

Wins for Wisconsin in the Inflation Reduction Act

The Inflation Reduction Act (IRA), which passed both houses of Congress and was signed into law by President Biden in August 2022, includes [\\$370 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 Wisconsinites in the years to come and especially can help Wisconsin deploy more renewable energy and accelerate its transition to 100% clean electricity.



Renewable Electricity

The IRA extends the current federal investment and production tax credits (ITC and PTC) for solar and wind energy through 2024, 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 solar and wind production and investment credit will create long-term certainty and help Wisconsin reach its goal of 100% carbon-free electricity by 2050.

Electric Vehicles

The IRA includes \$1 billion for zero-emission heavy-duty vehicles, including garbage trucks and school buses. This is a particular opportunity for local governments interested in buying the [nation's first electric fire truck](#), the Volterra truck launched in 2021 by Pierce Manufacturing, which is already in service at the Madison Fire Department.

Wisconsin is [increasingly a leader in manufacturing electric vehicles](#), particularly specialty applications, such as Harley-Davidson's big investments in electric motorcycles. The IRA's EV incentives will significantly accelerate the growth of EV sales and will sustain Wisconsin's manufacturing economy.

The expanded and extended EV tax credit in the IRA allows low-income car-buyers to claim as much as an additional \$7,500 tax credit for the purchase of a new electric vehicle or \$4,000 for the purchase of a used electric vehicle.

Industrial Decarbonization & Clean Manufacturing:

The IRA includes \$2 billion to re-tool existing auto manufacturing facilities to manufacture zero-emissions or low-emissions vehicles. As a major center of the nation's automotive manufacturing economy, Wisconsin is poised to be a winner from this investment.

The IRA also 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 like pulp and paper, which is critical to Wisconsin's manufacturing economy, particularly around Green Bay.

The IRA's provisions incentivizing grid energy storage and electric vehicles will spur demand for advanced battery manufacturing and electric vehicle component parts, stimulating Wisconsin's rapidly growing advanced battery and electric vehicle manufacturing cluster.

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Biofuels

The IRA provides a new tax credit for sustainable aviation fuels of up to \$1.75 per gallon, opening up big new opportunities for producers of low-carbon fuels. Wisconsin dairy farms are investing in [capturing renewable dairy gas and selling it as energy](#). Renewable natural gas, like dairy gas, [can be a sustainable aviation fuel](#), making this tax credit a big new clean energy financing opportunity for Wisconsin dairy farmers. This could be a future [opportunity for Wisconsin breweries](#) as well to produce renewable natural gas from their brewery wastewater.

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 Wisconsinites 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 Wisconsin reduce the 13% of its greenhouse gas emissions that come from residential and commercial buildings.

For renters, the IRA also includes a \$1 billion grant program to help make affordable housing more energy efficient.

Rural Economies

The IRA includes:

- \$20 billion to support climate-smart agriculture practices and \$5 billion for forest health, creating opportunities to enlist Wisconsin's farmland, forests, grasslands, and wetlands in the fight against climate change.
- \$9.7 billion in USDA loans for rural electric cooperatives like Chippewa Valley Electric Cooperative and Oconto Electric Cooperative to help them acquire renewables and other carbon-free energy.
- \$3 billion for rural energy loans and grants.

Tribal Resilience

Wisconsin's Tribal nations, including the Fond du Lac Band of Lake Superior Chippewa and the Menominee Tribe, have been hit hard by the impacts of climate change. The IRA includes, for the first time, dedicated funding to help Tribes decarbonize their economies and adapt to a changing climate.

- \$150 million for Tribal home electrification.
- \$75 million for loans to Tribes for energy development.
- A tenfold increase, from \$2 billion to \$20 billion, in loan guarantees for Tribal energy development.

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 can use this fund to incubate new green banks and clean energy financing institutions or to bring clean energy-focused capital to existing institutions like the Wisconsin Economic Development Corporation.

Wisconsin is well-positioned to be a key engine in the United States' transition to a clean energy future. Wisconsin 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.