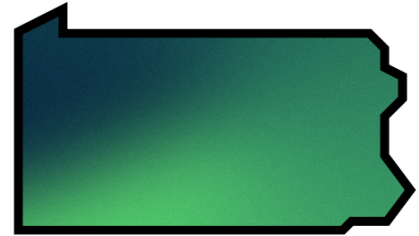


# Wins for Pennsylvania in the Inflation Reduction Act

The Inflation Reduction Act (IRA), which recently passed both houses of Congress and was signed into law by President Biden in August 2022, includes [\\$369 billion in investments](#) in decarbonizing our economy, transitioning to clean energy, reducing the cost of energy, and remedying environmental health disparities.

**These investments are poised to deliver significant wins to Pennsylvanians in the years to come and can play a big role in helping [Pennsylvania accelerate its progress](#) towards achieving its goal of an 80% reduction in greenhouse gas emissions by 2050 and to ultimately achieving net zero emissions.**



## Clean Electricity

The IRA extends the current federal investment and production tax credits (ITC and PTC) for solar and wind energy until 2025, and establishes a new technology-neutral ITC and PTC for all zero-carbon (and some very low-carbon) electricity generation technologies, from 2025-2032.

- The decade-long extension of the wind production and investment credit will create long-term certainty and help Pennsylvania achieve its goal of reducing its greenhouse gas emissions from electricity generation by 55 million metric tons of CO<sub>2</sub> by 2050.
- Expanding the ITC and PTC to include energy storage can help integrate intermittent sources of renewable energy like solar and wind and bring down the retail cost of electricity.
- The IRA includes over \$3 billion for transmission infrastructure, to help bring clean electricity into Pennsylvania, to bring Pennsylvania's clean power on to power markets in other Northeastern states, to bring down the cost of power, and to help with electrifying buildings and transportation.
- The IRA includes a new tax incentive to keep open nuclear power plants like the Peach Bottom Atomic Power Station and the Susquehanna Steam Electric Station.

## Just Transition for Workers

- Larger tax credits are available for projects utilizing American-made steel and iron and meeting strong labor standards like prevailing wage and apprenticeship utilization.
- A 10% bonus tax credit is available for energy projects in communities that have historically been home to significant numbers of fossil fuel jobs.

## Electric Vehicles

- Pennsylvania residents are able to receive up to a [\\$2,000 rebate when purchasing an EV](#). The expanded and extended EV tax credit contained in the IRA provides certainty that consumers can claim as much as an additional \$7,500 tax credit for the purchase of a new electric vehicle. This provision, along with a new tax credit for used EVs, will work in concert with Pennsylvania's existing incentives to achieve Pennsylvania's goal of electrifying light duty vehicles.
- The IRA includes \$1 billion for zero-emission heavy-duty vehicles, including garbage trucks, school buses, and fire trucks, which will significantly reduce air pollution that impact the respiratory health and brain development of Pennsylvania's kids.

## Advanced Manufacturing

The IRA includes \$6 billion for the Advanced Industrial Facilities Deployment Program to pilot new technologies that can bring about clean innovation in high-emissions industrial processes that are critical to Pennsylvania manufacturing economy, like steel production in western Pennsylvania and cement production in the Lehigh Valley.

**“Pennsylvania leaders should capitalize on these opportunities to catalyze this transition in the years to come.”**

## Air Pollution at Ports

The Delaware River port complex stands to benefit from a new \$3 billion program that will allocate grants to reduce air pollution at ports across the country. Transitioning port equipment and vehicles to zero-emission technology will benefit air quality in the Philadelphia airshed.

## Environmental Justice

According to Senate Majority Leader Chuck Schumer, the IRA includes over \$60 billion for environmental justice priorities, including \$3 billion for community-led projects including pollution monitoring and prevention and another \$3 billion for transportation access and affordability in overburdened communities including Pittsburgh, Philadelphia, Erie, and Allentown.

## Greenhouse Gas Reduction Fund

The fund has the potential to build upon and catalyze new clean energy financing ecosystems in states across the country. The EPA and states like Pennsylvania can use this fund to incubate new green banks and clean energy financing institutions.

## Energy Cost Savings

- The IRA extends through 2032 existing incentives to help homeowners pay for energy-saving upgrades. It significantly expands what these incentives can help pay for to include doors, windows, heat pumps for both space heating and water heating, and rooftop solar, helping Pennsylvanians save money on high energy costs.
- In addition to the tax incentives, the IRA establishes rebates for specified appliances, like \$1,750 for a heat pump water heater, \$8,000 for a heat pump for space heating or cooling, and \$840 for an electric stove-top or an electric clothes dryer. This will help Pennsylvania reduce the 11% of its greenhouse gas emissions that come from residential and commercial buildings and achieve its goal of electrifying 90% of buildings.
- For renters, the IRA also includes a \$1 billion grant program to help make affordable housing more energy efficient.
- The IRA includes \$1 billion to support state adoption of stronger energy codes, which aligns with the [2021 Pennsylvania Climate Action Plan's](#) stated intention of adopting the most up-to-date building energy code.

## Oil and Gas

The IRA levies a new fee on methane emissions from oil and gas operations to incentivize better efficiency and emissions controls in the oil and gas sector. Methane emissions from oil and gas, in addition to endangering the climate, are a significant contributor to ground-level ozone formation, which causes severe respiratory harm in Pennsylvania communities with elevated levels of ambient ozone.

**Pennsylvania is well-positioned to be a key engine in the United States' transition to a clean energy future. Pennsylvania leaders should capitalize on the opportunities presented by the IRA, as well as the 2021 Infrastructure Investment and Jobs Act, to catalyze this transition in the years to come.**