

President signs IRA as greatest act ever to combat climate crisis



President Biden signed into law the Inflation Reduction Act and handed the pen he used to Sen. Joe Manchin who represents coal-producing West Virginia. The Act spends \$369 billion on clean energy and reduction of greenhouse gases, the largest investment ever in aiding the the climate crisis, the president said. (wh.gov)

President Biden signed the Inflation Reduction Act into law Tuesday amid overwhelming support from environmental groups and congressional Democrats.

He called the act's commitment to spend \$369 billion on clean energy and greenhouse gas reduction "the most aggressive action ever to combat the climate crisis."

After signing the law, he handed the pen he used to Sen. Joe Manchin, D-West Virginia, whose vote made the difference in the U.S. Senate where the measure passed 51-50. The irony was evident as Manchin hails from a state traditionally tied to production of greenhouse gas producing coal.

“For years, the naysayers said we could never take on the big oil interests, but we have succeeded,” said Senate Majority Leader Chuck Schumer, D-New York, in comments before the bill signing.

While opposition from gas and oil interests was expected, there are many companies eager to take advantage of tax incentives in producing low emissions energy or green energy like solar and wind. Incentives will help homeowners buy and install solar panels or buy new or used electric vehicles.

“For too long, oil and gas corporations have been able to extract our natural treasures—lands we love—for profit,” said Janessa Goldbeck, CEO of the Vet Voice Foundation, in a statement. “Now, rules will be tightened and our lands and environment will be protected....This legislation finds a balance between meeting today’s need for ramped up American energy production with the long-term need to move towards zero carbon production.

“Climate change is the greatest threat facing America’s national parks,” said Michael Murray, chair of the Coalition to Protect America’s National Parks. “The Act will provide an historic investment in our country’s response to that threat.”

Anna Peterson, executive director of the Mountain Pact representing elected officials in the mountain West, said efforts to impact climate change will require more federal action but called the Act a “bold action to help address the climate crisis’ costly impacts that are devastating our communities, lands, waters and health.”

Climate impacts such as wildfires, floods, mudslides and drought “are devastating our communities, lands, waters and health,” Peterson added.

Biden enumerated many of the other major points in the omnibus bill in his signing remarks, including a cap on prescription drug spending of \$2,000 a year, something he called a “godsend.” The Act also includes a

15% minimum tax on the biggest corporations and is expected to lessen the federal deficit by \$300 billion over the next decade.

Noting that big drug companies spent \$100 million lobbying to defeat the bill, he pointed to the green initiatives again and the partisanship on Congress. “Every single Republican, every single one, voted against aiding the climate crisis,” he said. “We can protect the already powerful or build a future where everybody has an even shot.”

Allowances for fossil fuel producers

While the IRA might seem on the surface as an attack on oil and gas companies, it does include provisions affecting fossil fuel producers nonetheless. A provision called carbon oxide sequestration, also called carbon capture and direct air capture, includes new incentives ranging from \$35 a ton to \$180 a ton.

“Most of those incentives will directly benefit the oil and gas industry,” said Barry Cinnamon, a blogger and past solar energy activist who founded Cinnamon Energy Systems in Los Gatos, California. “The fossil fuel industry won’t give up on technology that extends the use of their products.”

Energy credits in the Act also are provided for cleaner fuels such as biodiesel, renewable diesel and sustainable aviation fuel. “Until we have adequate supplies of green hydrogen, we will continue to need liquid fuel for long distance transportation,” Cinnamon said.

Cinnamon also said he is skeptical the IRA will lead to timely deployment of new nuclear power plants that will receive an energy generation credit in the IRA.

Cinnamon and many others in the clean energy movement are enthusiastic about the Act’s support for clean hydrogen, with a \$3 per kilogram energy credit. Green hydrogen is electrolyzed from water using wind or solar.

While passage of the Act was momentous, it will take the writing of federal government regulations to administer the incentives for carbon capture, nuclear power, clean hydrogen and more, which could take up

to one year. The solar investment tax credit for homeowners and commercial buildings has been renewed immediately in the Act. Incentives for heat pumps, electrical upgrades and energy efficiency will be administered by state energy offices.

“Expect paperwork, complicated as always, to become available sometime in early 2023,” Cinnamon said.

"Bottom line, the IRA is the biggest clean technology effort by the federal government, ever. It will help the U.S. accelerate a transition away from polluting fossil fuels, reduce greenhouse gas emissions from the U.S. by 42% by 2030, and save the average homeowner who electrifies their homes about \$7,500 in annual energy costs," he added.