

August 16, 2023

Dear Members of Congress:

On the first anniversary of enactment of the so-called Inflation Reduction Act (IRA), the undersigned organizations strongly urge you to ensure that the IRA's Green New Deal-type policies quickly come to an end.

We recognize that in the next year complete repeal of the IRA's harmful energy and environmental provisions is unlikely. However, clear and tangible legislative changes that make genuine progress towards that goal are realistic and expected.

IRA proponents will today be celebrating the bill's passage. But we don't think that a centrally planned shift to unreliable and more costly electricity, governmental efforts to reduce consumer choices, and the creation of massive handouts to special interests is in any way worth celebrating.

The Congressional Budget Office projected the IRA's "green" subsidies to cost \$391 billion; however, the total costs could be as high as \$1.2 trillion, based on a more recent analysis by Goldman Sachs. As the House Ways and Means Committee explained, "[T]he main reason for the massive price tag jump is that the taxpayer funded subsidies for green energy are being claimed by large corporations, foreign competitors, and wealthy taxpayers at a much higher rate than anticipated."

This cronyism and irresponsible spending are reason enough to dismantle the subsidies. Yet they are just the tip of the iceberg when it comes to the IRA's problems. Even more alarming are the IRA's provisions empowering the government to transform how energy is produced and used in this country.

Americans shouldn't have to worry about whether their lights will turn on when they flick the switch. Yet this is what will happen as the government seeks to force a shift away from reliable sources of electricity and towards unreliable sources. Nor should Americans have to deal with the artificially-inflated energy prices that will be the inevitable result.

The heavy-handedness of the law doesn't stop there. It presumes that the government should limit what kinds of cars Americans can buy and the types of appliances they can use. The push for electric vehicles (EVs) is especially illuminating. Most Americans don't want to buy EVs, and for good reason, based on their high costs and long charging times, among other problems. Yet this apparently doesn't matter, nor do the genuine national security concerns from relying on countries like China for the minerals needed to produce EV batteries.

We commend legislators who have already been fighting to dismantle the "green" subsidies in the IRA. Legislators should use all tools available to push back against the law, including policy riders in appropriation bills and Congressional Review Act (CRA) resolutions of disapproval. It is important to recognize that many IRA programs still have to be implemented through rules that would be subject to the CRA.

We also want to draw attention to an issue that even many IRA proponents should be concerned about. Congress passed the IRA “green” subsidies to act as carrots and made the deliberate choice to use subsidies, and not regulations, to achieve its objectives. Nonetheless, the Environmental Protection Agency (EPA) is ignoring the will of Congress and using IRA subsidies to help justify some of its rules, including its proposed power plant rule. We would hope that there could be a bipartisan effort to ensure that the IRA subsidies (carrots) are not improperly being used to justify regulations (sticks).

One year ago, President Biden signed the “Inflation Reduction” Act into law. It was legislation that Congress shoved through by narrow majorities in both chambers even though it makes radical and sweeping policy changes affecting the lives of all Americans. Not a single Republican in the House or Senate voted for its passage.

We strongly urge Members of the House and Senate to make dismantling the “green” subsidies in the IRA one of their top priorities. Legislators should also make it clear to subsidy recipients making decisions relying upon the continuing availability of the subsidies that they do so at their own peril.

Sincerely,

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