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Why IRA energy subsidies should be dismantled: A guide

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This article is intended to be a useful resource about the Inflation Reduction Act's (IRA) energy subsidies and is broken into three sections:

I. The first section explains why the subsidies should be repealed, while also providing some useful background and context.

II. The second section provides four charts with brief summaries of over 50 different IRA subsidies, categorized by issue area, with helpful links to IRA statutory sections and agency web pages about the programs. While almost everything listed is subsidies, there are a few exceptions, including a tax (i.e., methane tax). We have included these provisions because they are additional IRA "green" provisions that should be repealed. This section also includes concise analysis about a small number of specific subsidies.

III. The third section includes another chart that organizes the same programs in the second section by the implementing agency.

Why the IRA energy subsidies should be repealed

In 2022, Congress passed the Inflation Reduction Act (IRA) and President Joe Biden signed it into law on August 16th, 2022. This legislation was a partisan reconciliation bill with no Republican supporting it in either the House or Senate.

The bill contains a litany of costly energy subsidies in the form of tax credits, loan guarantees, and grants, among other things. These subsidies would change much about how Americans live their lives, including how Americans produce electricity, what kind of vehicles we drive, and what kind of appliances we use.

The problems with the IRA subsidies:

- **The cost:** The cost of the IRA's energy subsidies was significantly underestimated. Initial Congressional Budget Office (CBO) estimates put the cost at $370 billion. A 2023 estimate by Goldman Sachs placed the 10-year costs of the subsidies at $1.2 trillion, more than triple the CBO estimate. A March 2025 estimate from the Cato Institute placed the 10-year costs between $936 billion and $1.97 trillion. The Cato study also forecasted the costs by 2050 to be between

$2.04 trillion and $4.67 trillion.

- **Spending and central planning:** These massive costs should be a concern, but they only scratch the surface of the problems with these harmful energy subsidies. The IRA reflects an effort to use spending to achieve the policy objectives of the Green New Deal. In the past, regulations were often viewed as a way to achieve policy objectives that could not be realized through spending measures. However, things have changed, with a recognition that many lawmakers' lack of concern for spending is a central way to achieve policy objectives, including those that may not be feasible through regulation. Of course, the left is still trying to use regulation, but unlike regulations that will face legal challenges, spending is a way to push the extreme environmentalists' vision without such concerns.

  The IRA's green spending is a central plan to change fundamental aspects of our nation, specifically how we use and produce energy. One key problem with subsidies as a general matter is how they cause market distortions. Yet many of these distortions are the entire purpose of the IRA subsidies. For example, the legislation is intentionally trying to shift our nation from reliable sources of electricity to unreliable electricity. It is intentionally trying to get Americans out of gas-powered vehicles and into electric vehicles (EVs) or out of cars altogether.

- **Cronyism, handouts, and waste:** Many of the IRA programs are rife for cronyism and abuse, giving agencies wide discretion to hand out billions of dollars in a questionable manner, as exemplified by the EPA's Greenhouse Gas Reduction Fund, discussed later in this article.

  Subsidies themselves are a means to pick winners and losers, and to force taxpayers to fund businesses that otherwise would not succeed without such handouts. If a business or a type of technology can't succeed without handouts because it can't attract private capital, then why should taxpayers be on the hook to prop up something that the private sector has deemed to be unworthy of support? Further, the handouts can undermine the success of those businesses that do benefit society by propping up their competitors.

There have been some claims that the IRA subsidies will help achieve our nation's energy objectives. They would do the exact opposite. The IRA is primarily directing subsidies toward energy sources that are less reliable and more expensive. The subsidies would hurt Americans and the nation's wellbeing.

Threats to repealing IRA subsidies:

- **Dependency to weaken opposition:** A detailed Bloomberg article called IRA energy subsidies an "inconvenient gift" to red districts. Subsidies flowing to districts whose representatives voted against the bill makes it more likely that those representatives won't fight for repeal. Legislators who defend the IRA now because of money flowing into their districts are playing right into the hands of supporters who expected and relied upon such an outcome.

The subsidies, even those that flow to red districts, are not just costly but undermine the wellbeing of Americans. For legislators who are concerned that the IRA subsidies are, for example, being used to kill off gas-powered cars, undermine electricity reliability, or restrict what appliances American can use, this concern shouldn't disappear because a district is benefitting from the receipt of taxpayer dollars. The money is still being used in ways that harm Americans, including those in the districts receiving the funds. It is easy to see how money is directly going to prop up a business in a district. However, what often goes unnoticed is how that money and related spending are used to harm other constituents within the district.

- **Predictability of harm:** There are some who claim that the subsidies shouldn't be touched because it is important to maintain predictability for businesses who were relying on the subsidies. If firms, including major multinational corporations, didn't recognize the risk of relying on the continued existence of the IRA subsidies, especially in light of a possible Republican-controlled government, then that is a foolish mistake on their part. Should Americans have to incur massive costs and harmful policy that will likely radically change the way our country produces and uses energy so that special interests can benefit? The only predictability concern should be the foreseeable harm to Americans if the IRA subsidies remain in place.

- **Backtracking:** There have been some Republicans defending some of the IRA energy subsidies. In March, 21 Republican Representatives sent a letter to Rep. Jason Smith (R-MO), the Chairman of the Ways and Means committee, defending the IRA energy subsidies and suggesting at best a willingness for some targeted reform. In April, four Senators, Sens. Murkowski (R-AK), Curtis (R-UT), Tillis (R-NC), and Moran (R-KS), sent a similar letter to Majority Leader John Thune (R-SD).

Fortunately, there are some legislators who have shown genuine leadership on this matter. On May 1, 2025, 38 House members sent a letter to House Ways and Means Chairman Jason Smith calling for the dismantling of the IRA subsidies. The letter expressed the following reservation:

> We are deeply concerned that President Trump's commitment to restoring American energy dominance and ending what he calls the "green new scam" is being undermined by parochial interests and short-sighted political calculations.

The letter concluded, saying:

> This is our only opportunity for an IRA repeal. Without effectively fully repealing all IRA subsidies, as envisioned under the House reconciliation framework, we would jeopardize America's return to energy dominance and passage of an extension of the expiring Tax Cuts and Jobs Act (TCJA) provisions, as well as the President's other tax priorities. Failure to act undermines the mandate given to us by the American people.
>
> We urge our colleagues to stand firm in the upcoming reconciliation process. We must reject half-measures and deliver a full repeal of the IRA's energy subsidies for the sake of American taxpayers and for the future of American energy.

If Republicans are unable to repeal the IRA subsidies, it would be rightfully considered a failure and would run counter to the goals of President Trump and counter to what was expected of these lawmakers. *The Wall Street Journal* put it bluntly in an editorial, "If Republicans are going to ratify Joe Biden's Green New Deal, what is the point of electing a GOP Congress?"

The wide opposition to the IRA subsidies

Leading conservative and freedom-loving organizations have made it clear that dismantling the IRA is a must. On April 30, Americans for Tax Reform led a widely supported coalition letter, which included CEI, that called for repealing the IRA subsidies. In February, CEI led a coalition letter, consisting of over 50 organizations, with a similar goal. The letter stated:

> All IRA "green" subsidies should be in the sights of policymakers. They work together as a central plan to achieve a radical and harmful shift in how our country produces and uses electricity, among other things. Given that they work together to achieve this Green New Deal, they should be eliminated together to restore freedom and ensure our country can reliably and affordably meet its energy needs.
>
> Our organizations believe that this is a pivotal moment for our country. Will we go down the path of the Green New Deal, as pushed by Biden and the far left, or will Republicans and common- sense legislators get our country back on course to meeting our energy needs now and in the future? This is what is at stake.

What should be done

Congress should eliminate all of the IRA's energy subsidies. Republican lawmakers frequently discuss getting rid of the Green New Deal, but they can't accomplish that objective without dismantling these subsidies at the heart of the Green New Deal. Anything short of this would help maintain the left's radical agenda.

Republicans and all legislators concerned with the subsidies should be taking a sledgehammer approach to all of them. The default assumption should be they are all going to be repealed. If legislators want to make some case to justify a subsidy, then they should have to clear a high bar explaining why it must be maintained. None of them should be kept though.

Further, half-measures like phasing out the subsidies are unacceptable in part because the subsidies may never actually get repealed. They will just stick around until they can be extended. Such an approach also continues and increases the dependency on the subsidies, making it harder to get rid of them due to special interests becoming even more invested in defending them.

If preventing major harm to our nation isn't enough of an incentive to eliminate the IRA subsidies, then there's also the tax benefits. President Trump has focused on energy reliability as well as high taxes. One way to cement the tax reforms from the Tax Cuts and Jobs Act while supporting reliability would be to get rid of IRA subsidies. As a *Wall Street Journal* editorial points out, "Republicans could pay for the entire cost of extending the 2017 tax reforms based on CBO's scoring by eliminating the tax credits. Doing so would also save taxpayers from having to subsidize more backup power, as they do in Texas and California."

For conservatives, what should be done is obvious: eliminate all of the IRA green subsidies.

IRA subsidies categorized by issue area

Below is an extensive, albeit non-exhaustive list of the IRA's green subsidies. As mentioned earlier, there are a few provisions that are not subsidies, such as a methane tax. These other provisions are included so that most of the problematic IRA "green" provisions are listed in one place. Some of these subsidies are discussed in more detail in this section.

The subsidies are categorized by issue area: Electric vehicles and transportation, grid reliability, housing and building, and other climate programs. Most of the descriptions of the IRA programs are taken from the Congressional Research Service (CRS) document titled Inflation Reduction Act of 2022 (IRA): Provisions Related to Climate Change; those that are not from the CRS document are marked.

Electric vehicles & transportation

Section	Program	Description
13201	Extension of Incentives for Biodiesel, Renewable Diesel and Alternative Fuels	Extends existing tax credits for alternative fuels and alternative fuel mixtures and biodiesel and renewable diesel.
13202	Extension of Second Generation Biofuel Incentives	Extends the existing second-generation biofuel producer tax credit.
13203	Sustainable Aviation Fuel Credit	Creates a new tax credit for the sale or mixture of sustainable aviation fuel; credit amount is $1.25 per gallon with a supplemental credit amount of $0.01 per gallon for each percentage point by which the lifecycle GHG emissions reduction percentage for the fuel exceeds 50%.
13204	Clean Hydrogen (45V Tax Credit)	Creates a new tax credit for the qualified production of clean hydrogen; the credit rate would be determined by the lifecycle GHG emissions rate achieved in producing clean hydrogen, with higher credit amounts available when prevailing wage and apprenticeship requirements are met.
13401	Clean Vehicle Credit	Extends and modifies vehicle tax credits; revised credit provides up to $7,500 for the purchase of fuel cell or eligible new plug-in electric vehicles meeting a critical minerals requirement and/or battery components requirement; the credit is disallowed for certain higher-income taxpayers and is subject to vehicle price limits.
13402	Credit for Previously Owned Clean Vehicles	Creates a new tax credit—$4,000, limited to 30% of the purchase price—for the purchase of previously owned plug-in electric or fuel cell vehicles, subject to purchaser income and vehicle price limits.
13403	Qualified Commercial Clean Vehicles	Creates a new tax credit for qualified commercial clean vehicles; credit amount varies by vehicle cost and weight.
13404	Alternative Fuel Refueling Property Credit	Extends and modifies a tax credit for qualifying charging or alternative fuel refueling property at a business or taxpayer's principal residence; eligible charging or refueling property must be placed in service within a low-income or rural census tract.
13704	Clean Fuel Production Credit	Creates a new tax credit for domestic clean fuel production, depending on the type of fuel (aviation or

		nonaviation), the CO2 emissions rate of the fuel, and the producer's labor practices.
40007	Alternative Fuel and Low-Emission Aviation Technology Program	Creates a competitive grant program in DOT for sustainable aviation fuel (SAF) and low-emission aviation technologies; financial assistance is for the production, transportation, blending, and storage of SAF as well as for projects related to low-emission aviation technologies, among other things; SAF is defined as achieving at least a 50% lifecycle greenhouse gas emission reduction in comparison with petroleum-based jet fuel.
60101	Clean Heavy-Duty Vehicles	Provides the EPA $1 billion to fund zero-emission heavy-duty vehicles and charging infrastructure, and training for drivers and mechanics on electric vehicles, 42 among other things (Taken from CEI's Modernizing the EPA)
60102	Clean Ports Program	Creates EPA program to provide grants and rebates to purchase or install zero-emission port equipment or technology at or to serve ports, for connected planning or permitting, and "to develop qualified climate action plans"; of rebates and grants, $750 million is for activities with respect to ports in air pollution nonattainment areas.
60104	Diesel Emissions Reductions	Appropriates $60 million for the Diesel Emissions Reductions Act program to, as the IRA explains, "identify and reduce diesel emissions resulting from goods movement facilities, and vehicles servicing goods movement facilities, in low-income and disadvantaged communities."
60105	Air Monitoring Grants	Provides funding ($20 million) to EPA for grants and other activities to monitor methane emissions (§60105(e)); provides funding ($5 million) to EPA for grants to states to adopt and implement GHG and zero-emission standards for mobile sources (§60105(g)).
60108	Funding for Section 211(O) of the Clean Air Act	Provides funding to EPA to carry out the Renewable Fuel Standard program, in part, for data collection and analyses for lifecycle greenhouse gas emissions of a fuel ($5 million); provides funding for new grants to support investment in advanced biofuels ($10 million).
60501	Neighborhood Access and Equity Grants Program	Provides funding to the Federal Highway Administration (FHWA) for competitive grants to support projects to improve walkability, safety, and affordable transportation access; to mitigate or

		remediate negative impacts from a surface transportation facility, such as those that create an obstacle to community connectivity; and for planning and capacity building activities in disadvantaged or underserved communities.
60506	Low Carbon Transportation Materials Grants	Provides funding to FHWA to reimburse incremental costs or provide incentives to eligible recipients for use in projects of construction materials with substantially lower embodied GHG emissions, as determined by EPA (see §60116) and reviewed by FHWA for appropriate use.
70002	Clean Fleets	Provides funding to the US Postal Service to purchase zero-emission delivery vehicles ($1.290 billion) and for purchase, design, and installation of related infrastructure leases from nonfederal entities ($1.710 billion).

The Inflation Reduction Act's push for electric vehicles

All of the listed subsidies, including those favoring EVs, electrifying transportation in general, and developing different types of "clean fuels, should be repealed.

There is a multitrack effort to get Americans out of gas-powered cars. While significant attention is focused on regulatory efforts such as the EPA's *de facto* EV mandate, the IRA is playing a central role to help kill off gas-powered cars. The IRA seeks to influence people away from driving gas-powered vehicles and towards driving EVs.

Proponents of these programs tout the many benefits of EVs, but if they are so great, then why are so many subsidies needed for them? Consumers are simply not buying EVs as proponents would have hoped and there has been slowing demand, despite massive subsidies. Car manufacturers are scaling back their EV ambitions.

There are many problems with EVs that won't be addressed by subsidizing them. EVs are expensive, they can have limited ranges and problems at lower temperatures, and charging them can be a hassle. Furthermore, EVs are touted for being "clean" vehicles because they don't emit greenhouse gases, but this is misleading. There are more greenhouse gas emissions from producing an EV than a gas-powered vehicle, which means it could take several years of driving an EV before offsetting these emissions. Further, EVs creates a myriad of negative environmental outcomes like particle pollution and damage from mining.

If electric vehicles are going to become affordable, easily chargeable, and have less environmental footprint, they need to have competition from gas-powered cars that incentivize manufacturers to address these issues. However, when policies like the ones listed above remove competitors from the marketplace, EV manufacturers have no reason to make their product more appealing to consumers.

Grid reliability

Section	Program	Description
13101	Extension and Modification of Credit for Electricity Produced from Certain Renewable Resources	Extends and modifies the production tax credit (PTC) for electricity produced from wind, biomass, geothermal, solar, landfill gas, trash, qualified hydropower, and marine and hydrokinetic resources; credit amounts depend in some cases on meeting prevailing wage or apprenticeship requirements, domestic content requirements, or being located in an "energy community."
13102	Extension and Modification of Energy Investment Tax Credit	Extends and modifies the energy investment tax credit (ITC) for investments in certain energy property, such as solar, fuel cells, waste energy recovery, combined heat and power, small wind property, microturbines, and geothermal heat pumps; expands scope to include energy storage, qualified biogas properties, electrochromic glass, and microgrid controllers, and interconnection property; credit amounts depend in some cases on meeting prevailing wage or apprenticeship requirements, domestic content requirements, or being located in an "energy community."
13103	Increase in Energy Credit for Solar and Wind Facilities Placed in Service in Connection with Low-Income Communities	Allows allocation of "environmental justice solar and wind capacity" credits in 2023 and 2024 in addition to otherwise allowed ITCs.
13104	Extension and Modification of Credit for Carbon Oxide Sequestration (45Q Tax Credit)	Extends and modifies the carbon oxide capture credit for industrial carbon capture or direct air capture (DAC) facilities; increases the credit amount, with higher credit amounts for DAC; reduces the threshold amount of carbon oxide that must be captured at a qualifying facility, adding the restriction for electricity generating facilities that the property must be designed to capture not less than 75% of the baseline carbon oxide production or 60% for electricity generating facilities not yet or recently

		placed into service; credit amounts depend in some cases on meeting prevailing wage or apprenticeship requirements.
13105	Zero-Emission Nuclear Power Production Credit (45U Tax Credit)	Creates a new tax credit for qualifying nuclear power that phases out as electricity prices rise; increased credit amounts are available for taxpayers satisfying prevailing wage and apprenticeship requirements.
13501	Extension of the Advanced Energy Project Credit	Provides $10 million in allocations of a tax credit for qualifying investments in advanced energy projects, with at least $4 billion for "energy communities"; Secretary of the Treasury is to establish a program to award credits to project sponsors; credit rate depends on whether a project pays prevailing wages and meets apprenticeship requirements.
13502	Advanced Manufacturing Production Credit (45X Tax Credit)	Creates a new production tax credit for domestic production and sale of qualifying solar and wind components.
13701	Clean Electricity Production Credit (45Y Tax Credit)	Creates a new production tax credit for sale of qualified domestically produced electricity with GHG emissions not greater than zero; credit amounts depend in some cases on meeting prevailing wage or apprenticeship requirements, domestic content requirements, or being located in an "energy community".
13702	Clean Electricity Investment Credit	Creates a new technology-neutral investment tax credit for qualifying zero-emissions electricity generation facilities or energy storage technology, with credit rates determined by paying prevailing wage and meeting apprenticeship or domestic content requirements, or in an energy community; allows for an allocation for environmental justice solar and wind capacity credits in a low-income community or on Indian land.
13703	Cost Recovery for Qualified Facilities, Qualified Property, and Energy Storage Technology	Allows cost recovery as a five-year property for facilities qualifying for the clean electricity production or investment tax credits.
22001	Additional Funding for Electric Loans for Renewable Energy	Provides funding to USDA for electric loans for renewable energy under the Rural Electrification Act, including for projects that store electricity.
22002	Rural Energy for America Program	Provides funding to USDA to support the Rural Energy for America Program (REAP), which provides grants for energy efficiency and renewable energy projects ($1.7 billion); provides funding for grants and loans for underutilized renewable energy

		technologies and technical assistance with REAP applications ($304 million).
22004	USDA Assistance for Rural Electric Cooperatives	Provides funding to USDA to offer financial assistance (e.g., loans) to eligible entities for the long-term resiliency, reliability, and affordability of rural electric systems through the purchase of renewable energy, renewable energy systems, zero-emission systems, carbon capture and storage systems, and more.
22005	Additional USDA Rural Development Administrative Funds	Provides funding to USDA for administration and implementation of Sections 22001-22004, among other provisions.
50141	Funding for Department of Energy Loan Programs Office	Increases loan guarantee commitment authority to $40 billion for the Department of Energy (DOE) Title XVII Innovative Technology Loan Guarantee Program (§1703), supporting eligible projects that avoid, reduce, utilize, or sequester air pollutants or anthropogenic GHG emissions, and—with the exception of projects supported by a State Energy Financing Institution—employ new or significantly improved technologies; provides funding to DOE to pay for loan guarantee costs and program administration.
50144	Energy Infrastructure Reinvestment Financing	Creates a temporary loan guarantee authority of $250 billion for DOE under Title XVII of the Energy Policy Act of 2005 (§1706) for projects that (1) retool, repower, repurpose, or replace energy infrastructure, subject to the requirement that fossil fuel electricity generation projects must have controls to avoid, reduce, utilize, or sequester air pollutants and anthropogenic GHG emissions, or (2) enable operating infrastructure to avoid, reduce, utilize, or sequester air pollutants or anthropogenic GHG emissions; for the purpose of this program, "energy infrastructure" means a facility and associated equipment used for (1) generation or transmission of electrical energy, or (2) production, processing, and delivery of fossil fuels, fuels derived from petroleum, or petrochemical feedstocks; provides funding to DOE to implement Section 1706 activities.
50145	Tribal Energy Loan Guarantee Program	Permanently increases the Tribal Energy Loan Guarantee Program lending authority to $20 billion and appropriates money for program activities.
50151	Transmission Facility Financing	Creates a new direct loan program for development of certain transmission projects located in a National

		Interest Electric Transmission Corridor (NIETC), as designated by DOE; NIETCs are to promote goals such as energy security or use of intermittent energy sources such as wind and solar.
50152	Grants to Facilitate the Siting of Interstate Electricity Transmission Lines	Creates a new DOE grant program generally for state and local governments aimed at facilitating the siting of certain onshore and offshore transmission lines, to cover project studies, host negotiations, participate in federal and state regulatory proceedings, and promote economic development in affected communities.
50153	Interregional and Offshore Wind Electricity Transmission Planning, Modeling, and Analysis	Provides new funding to DOE for interregional and offshore wind electricity transmission planning, modeling, and analysis, and stakeholder convening; may include planning for the effects of weather changes due to climate change on the reliability and resilience of the electric grid.
60107	Low Emissions Electricity Program	Provides funds to EPA to support education, outreach, technical assistance, and/or partnerships to (1) 13consumers; (2) low income and disadvantaged communities; (3) industries; and (4) state, tribal, and local governments; directs EPA to assess within one year of enactment the GHG emission reductions anticipated to result from changes in domestic electricity generation and use each year through 2031.

ITC and PTC

The Clean Energy Investment Tax Credit (ITC) and Clean Energy Production Tax Credit (PTC) pay the owners of certain energy facilities for investment in new facilities and for every megawatt hour their facilities generate, respectively. These credits existed before the IRA, but were both extended and expanded by it. These subsidies now include all carbon-free energy sources including nuclear and geothermal. They are incredibly expensive and distort electricity markets by allowing some power providers to bid into auctions at artificially low prices while other sources, especially reliable sources, are unable to compete. Because of their cost and this distortion, the ITC and PTC are among the most important subsidies to repeal.

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Housing and building

Section	Program	Description
13301	Extension, Increase, and Modifications of Nonbusiness Energy Property Credit	Extends and modifies the tax credit for qualified energy efficiency improvements made to a taxpayer's residence; increases the credit rates, and modifies energy efficiency standards over time; expands credit to include home energy audits.
13302	Residential Clean Energy Credit	Extends and modifies tax credit for purchase of residential solar electric property, solar water heating property, fuel cells, geothermal heat pump property, small wind energy property, and qualified biomass fuel property; adds qualified battery storage technology.
13303	Energy Efficient Commercial Buildings Deduction	Updates energy efficiency requirements to qualify for the tax deduction for certain energy-saving commercial building property installed as part of the (1) interior lighting system; (2) heating, cooling, ventilation, or hot water system; or (3) building envelope; deduction amount depends on meeting requirements for prevailing wage and apprenticeship requirements; allows a tax-exempt entity to allocate the deduction to the designer of the building or retrofit plan.
13304	Extension, Increase, and Modifications of New Energy Efficient Home Credit	Extends and modifies the energy efficient new home credit; increases the credit amount and provides a larger credit if prevailing wage and apprenticeship requirements are met; allows credit for low-income housing tax credit recipients.
50122	High Efficiency Electric Home Rebate Program	Provides funding to DOE for state energy offices ($4.275 billion) and Indian tribes ($225 million) to develop and operate high-efficiency electric home rebate programs for appliance and non-appliance upgrades.
50131	Assistance for Latest and Zero Building Code Adoption	Provides funding to DOE for grants to state and local governments (1) to adopt the latest residential or commercial building energy codes and implement a plan to achieve full compliance with codes ($330 million), and (2) to adopt residential or commercial building energy codes that meet or exceed the zero energy provisions of the 2021 International Energy Conservation Code or equivalent stretch code and

		implement a plan to achieve full compliance with codes ($670 million).
60116	Low-Embodied Carbon Labeling For Construction Materials	Provides funding to EPA to develop a program that identifies and labels construction materials with substantially lower levels of embodied GHG emissions compared to industry averages, in consultation with the Federal Highway Administration (FHWA) for construction materials used in transportation projects and GSA for construction materials used for federal buildings; in association with funds provided in Section 60503 (federal buildings), Section 60506 (transportation), and Section 70006 to federal agencies to promote use of low-carbon materials, and Section 60112 to support Environmental Product Declarations to include measurements of embodied GHG emissions in products.
60503	Use of Low Carbon Materials	Provides funding to GSA to acquire and install materials that have substantially lower levels of embodied GHGs as determined by EPA (see §60501), for use in construction or alteration of GSA buildings.
80003	Tribal Electrification Program	Adds funds to BIA for zero-emission electricity systems for tribal homes, including associated home repairs and retrofitting.

The IRA push to change our homes and appliances

In addition to the tax dollars going to influence energy choices at the power plant level and push consumers into different cars, the IRA seeks to change how homeowners use energy. The law contains a host of tax credits and rebates available to those who purchase and install preferred home appliances or undertake certain residential upgrades. This suite of programs aims to change and control the choices that Americans make in and for their homes.

The stated goal is to improve energy efficiency in homes, but several measures are also designed to encourage the use of electricity over natural gas as part of the Biden administration's climate agenda. These include rebates for the purchase of stoves, space heaters, water heaters, and clothes dryers that are available only for electric models and not gas versions. While most of the funds are available for homeowners – up to $1,200 each year for tax credits and $14,000 total per home – there are also provisions encouraging builders to construct electric-only homes and for environmental activists to lobby for state and local building code changes to align with the net-zero agenda.

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Although these measures are often cast as money savers for the homeowners making use of them, they often apply to choices that would not otherwise make economic sense, hence the need for subsidies. They also raise fairness issues, as all taxpayers financially support these measures, but the benefits primarily go to homeowners who are wealthier than average.

All of these subsidies should be repealed.

Other climate programs

Section	Program	Description
13601	Reinstatement of Superfund	Increases the Superfund tax rate from 9.7 cents to 16.4 cents per barrel of crude oil and certain imported petroleum products and reinstates the Superfund excise tax for certain chemicals that ranges from $0.58 to $9.74 per short ton depending on the chemical.
21001	Additional Agricultural Conservation Investments	Increases funding for Environmental Quality Incentives Program ($8.5 billion), a USDA voluntary conservation program that provides farmers and ranchers with grants to implement environmentally beneficial conservation practices; increases funding for Conservation Stewardship Program ($3.25 billion), a USDA voluntary conservation program that provides farmers and ranchers with grants to maintain and improve existing conservation practices, and adopt additional practices on privately owned lands; increases funding for Agriculture Conservation Easement Program ($1.4 billion), a USDA program that purchases easements to protect, restore, and enhance wetlands and working agricultural land; increases funding for Regional Conservation Partnership Program ($4.95 billion), a USDA program that provides grants to partners to deliver conservation assistance to landowners and producers to restore and improve soil, water, and wildlife on a regional or watershed scale.
60103	Greenhouse Gas Reduction Fund	Provides funding to EPA for a new GHG Reduction Fund with $7 billion to make competitive grants to states, municipalities, tribal governments, and eligible recipients to provide financing and technical assistance to enable low-income and disadvantaged

		communities to deploy or benefit from zero-emission technologies, including distributed technologies on residential rooftops, and to carry out other GHG emission reduction activities; $11.97 billion for general assistance; $8 billion for low-income and disadvantaged communities; and $30 million for EPA administrative costs.
[60106](#)	[Funding to Address Air Pollution at Schools](#)	Provides funding to EPA for grants and other activities to monitor and reduce GHG emissions and other air pollutants at schools in low-income and disadvantaged communities, and for providing technical assistance to such schools.
[60111](#)	[Greenhouse Gas Corporate Reporting](#)	Provides funding to EPA to support enhanced standardization and transparency of corporate climate action commitments and plans to reduce GHG emissions; enhanced transparency regarding progress toward meeting such commitments and implementing such plans; and progress toward meeting such commitments and implementing such plans.
[60112](#)	[Environmental Product Declaration Assistance](#)	Provides funding to EPA to develop and carry out a program to support development, enhanced standardization and transparency, and reporting criteria for environmental product declarations that include measurements of the embodied GHG emissions of the material or product associated with all relevant stages of production, use, and disposal, and conformance with international standards, for construction materials and products (see also §60106); includes grants and technical assistance to manufacturers of construction materials and to states, tribes, and nonprofit organizations that assist such manufacturers; and other activities.
[60113](#)	[Methane Emissions Reduction Program](#)	Establishes a methane emissions charge (fee) that applies to specific types of petroleum and natural gas system facilities; charge based on emissions reported to EPA and an emissions threshold that varies by facility type; appropriates $850 million to EPA to provide grants to these facilities to help reduce their methane emissions; appropriates $700 million to EPA to support similar activities at "marginal conventional wells".
[60114](#)	[Climate Pollution Reduction Grants](#)	Provides funding ($250 million) to EPA to issue a grant to at least one eligible entity (e.g., states, state agencies, municipalities, Indian tribes) in each state to develop a plan for GHG emission reduction; provides

		funding ($4.75 billion) to EPA to issue grants to entities to implement their GHG reduction plans. Provides $5 billion overall.
60201	Environmental and Climate Justice Block Grants	Establishes an EPA grant program for community-based groups and partnerships to reduce pollution and climate threats in “disadvantaged communities”; these grants would provide support for community-led priorities to reduce pollution, improve public health and climate readiness, and facilitate community engagement.

Greenhouse Gas Reduction Fund

The Greenhouse Gas Reduction Fund is a $27 billion slush fund that uses taxpayer dollars to invest in unreliable energy sources. The Fund provided billions of dollars to favored nonprofits to hand out money to projects that would have likely failed in the free market; it is a slush fund to create slush funds. The EPA exacerbated problems by handing out $20 billion to only eight nonprofits. Unless the money is clawed back, five of the selected nonprofits will each have about $2 billion or more to distribute. Of those five, one will have $7 billion and another will have $5 billion. Concentrating so much money in just a small number of organizations made this program rife for abuse and cronyism. Congress, through the IRA, also gave the Biden administration’s EPA very little time to get the money out the door. This inherently created logistical problems.

While the problems of the Greenhouse Gas Reduction Fund have gained attention from EPA Administrator Lee Zeldin and the public recently, most of this attention is centered around two of the three programs: the National Investment Climate Fund ($14 billion) and the Clean Communities Investment Accelerator ($6 billion). The third program: the Solar for All Program ($7 billion) which is being audited by the EPA Office of the Inspector General, is also a concern. This audit should, among other things, focus on whether the Biden EPA created a program that is inconsistent with the plain language of the IRA. The law states that the $7 billion should be used for “zero-emission technologies,” with solar being a subset of this. Yet the Biden EPA turned it into a solar-only program. If Congress wanted all of the money to go to solar technology, it would have said so.

There is another issue with the Greenhouse Gas Reduction Fund. The IRA language creating the Fund amended the Clean Air Act as it did with other EPA-implemented programs. While unlikely to make a big difference, the language does give some ammunition to the claim that the EPA has authority to regulate greenhouse gases as air pollutants under the statute.

Methane Emissions Reduction Program

The Methane Emissions Reduction Program targets the methane emissions from oil and gas operations. This program provides $1.36 billion in financial and technical assistance for reducing methane emissions. It also involves the revision of the EPA's Greenhouse Gas Reporting Program regulations that cover the oil and gas sector. The third, and most harmful component is the Waste Emissions Charge (WEC), a tax on methane emissions past a certain threshold. In March, Congress passed a Congressional Review Act (CRA) resolution of disapproval repealing the rule that would have implemented the WEC and President Donald Trump signed it into law on March 14th. Due to the CRA resolution, the EPA, which administers the program, will not be allowed to promulgate a rule that is substantially similar to the WEC rule. This means that the WEC will likely never be implemented. Regardless, the entire Methane Emissions Reduction Program should be repealed, and this would include the language dealing with the WEC.

IRA Programs by Implementing Agency

Below is another chart that includes the same programs listed above, but this time categorized by the implementing agency or department.

Section	Program	Implementing Agency/Department
60101	Clean Heavy-Duty Vehicles	Environmental Protection Agency
60102	Clean Ports Program	Environmental Protection Agency
60103	Greenhouse Gas Reduction Fund	Environmental Protection Agency
60104	Diesel Emissions Reductions	Environmental Protection Agency
60105	Air Monitoring Grants	Environmental Protection Agency
60106	Funding to Address Air Pollution at Schools	Environmental Protection Agency

60107	Low Emissions Electricity Program	Environmental Protection Agency
60108	Funding for Section 211(O) of the Clean Air Act	Environmental Protection Agency
60111	Greenhouse Gas Corporate Reporting	Environmental Protection Agency
60112	Environmental Product Declaration Assistance	Environmental Protection Agency
60113	Methane Emissions Reduction Program	Environmental Protection Agency
60114	Climate Pollution Reduction Grants	Environmental Protection Agency
60116	Low-Embodied Carbon Labeling For Construction Materials	Environmental Protection Agency
60201	Environmental and Climate Justice Block Grants	Environmental Protection Agency
50122	High Efficiency Electric Home Rebate Program	Department of Energy
50131	Assistance for Latest and Zero Building Code Adoption	Department of Energy
50141	Funding for Department of Energy Loan Programs Office	Department of Energy
50144	Energy Infrastructure Reinvestment Financing	Department of Energy
50145	Tribal Energy Loan Guarantee Program	Department of Energy
50151	Transmission Facility Financing	Department of Energy

50152	Grants to Facilitate the Siting of Interstate Electricity Transmission Lines	Department of Energy
50153	Interregional and Offshore Wind Electricity Transmission Planning, Modeling, and Analysis	Department of Energy
13101	Extension and Modification of Credit for Electricity Produced from Certain Renewable Resources	Department of Treasury
13102	Extension and Modification of Energy Investment Tax Credit	Department of Treasury
13103	Increase in Energy Credit for Solar and Wind Facilities Placed in Service in Connection with Low-Income Communities	Department of Treasury
13104	Extension and Modification of Credit for Carbon Oxide Sequestration (45Q Tax Credit)	Department of Treasury
13105	Zero-Emission Nuclear Power Production Credit (45U Tax Credit)	Department of Treasury
13201	Extension of Incentives for Biodiesel, Renewable Diesel and Alternative Fuels	Department of Treasury
13202	Extension of Second Generation Biofuel Incentives	Department of Treasury
13203	Sustainable Aviation Fuel Credit	Department of Treasury
13204	Clean Hydrogen (45V Tax Credit)	Department of Treasury

13301	Extension, Increase, and Modifications of Nonbusiness Energy Property Credit	Department of Treasury
13302	Residential Clean Energy Credit	Department of Treasury
13303	Energy Efficient Commercial Buildings Deduction	Department of Treasury
13304	Extension, Increase, and Modifications of New Energy Efficient Home Credit	Department of Treasury
13401	Clean Vehicle Credit	Department of Treasury
13402	Credit for Previously Owned Clean Vehicles	Department of Treasury
13403	Qualified Commercial Clean Vehicles	Department of Treasury
13404	Alternative Fuel Refueling Property Credit	Department of Treasury
13501	Extension of the Advanced Energy Project Credit	Department of Treasury
13502	Advanced Manufacturing Production Credit (45X Tax Credit)	Department of Treasury
13601	Reinstatement of Superfund	Department of Treasury
13701	Clean Electricity Production Credit (45Y Tax Credit)	Department of Treasury
13702	Clean Electricity Investment Credit	Department of Treasury

13703	Cost Recovery for Qualified Facilities, Qualified Property, and Energy Storage Technology	Department of Treasury
13704	Clean Fuel Production Credit	Department of Treasury
21001	Additional Agricultural Conservation Investments	Department of Agriculture
22001	Additional Funding for Electric Loans for Renewable Energy	Department of Agriculture
22002	Rural Energy for America Program	Department of Agriculture
22004	USDA Assistance for Rural Electric Cooperatives	Department of Agriculture
22005	Additional USDA Rural Development Administrative Funds	Department of Agriculture
40007	Alternative Fuel and Low-Emission Aviation Technology Program	Department of Transportation
60501	Neighborhood Access and Equity Grants Program	Department of Transportation
60506	Low Carbon Transportation Materials Grants	Department of Transportation
80003	Tribal Electrification Program	Department of Interior
70002	Clean Fleets	US Postal Service
60503	Use of Low Carbon Materials	General Services Administration

Conclusion

The IRA contains expensive subsidies that, taken together, constitute an attempt to fundamentally remake the way that energy is produced and consumed in the United States. The upcoming reconciliation process provides Congress a real opportunity, and maybe the only opportunity, to go after the IRA subsidies in a meaningful way. Legislators have a chance to protect the reliability and affordability of electricity, defend consumer freedom, and reduce excessive spending. They should take advantage of this opportunity.