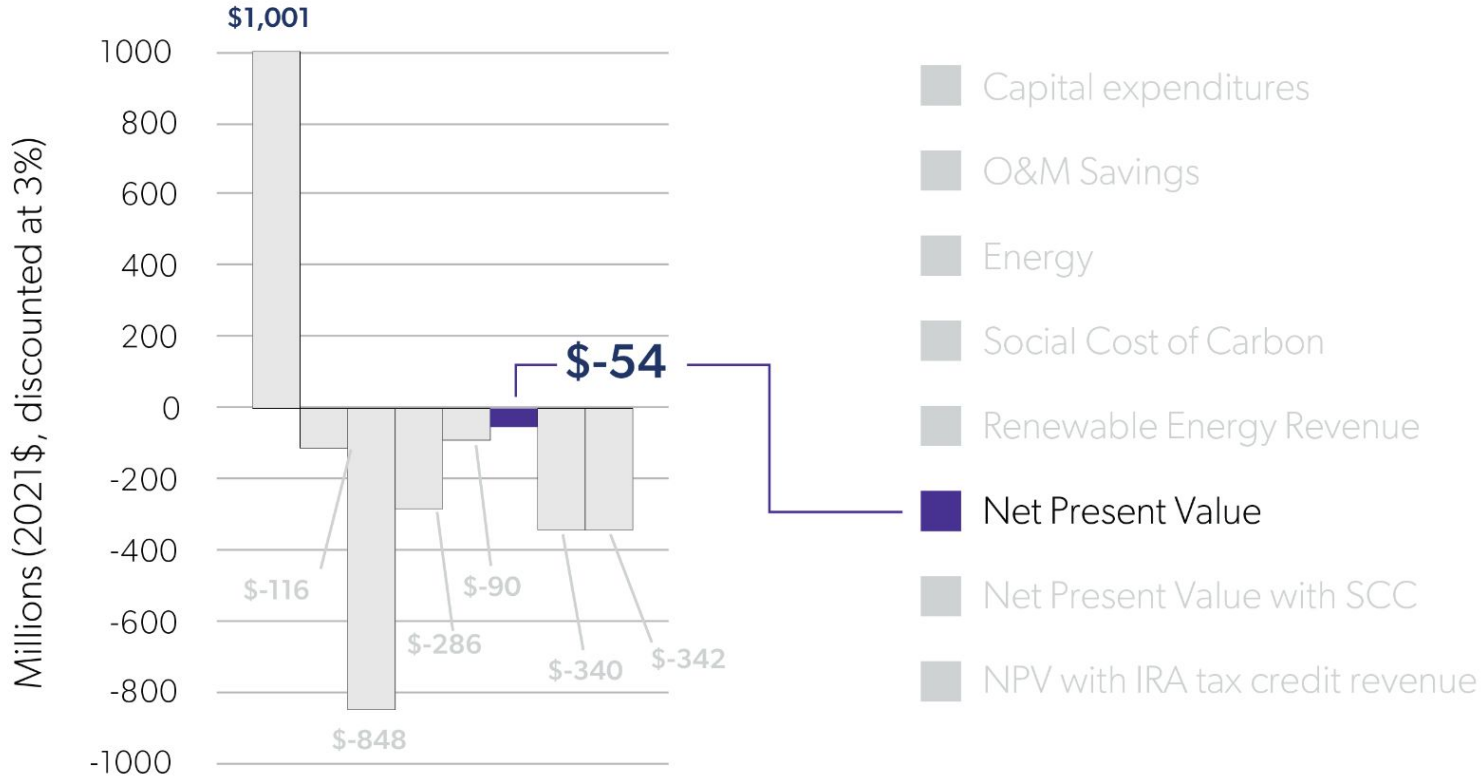




Two views on capital expenditures: on a cash basis and amortized. Note that the amortized capital payments continue post 2050.







Inflation Reduction Act:

Implementation Funds



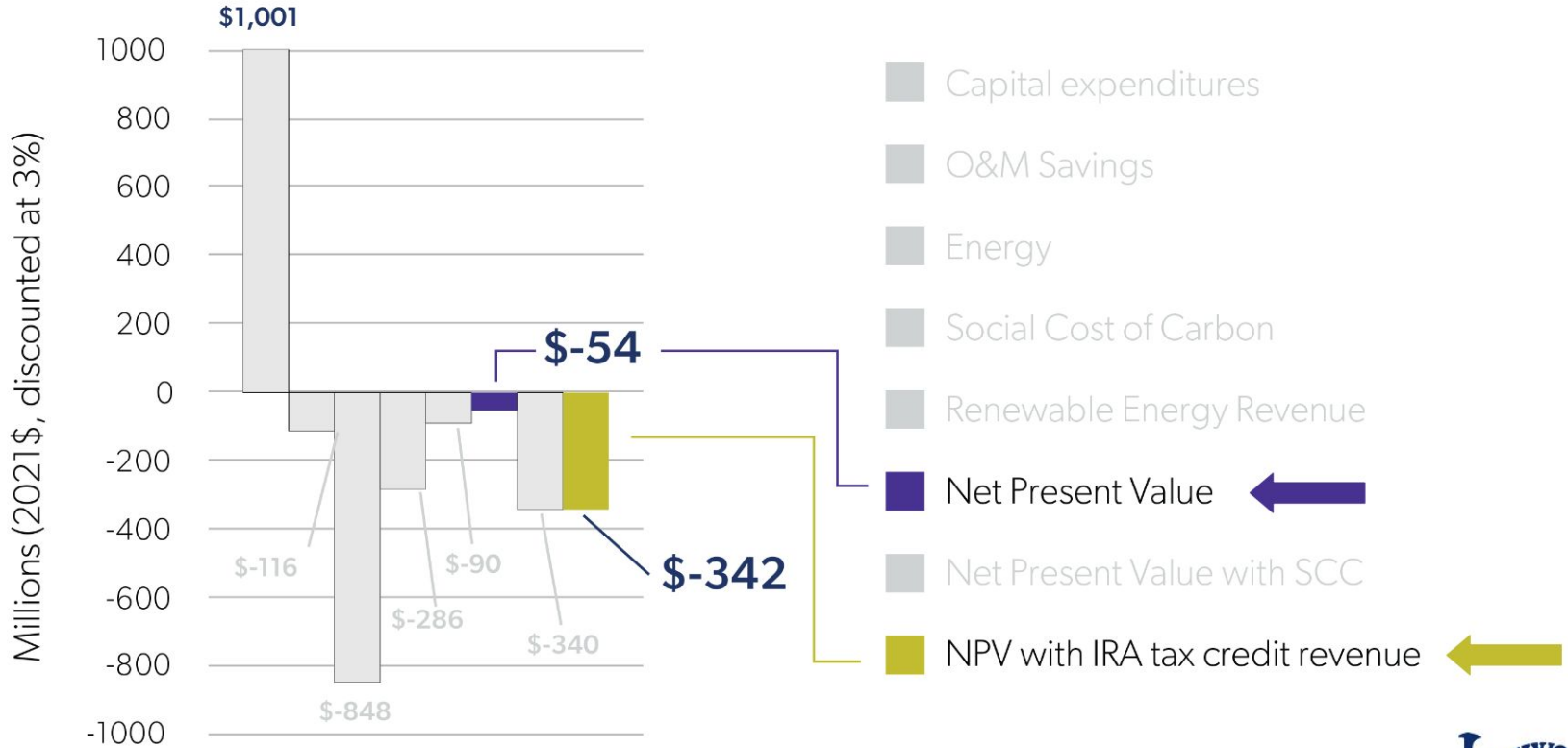
Greenhouse Gas Reduction Fund: grants and loans to low-income and disadvantaged communities for zero-emission technologies (ex. Rooftop solar)
Tax credits: covering 30% of the costs for building retrofits

Clean Heavy-Duty Vehicles Fund: covers cost of transitioning to zero-emission heavy-duty vehicles
Upfront discounts: up to \$7,500 for new EVs and \$4,000 for used EVs

Low Emissions Electricity Program: funding and technical assistance for domestic electricity generation
Tax credits: covering 30% of community solar projects

The Four
BIG MOVES





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