

August 16, 2024

Dear Members of Congress:

Today marks the second anniversary of the so-called Inflation Reduction Act of 2022 (IRA), and the critics of its costly and prescriptive Green New Deal-style energy provisions are being proven right. The undersigned organizations strongly urge Congress to repeal this ill-advised agenda before it does even more damage to energy affordability and reliability, household budgets, and the American economy overall.

We recognize that repeal may not happen this Congress, but legislators should take action now, such as through strong oversight and Congressional Review Act resolutions of disapproval, to help set the stage for dismantling the IRA's "green" subsidies at the start of the 119th Congress. Next year, the reconciliation process would likely be the best tool to eliminate the subsidies, and doing so should be done in a manner to ensure a net tax cut.

Two years in, and the alternative energy sources and technologies favored under the IRA are amply demonstrating why they were so dependent on taxpayer handouts in the first place. Most notably, tax credits of up to \$7,500 for purchasers of electric vehicles (EVs) are still not enough to overcome their disadvantages, and sales are stalling. Similarly, proposed offshore wind projects are being cancelled, despite the promise of redundant and generous subsidies for the companies developing them.

Even the energy projects that are moving ahead under the statute are doing so only because they qualify for a steady stream of handouts, not because they are showing any promise in delivering the affordable and reliable energy homeowners and businesses need. Overall, nearly everything bankrolled under the IRA is shaping up to be a boondoggle.

The cost of these subsidies may reach \$1 trillion or more, but the tax dollars squandered are only part of the burden. The IRA forces upon Americans politically favored energy sources too expensive to compete on their own. At the same time, it tilts the balance against conventional and reliable energy sources, especially the fossil fuels that America possesses in great abundance. The unavoidable result is costlier energy bills – the last thing the American people need.

For electricity generation, the IRA is delivering a double whammy of alternative sources that are both more expensive and less reliable. The very threats to grid reliability warned about by such entities as PJM and the North American Electric Reliability Corporation are the ones actively encouraged under the statute. Thanks to the IRA, the American people face a greater likelihood of future blackouts – and are being made to pay for the privilege.

One can't easily escape the burdens. For example, even those who choose not to buy an EV end up subsidizing others who do. They also pay higher sticker prices for gasoline-powered vehicles that directly and indirectly bear some of the costs of the IRA's EV agenda.

Other provisions in the IRA stand out for their intrusiveness. For example, it was just last year that we saw a powerful consumer backlash against proposed federal regulations targeting gas stoves, sparking strong denials from the Biden-Harris administration that any such restrictions are in the works. However, the IRA contains multiple measures that favor electric stoves over gas versions, compromising consumer choice. In fact, the statute meddles with many home appliances.

In addition, the IRA contains some of the most wasteful spending imaginable. Programs like the \$27 billion Greenhouse Gas Reduction Fund for the Environmental Protection Agency were predicted by critics to be little more than lavish slush funds, and those concerns are now coming to fruition.

Selective repeal of a few IRA provisions will not suffice. America's energy future depends on nothing less than an end to this failed attempt at government-imposed energy and a return to free markets. Producers of affordable and reliable energy, including fossil fuels, must know they will no longer face an unfair disadvantage, and subsidized energy producers need to know that the giveaways will come to an end.

For these reasons, legislators should make the dismantling of the IRA's green subsidies a top priority now and in the next Congress.

Sincerely,

Daren Bakst
Director, Center for Energy & Environment
Competitive Enterprise Institute

James L. Martin
Founder/Chairman
60 Plus Association

John Droz, Jr.
Founder & physicist
Alliance for Wise Energy Decisions (AWED)

Isaac Orr
Vice President of Research
Always On Energy Research

Bob Carlstrom
President
AMAC Action

Saulius "Saul" Anuzis
President
The American Association of Senior Citizens

Phil Kerpen
President
American Commitment

Steve Pociask
President & CEO
The American Consumer Institute

Thomas J. Pyle
President
American Energy Alliance

Hon. Jason Isaac
CEO
American Energy Institute

Myron Ebell
Chairman
American Lands Council

Margaret Byfield
Executive Director
American Stewards of Liberty

Richard Manning
President
Americans for Limited Government

Brent Gardner
Chief Government Affairs Officer
Americans for Prosperity

Grover Norquist
President
Americans for Tax Reform

Rea S. Hederman Jr.
Vice President of Policy
The Buckeye Institute

David T. Stevenson
Director, Center for Energy & Environment
Caesar Rodney Institute

Ryan Ellis
President
Center for a Free Economy

Daniel J. Mitchell
President
Center for Freedom and Prosperity

Jeffrey Mazzella
President
Center for Individual Freedom

John Hinderaker
President
Center of the American Experiment

Craig Rucker
President
CFACT

André Béliveau
Senior Manager of Energy Policy
Commonwealth Foundation

E. Calvin Beisner, Ph.D.
President
Cornwall Alliance for the Stewardship of
Creation

Jerry R. Simmons
President/CEO
Domestic Energy Producers Alliance (DEPA)

Kristen A. Ullman
President
Eagle Forum

Craig Richardson
President
Energy & Environment Legal Institute (E&E
Legal)

George Landrith
President
Frontiers of Freedom

Mark Krebs
Principal
Gas Analytics & Advocacy Services LLC
(GAAS)

Cameron Sholty
Executive Director
Heartland Impact

James Taylor
President
The Heartland Institute

Ryan Walker
Executive Vice President
Heritage Action for America

Mario H. Lopez
President
Hispanic Leadership Fund

Gabriella Hoffman
Director, Center for Energy and Conservation
Independent Women's Voice

Andrew Langer
President
Institute for Liberty

Tom Harris, B. Eng., M. Eng. (Mech.)
Executive Director
International Climate Science Coalition (ICSC)

Annette Olson
CEO
The John K. MacIver Institute for Public Policy

Jon Sanders
Director of the Center for Food, Power, and Life
The John Locke Foundation

Seton Motley
President
Less Government

Charles Moran
President
Log Cabin Republicans

Charles Sauer
President
Market Institute

Laurie Belsito
Policy Director
Massachusetts Fiscal Alliance
Pete Sepp
President
National Taxpayers Union

Daniel C. Turner
Founder & Executive Director
Power The Future

Donna Jackson
Director of Membership Development
Project 21 Black Leadership Network

Jim Peacock
Chairman
The Right Climate Stuff

Paul Gessing
President
Rio Grande Foundation

Bette Grande
CEO and President
Roughrider Policy Center

Ken Haapala
President
Science and Environmental Policy Project

David Williams
President

Taxpayers Protection Alliance

Jenny Beth Martin
Honorary Chairman
Tea Party Patriots Action

Brent Bennett
Policy Director, Life Powered
Texas Public Policy Foundation

Derrick A. Max
President and CEO
Thomas Jefferson Institute for Public Policy

Frank Lasee
President
Truth in Energy and Climate

Carol Platt Liebau
President
Yankee Institute

* Benjamin Zycher
Senior Fellow
American Enterprise Institute

Hon. Carla Sands
Former US Ambassador to the Kingdom of
Denmark

* Affiliation for identification purposes only