

Reading One

Biggest Climate Bill Ever: The New Inflation Reduction Act

Many of us are keenly aware of the dire threat that climate change poses to life across the planet. The United Nation's Intergovernmental Panel on Climate Change [warned](#) in a new report that dramatic measures are needed if we are to "secure a livable future for all."

At the same time, those who have been pushing for strong climate action have a major victory they can point to: In August 2022, President Biden signed into law the Inflation Reduction Act (IRA) which, among other provisions, allocates more than \$370 billion to address the climate crisis.

This is the largest investment that the U.S. government has ever made to address climate change, and the effects of the legislation are only beginning to be felt.

Writing for Inside Climate News in December of 2022, reporter Dan Gearino gave historical context to the significance of the IRA, putting the act at the top of his list of the most substantive recent victories for clean energy. Gearino wrote:

The law's climate and energy provisions include about [\\$370 billion in new spending](#) on an array of tax credits and incentives designed to encourage the development of renewable energy, electric vehicles, and much more. The law is loaded with industrial policy, with incentives for companies to manufacture clean energy components within this country.

The Inflation Reduction Act is "certainly as big a step in the right direction as we've had in a long time," said Corey Schrod, legislative affairs manager for climate at the Niskanen Center, a Washington, D.C., think tank that describes itself as politically moderate.

How long? He points to the [Energy Policy Act of 2005](#), signed by President George W. Bush, as the last example of Congress passing a major energy law. The law contained more than \$20 billion, in today's dollars, in energy-related tax incentives, and substantial funding for renewable energy development and research.

[Even] with its shortcomings, the [2022] Inflation Reduction Act has provided funding and policy support that sets the tone for the remainder of this decade.

<https://insideclimatenews.org/news/08122022/inside-clean-energy-2022-good-news/>

In a December 2022 article for CNBC, environmental policy reporter Emma Newburger [recapped](#) some of the major investments in the act meant to reduce greenhouse gas emissions. A few noteworthy allocations in the act include:

- A \$60 billion subsidy to clean energy manufacturers in the U.S.
- \$60 billion to address unequal impacts of climate change on overburdened communities
- \$27 billion towards a green bank to fund clean energy projects across the country
- \$20 billion to reduce emissions from the agricultural sector

A variety of the law's measures are now starting to take effect, including some that directly affect consumers. Starting in January, Americans [can get](#):

- 30 percent off the purchase of an electric vehicle (a tax credit)
- up to \$14,000 in tax rebates for buying efficient electric appliances
- up to \$8,000 in tax rebates for home weatherization projects (depending on how much energy you save and your level of income)

These provisions have started this year and will last until the end of 2032.

Writing for The Conversation in September 2022, environmental engineering professor at UMass Lowell Jasmina Burek [summarized](#) how people can use some of the IRA's programs to make their homes more energy-efficient, helping cut their energy costs. Burek writes:

The biggest payoff for both saving money and reducing emissions is weatherizing the home to stop leaks. Losing cool air in summer and warm air in winter means heating and cooling systems run more, and they're among the most energy-intensive systems in a home.

The Inflation Reduction Act offers homeowners a hand [fixing leaks]. It includes a \$150 rebate to help pay for a home energy audit that can locate leaks. Once you find the leaks, the act includes 30% tax credits with a maximum of \$1,200 a year for basic weatherization work, plus [rebates up to \\$1,600](#) for low- and moderate-income homeowners earning less than 150% of the local median....

The Inflation Reduction Act [also] includes up to \$600 to help pay for window replacement and \$250 to replace an exterior door....

[And the] Inflation Reduction Act offers a 30% tax credit up to \$2,000 available to anyone who purchases and installs a heat pump, in addition to rebates of up to \$8,000 for [low- and moderate-income households](#) earning less than 150% of the local median income. Some high-efficiency wood-burning stoves also qualify....

The entire energy and climate package – including incentives for utility-scale renewable energy, carbon capture and electric vehicles – could have a big impact for homeowners' energy costs and the climate. According to several [estimates](#), it has the potential to reduce U.S. carbon emissions by [about 40%](#) by the end of this decade.

<https://theconversation.com/the-most-cost-effective-energy-efficiency-investments-you-can-make-and-how-the-new-inflation-reduction-act-could-help-188506>

The IRA represents the most significant piece of climate legislation that the U.S. government has passed to date. However, there is still debate about whether it goes far enough to address the full scope of the climate crisis.

For Discussion:

1. How much of the material in this reading was new to you, and how much was already familiar?
2. Do you have any questions about what you read?
3. Have you heard about the IRA in the news? Were you aware that this measure had passed?
4. Do you think your family might benefit from any of the tax credits or rebates in the IRA? If so, which ones? What can you do about it?
5. In general, how do you think this legislation might affect peoples' lives?
6. According to the reading, the IRA "has the potential to reduce U.S. carbon emissions by [about 40%](#) by the end of this decade." Do you think this is a sufficient step forward? Why or why not?

Reading Two

Environmentalists Push to Go Beyond the IRA

While many consider the IRA to be the most important federal climate action to date, climate experts also point out that the act falls short of comprehensively tackling the climate crisis. In its most recent report, the UN's Intergovernmental Panel on Climate Change (IPCC), a body of climate scientists widely respected as one of the most trustworthy sources of expertise on climate change, [has called](#) for even swifter and more drastic action than it had previously.

United Nations Secretary-General António Guterres followed the report by [calling](#) on developed countries such as the U.S. to significantly accelerate their deadlines for reducing their carbon emissions. The IRA's estimated emissions reduction of 40% from 2005 levels by 2030 is not

enough to put the country on track to meet these new updated global targets—or even the Biden administration’s [own targets](#).

Writing for Scientific American in March 2023, energy and environmental policy report Jean Chemnick covered this discrepancy. Chemnick [wrote](#):

The United Nations' latest climate assessment has upped the ante for energy policy in the United States, making it clear that rich nations need to cut their emissions more deeply than some of the most ambitious targets.

The report from the U.N. Intergovernmental Panel on Climate Change introduced a new deadline that the world must meet to avoid the most catastrophic climate impacts. To limit global warming to 1.5 degree Celsius, it found that global greenhouse gas emissions must decline by 60 percent by 2035 compared with 2019 levels...

That translates to a 67 percent emissions cut by 2035 from a 2005 baseline — the year the United States uses as a benchmark. Even if the country met the Biden administration's goal of cutting emissions by 50 to 52 percent by 2030, it would have a long way to go in five years to make a 67 percent cut a reality.

“That is extraordinarily challenging,” said Robbie Orvis, senior director of modeling and analysis at Energy Innovation.

One reason is what he called "capital stock turnover." The Biden administration's target relies on getting people or companies to upgrade to more efficient or cleaner models when their old equipment needs to be replaced. The Inflation Reduction Act provides incentives for those upgrades — whether it be cars or coal-fired power plants — and upcoming regulations will likely boost the switchover as well.

That gradual switch, however, may not be fast enough for the IPCC target.

“To hit a target like 60 percent below 2019 by 2035, you start having to have people replace equipment before it's reached the end of its useful life,” Orvis said. “And that is, from a policy standpoint and an economic standpoint, much more challenging.”

<https://www.scientificamerican.com/article/scientists-just-warned-we-need-to-cut-emissions-by-60-percent-but-the-u-s-is-years-away/#>

Policymakers are considering other measures aimed at decarbonizing the U.S. economy. However, based on the political battle required to pass the IRA, it is clear that similarly impactful policies will not be possible without the participation of social movements. Environmentalists – including youth climate activists from the [Sunrise Movement](#) and BIPOC and Indigenous-led groups like the [Climate Justice Alliance](#) – are well aware that the final IRA

was at best a compromised version of the more expansive “Green New Deal” they had advocated for. They are pushing for more.

In a February 2023 article for Waging Nonviolence, 350.org climate justice organizers Jeff Ordower and Daniel Hunter [outline](#) some ways that the climate movement can use the IRA as a tool to further its efforts to build power and propel greater change. Ordower and Hunter write:

Yes, the Inflation Reduction Act is the most consequential piece of climate legislation in the U.S. Yes, it’s also the only federal legislation. Yes, it’s imperfect... Yes, the negotiations exacerbated tensions between insider green organizations and those on the frontlines.

[Still,] With all its limitations, the IRA can further our campaigns if we use the opportunity...Activists are already experimenting with some ways to leverage [the] money on the table.

[The Sunrise Movement has] charted one pathway: building local Green New Deals and investing in the people and political power to make the next iteration of big policy possible. 350 Minnesota thinks that IRA funds can be leveraged as part of a Peoples Climate Equity Plan in Minneapolis that will actually implement a local Green New Deal prioritizing African-American neighborhoods in North Minneapolis first.

In Detroit, organizers right now are door knocking low-income and working-class folks with offers to help deliver weatherization and solar. Since those benefits can only be accessed when taxes are due, they are working on upfront financing. By receiving those services, people are being brought into an organizing model that teaches about our unfair tax system and politicizes them for more organizing power.

The 350.org organizers also write that there are “many more doors available” in the IRA that would open the door to organizing in working class and BIPOC communities:

The IRA could be one pathway to delivering something real and tangible in communities where progressives do not usually organize...

As organizers we can help deliver particular benefits situated in a larger campaign around educational justice or policy changes at the city or county level....

Despite the lack of strong climate justice provisions inside the bill, as organizers we can use this moment to center racial and economic justice in our work. BIPOC and Indigenous led Groups like the Climate Justice Alliance are both pushing the administration to ensure that racial justice is centered in implementation and helping their groups capture the money needed for community run transitions.

While utilities are going to continue resisting rooftop solar, stymying community-owned projects, and engaging in price-gouging — we can keep organizing. Even as we propose using the IRA's carrot, we encourage wielding our sticks, challenging utility companies to democratize their governance, preventing people from getting their energy shut off and enabling all the new solar to sell energy back to the grid.

<https://wagingnonviolence.org/2023/02/inflation-reduction-act-climate-bill-money-waiting-to-be-seized-activists-opportunity/>

The fact that the IRA represents a political compromise, and that more action is needed for the U.S. to reach climate targets, means that social movements will continue to debate how to best use the legislation as a stepping-stone toward larger gains. The actions of young people will be an important part of that process.

For Discussion:

1. How much of the material in this reading was new to you, and how much was already familiar? Do you have any questions about what you read?
2. According to the reading, how does the IRA's estimated impact of a 40% reduction in greenhouse gas emissions from 2005 levels by 2030 stack up against the Biden administration's goals? How does it compare with the UN General-Secretary's updated goals for developed countries based on the most recent IPCC report?
3. In your opinion, do these shortcomings of the IRA outweigh the successes of the act, or vice versa? How would you balance the pros and the cons?
4. What do you think about how climate justice organizations plan to use the IRA to promote racial and economic justice in their communities?
5. In your opinion, what next steps should the environmental movement take to address the climate crisis in the U.S.?
6. What further changes in government policy, business practices, or personal behavior do you think are warranted? What might be some methods for motivating action around these changes?