

# On the Inflation Reduction Act (IRA)

NEAL MCMILLIN, DIRECTOR OF FEDERAL AFFAIRS



GOVERNOR'S  
OFFICE OF  
COASTAL  
ACTIVITIES

# Upcoming IJA Opportunities – NOAA

NOAA's [Coastal Habitat Restoration and Resilience Grants for Underserved Communities](#) has been extended, now closing on October 5, 2022.

**\$10 million available** for small grants (\$75K - \$1M) to projects for coastal habitat restoration are led by, or partnered with, underserved communities. Goal is to enhance coastal resilience to climate hazards for underserved communities. Typical award size would be \$250K - \$500K over three years.

Projects can be for capacity building, such as regional planning, stakeholder engagement, and outreach/education.

Projects could also be for restoration, such as demo projects, engineering & design, permitting, on-the-ground restoration, or monitoring.

NOAA's [Marine Debris Removal grants opportunity](#) has been extended, now closing on October 5, 2022.

Up to **\$56 million available** for grants (\$100K - \$15M) through NOAA's Marine Debris Program under the NOAA Office of Response and Restoration.

This competition focuses on two priorities: removing large marine debris (\$1M - \$15M) and using proven interception technologies to capture marine debris (\$100K - \$1M). Priorities are considered to be separate, parallel tracks.

Funding description emphasizes collaboration with partners. All proposals must describe how the project would advance equity and inclusion, particularly for underserved communities.

# Upcoming IJA Opportunities – Interior’s USFWS

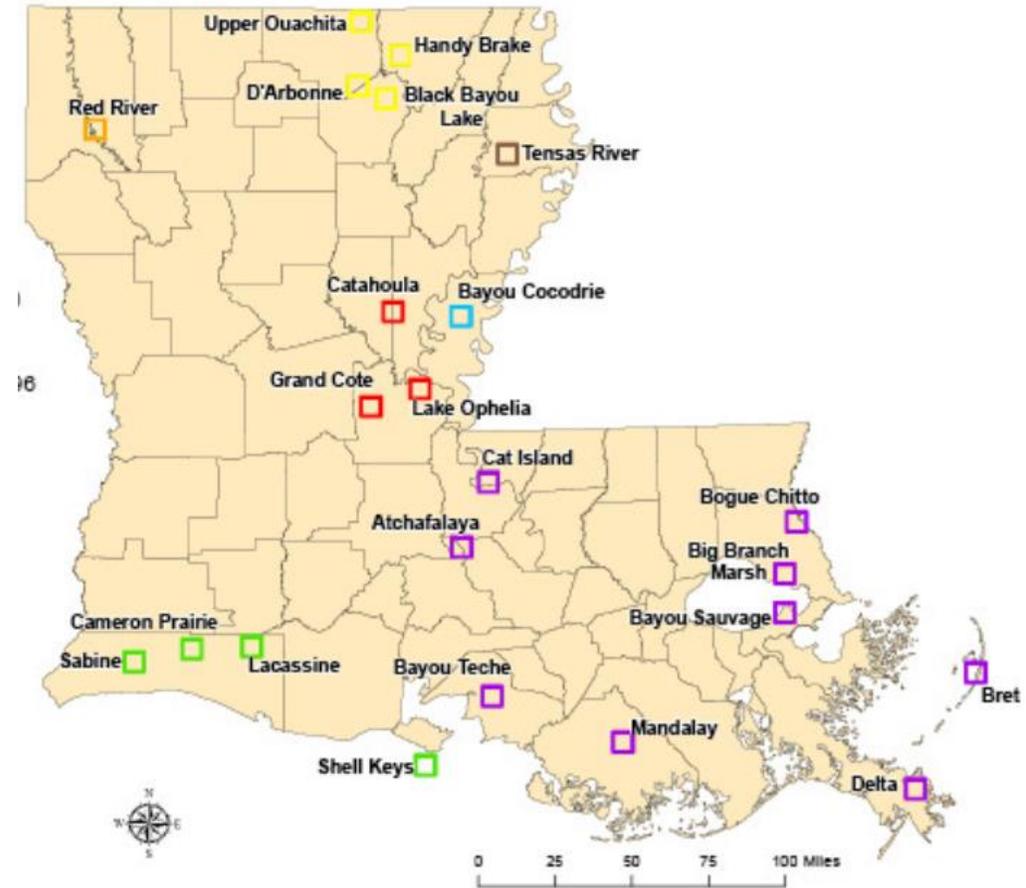
Department of Interior’s [Coastal Program Grants](#) through the U.S. Fish and Wildlife Service.

**\$6 million available** for small grants (\$1 - \$200K) to projects that contribute to coastal habitat conservation, particularly projects that benefit Federal trust species and assist with adaptation to changing climate.

Can be capacity building for coastal communities to better conserve fish and wildlife.

Can also be directed to complementing conservation efforts on National Wildlife Refuges.

Proposals are considered on a rolling basis.  
Applications close on September 30, 2022.



# Upcoming Opportunity from 2021 Disaster Supplemental – FEMA

FEMA's \$60 million Swift Current Initiative for Flood Mitigation Assistance (FMA) closes on October 3, 2022.

**\$40 million available to Louisiana.** Funding is to address severe repetitive loss/repetitive loss of NFIP-insured unmitigated properties.

Eligible projects include property acquisition, structure demolition/relocation, structure elevation, dry flood proofing of historic structures, non-structural retrofitting, mitigation reconstruction, and structural retrofitting.

State governments of LA, MS, NJ, and PA are the eligible applicants.

Justice40 Initiative applies to this funding, reflecting the Biden Administration goal to direct at least 40% of climate-related funding to disadvantaged communities.



VP Harris announced FEMA Swift Current funding to Louisiana in Sunset, LA, in March. [Photo Scott Clause, USA Today Network](#)

# The Inflation Reduction Act



Signing of the Inflation Reduction Act. Credit: [AP Photo, Susan Walsh](#)

H.R. 5376, the Inflation Reduction Act (IRA), passed the U.S. Senate 51-50 on August 7, passed the U.S. House 207-200 on August 12, and was signed by the President on August 16.

The Inflation Reduction Act was a budgetary bill that passed through a simple majority via a once-a-year legislative vehicle known as budget reconciliation.

Budget reconciliation bills must be limited to budgetary matters. The “Byrd Rule” in the Senate precludes policy provisions from being included. The Senate Parliamentarian makes such determinations.

The IRA raised \$737B, spent \$437B, and applied \$300+B to deficit reduction.

According to the White House, *“The Inflation Reduction Act represents the most aggressive action to combat the climate crisis and improve American energy security in our nation’s history.”*

# The Inflation Reduction Act

## TOPLINE ESTIMATES:

<b>TOTAL REVENUE RAISED</b>	<b>\$737 billion</b>
<i>15% Corporate Minimum Tax</i>	<i>222 billion*</i>
<i>Prescription Drug Pricing Reform</i>	<i>265 billion***</i>
<i>IRS Tax Enforcement</i>	<i>124 billion**</i>
<i>1% Stock Buybacks Fee</i>	<i>74 billion*</i>
<i>Loss Limitation extension</i>	<i>52 billion*</i>
<b>TOTAL INVESTMENTS</b>	<b>\$437 billion</b>
<i>Energy Security and Climate Change</i>	<i>369 billion*</i>
<i>Affordable Care Act Extension</i>	<i>64 billion**</i>
<i>Western Drought Resiliency</i>	<i>4 billion***</i>
<b>TOTAL DEFICIT REDUCTION</b>	<b>\$300+ billion</b>

\* = Joint Committee on Taxation estimate

\*\* = Congressional Budget Office estimate

\*\*\* = Senate estimate, awaiting final CBO score

[https://www.democrats.senate.gov/imo/media/doc/inflation\\_reduction\\_act\\_one\\_page\\_summary.pdf](https://www.democrats.senate.gov/imo/media/doc/inflation_reduction_act_one_page_summary.pdf)

# The Inflation Reduction Act – Key Funding Opportunities

- **\$3 billion** for Environmental and Climate Justice Block Grants through EPA.
- **\$2.6 billion** to conserve and restore coastal habitats through NOAA.
- **\$750 million** for federal agencies to conduct NEPA reviews for infrastructure projects.
- **\$250 million** for wildlife recovery and habitat restoration related ESA listed species and/or to National Wildlife Refuges and state wildlife management areas through USFWS.

# The Inflation Reduction Act – Key Energy Provisions

The IRA ensures that offshore oil & gas activity is conducted in concert with offshore wind. This situation has relevance for coastal funding through GOMESA and potentially RISEE/BREEZE.

- The IRA limits Dept. of Interior’s ability to issue renewable energy leases. No offshore wind leases can be issued unless Interior has auctioned off at least 60 million acres on the outer continental shelf and executed a lease in that sale in the previous year.
- The IRA reinstates lease sale 257 from Nov. 2021, which totaled \$191 million. It also requires 3 more offshore oil & gas lease sales by 2023.
- The IRA lifts the moratorium on offshore wind in the Mid- to South Atlantic and Eastern Gulf of Mexico. Those areas had been put off limits to all energy leasing in the Trump Administration.
- The IRA provides \$100 million for offshore wind planning, transmission, and development.
- The IRA incentivizes offshore wind by providing a 30% tax credit for offshore wind projects that begin construction prior to 2026. The IRA also makes tax credits available for domestic production of wind turbine components and vessels.

# The Inflation Reduction Act – Pending Manchin-Schumer Deal on Energy Permitting Reform

To secure his vote on the Inflation Reduction Act, Chairman Manchin obtained a commitment from Majority Leader Schumer on [permitting reform, specifically for energy projects](#).

The reform proposal would designate high priority national projects, set maximum timelines, address litigation delays, clarify jurisdiction, and achieve West Virginian priorities. Critics argue enforcement mechanisms to achieve these goals is lacking.

Legislative text to be introduced today. Legislation would ride along a continuing resolution to fund the government, which could happen on Sept. 30 or in December.

Republicans released a counter proposal. Progressives have opposed the deal.

60 votes needed for passage. Must have bipartisan support.

## Energy Permitting Provisions

### **Designate and prioritize projects of strategic national importance.**

- Direct the President to designate and periodically update a list of at least 25 high-priority energy infrastructure projects and prioritize permitting for these projects.
- Require a balanced list of project types, including: critical minerals, nuclear, hydrogen, fossil fuels, electric transmission, renewables, and carbon capture, sequestration, storage, and removal.
- Criteria for selecting designated projects includes: reducing consumer energy costs, improving energy reliability, decarbonization potential, and promoting energy trade with our allies.

### **Set maximum timelines for permitting reviews, including two years for NEPA reviews for major projects and one year for lower-impact projects.**

- Require a single inter-agency environmental review document and concurrent agency review processes.
- Designate a lead agency to coordinate inter-agency review.
- Expand eligibility for the Federal Permitting Improvement Steering Council (FPISC) streamlining and transparency programs to ensure smaller energy projects, critical minerals and mining, and other key programs can benefit from FPISC. Provide FPISC funds to accelerate permitting.
- Improve the process for developing categorical exclusions under NEPA.

### **Improve Section 401 of the Clean Water Act by incorporating improvements from both the Trump and Biden administrations.**

- Require one of four final actions within one year of certification requests: grant, grant with conditions, deny, or waive certification.
- Clarify that the basis of review is water quality impacts from the permitted activity, based on federal, State, and Tribal standards.
- Require certification applications to include available information on potential water quality impacts.
- Prohibit State or Tribal agencies from requesting project applicants to withdraw applications to stop/pause/restart the certification clock.
- Require States and Tribes to publish clear requirements for water quality certification requests, or else default to federal requirements.

### **Address excessive litigation delays.**

- Set statute of limitations for court challenges.
- Require that if a federal court remands or vacates a permit for energy infrastructure, the court must set and enforce a reasonable schedule and deadline, not to exceed 180 days, for the agency to act on remand.
- Require random assignment of judges for all federal circuit courts.

### **Clarify FERC jurisdiction regarding the regulation of interstate hydrogen pipeline, storage, import, and export facilities.**

### **Enhance federal government permitting authority for interstate electric transmission facilities that have been determined by the Secretary of Energy to be in the national interest.**

- Replace DOE's national interest electric transmission corridor process with a national interest determination by the Secretary of Energy that allows FERC to issue a construction permit.
- Require FERC to ensure costs for transmission projects are allocated to customers that benefit.
- Allow FERC to approve payments from utilities to jurisdictions impacted by a transmission project.

### **Complete the Mountain Valley Pipeline.** Require the relevant agencies to take all necessary actions to permit the construction and operation of the Mountain Valley Pipeline and give the DC Circuit jurisdiction