

Inflation Reduction Act Highlights: Environmental Justice, Climate Change and Expedited Permitting



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On August 16, 2022, [President Biden signed the Inflation Reduction Act \(IRA\)](#), sweeping legislation that commits

\$369 billion to combat climate change, fund clean energy and development, and address environmental justice. This alert provides a summary on the key climate change, clean energy and environmental justice provisions.

President Biden [has made environmental justice a focus](#) of his Administration since his first day in office when he issued [Executive Order 13990](#) (Executive Order on Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis). The IRA builds on this foundation by advancing the Biden Administration's objective in addressing and funding environmental justice initiatives, predominantly through grants and technical support resources to facilitate developing environmentally-friendly projects in low-income and disadvantaged communities. Some of these programs and initiatives include:

- Creating a "Greenhouse Gas Reduction Fund" under the Clean Air Act;
- Providing funding to the Federal Highway Administration (FHWA) to improve walkability, safety, and affordable transportation in economically disadvantaged or underserved communities;
- Providing funding to the Council on Environmental Quality (CEQ) for a variety of areas, including to track disproportionate pollution and climate change impacts on environmental justice communities and ensure those communities have access to pollution mapping / screening tools, such as the Environmental Protection Agency's (EPA) [EJScreen tool](#); and
- Granting funds to the EPA to reduce air pollution in schools located in low-income and environmental justice communities.

The IRA also provides funding to support permitting activities by federal agencies under the National Environmental Policy Act (NEPA). NEPA requires federal agencies to take a "hard look" at the environmental impacts of their proposed actions. Traditionally, staff shortages and resource constraints have delayed the NEPA environmental review process. In an effort to rectify such delays, the IRA allocates funding for federal agencies to hire and train employees, and to support timely and efficient technical reviews of environmental permit requests, as follows:

- \$40 million to the Environmental Protection Agency
- \$30 million to the White House Council on Environmental Quality
- \$150 million to the Department of Interior
- \$110 million to the Federal Energy Regulatory Commission
- \$115 million to the Department of Energy

The IRA will significantly advance the renewable energy industry by providing tax incentives for research, investment and development, and job creation in manufacturing clean technology, such as solar panels, wind turbines, and battery storage systems. The IRA also seeks to foster community solar development; in removing barriers to such projects, renewable energy will become more accessible for the average energy user.

The IRA marks the first passage of impactful bi-partisan legislation that seeks to address the looming threat of climate change and its disproportionate impacts on environmental justice communities. We will continue to monitor the rollout of the IRA. For questions regarding this Client Alert, please contact Lippes Mathias' Environment & Energy Team Practice Leader, Ian Shavitz at ishavitz@lippes.com, or, Senior Associate, Christina Bonanni at cbonanni@lippes.com.

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