

Inflation Reduction Act Provides Funding to Assist Carbon Reduction



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The Inflation Reduction Act (the Act) passed in August 2022 provides an estimated \$394 billion in funds targeted to lower energy costs, increase cleaner production, and reduce carbon emissions by 40% by 2030. Funds are concentrated in tax credits for corporations and individuals, but a substantial amount of funds (\$82 billion) are earmarked for grant programs. *

The Act provides \$350 million for grants, technical assistance, and tools to help manufacturers, real estate developers and builders substantially lower the level of embodied carbon and other greenhouse gas emissions associated with the production, use and disposal of construction materials and products including steel, concrete, asphalt and glass.

How Could the Grant Program Could Affect an Organization?

Through January 16, 2024, manufacturers can apply for grants to assist with greenhouse gas emission reduction. The funds, \$100 million, have been allocated through the Act and will be provided in amounts from \$250,000 to \$10,000,000. The “Reducing Embodied Greenhouse Gas Emission for Construction Materials and Products” program is governed by the Environmental Protection Agency (EPA) with funds expected to be distributed in 2024. The EPA expects to award up to 40 grants.

The program focuses on businesses that manufacture, remanufacture, and refurbish construction materials and products for developing and verifying environmental product declarations and to States, Indian Tribes and nonprofit organizations that support such businesses. Projects may span up to five years.

**Appropriation figures may vary depending on the methodology applied. Congressional Budget Office and Joint Committee on Taxation.*