



The Inflation Reduction Act

City of Austin Opportunities

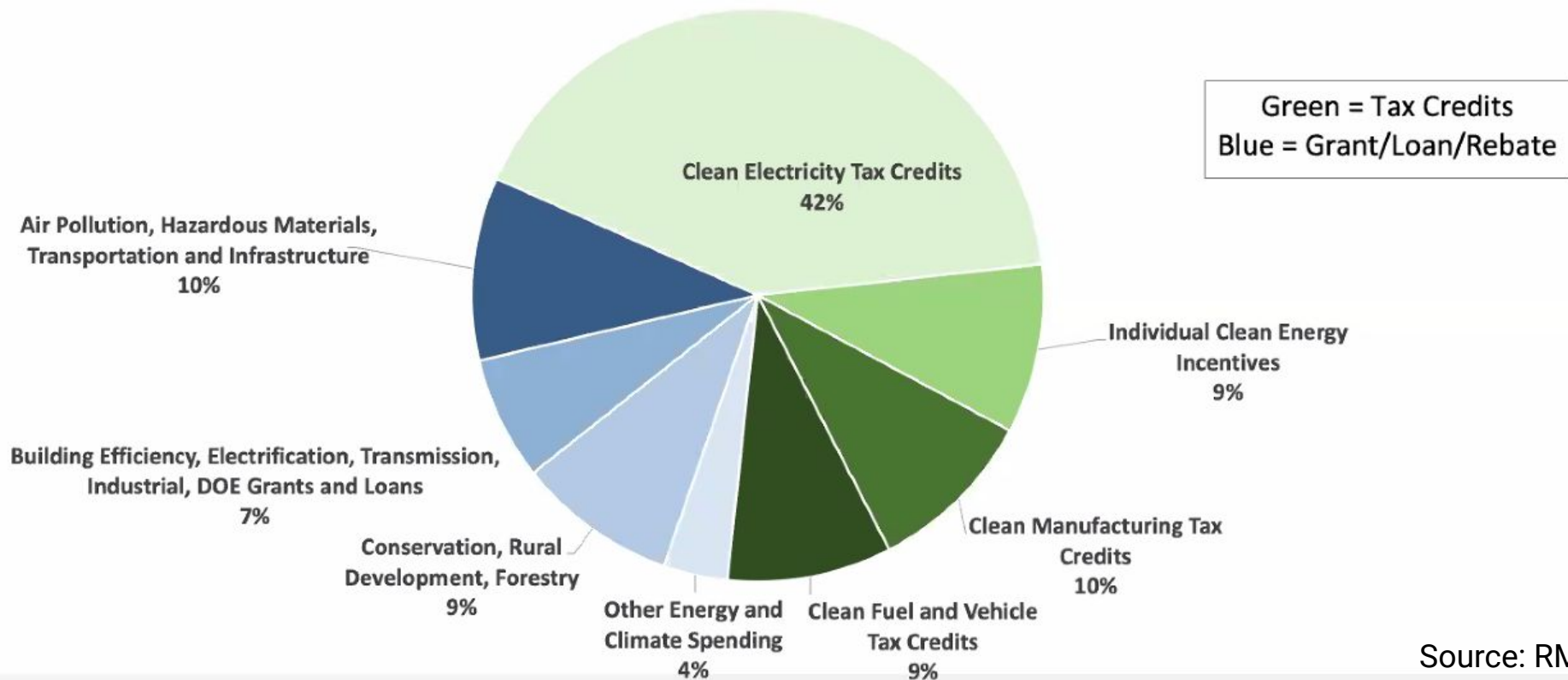
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Sep 2022

About

- Largest investment in climate in US history
 - \$391 billion
- Projected 40% reduction in GHGs by 2030 (from 2005 levels)
 - Further federal action + local/state action is needed to meet US goals (50-52% GHG reduction) as part of Paris Agreement
- Funding opportunities for City of Austin departments as well as community partners to work on climate action

Breakdown of Funding in IRA



Source: RMI

GHG Reductions / Environmental Justice

\$5 b

Climate Pollution Reduction
Grants for local and state
plans and implementation
projects to reduce GHGs



Direct funding opportunity for
City Projects

\$2.8 b

Environmental and Climate
Justice Block Grants for
community- led climate,
resilience, pollution
mitigation, capacity building
projects



Opportunity for City to support
community-based
organizations, help find
resources and build capacity

Direct Pay Tax Credits

Tax-exempt entities like cities or municipally-owned utilities can claim a tax credit despite having no tax liability.

Opportunities for AE to directly invest in renewable assets, EDD advanced manufacturing incentives, fleet savings, clean ARR trucks, PARD/WPD/AW/DSD carbon sequestration projects, etc.

- Renewable Electricity Production
- Renewable Energy Investment
- Carbon Oxide Sequestration
- Zero-Emission Nuclear Power Production (new in IRA)
- Clean Hydrogen Production Credit (new in IRA)
- Advanced Manufacturing Production (new in IRA/CHIPS)
- Clean Electricity Production (new in IRA)
- Clean Fuel Production (new in IRA)
- Clean Energy Investment (new in IRA)
- Qualifying Advanced Energy Project (new in IRA)
- Clean Electricity Investment (new in IRA)
- Alternative Fuel Refueling Property
- Qualified Commercial Clean Vehicles (new in IRA)

Direct Pay Tax Credits

Many tax credits have 'adders' or bonus credits awarded for many different purposes, which can be stacked to maximize benefits:

- If prevailing wage/apprenticeship requirements are met
- If projects are located in disadvantaged communities (additional bonus if benefits primarily flow to residents)
- For meeting domestic content requirements
- For projects in an 'energy community'

Transportation

\$600 m

Clean Heavy-Duty Vehicles
Grants and Rebates, to cover
incremental costs of vehicles,
fueling/charging
infrastructure, workforce
development, technical
assistance



Potential funding for clean
ARR trucks, CapMetro buses,
AISD buses

\$290 m

Alternative Fuel and
Low-Emission Aviation
Technology Program



Aviation department
opportunity - cleaner jet fuel
development and use

\$3.2 b

Neighborhood Access and
Equity Grant Program for
highway removal, remediation,
capping + complete streets,
active transportation + access
to essential destinations



Lots of potential projects -
I-35 Caps, ASMP projects,
Corridor projects, sidewalk +
bike lanes etc.

Carbon Sequestration

\$1.5 b

State and Private Forestry Conservation Programs - multiyear, programmatic, competitive grants for tree planting and related activities



Local governments are eligible, could be an opportunity for DSD, PARD, WPD, AW etc to fund forestry projects

\$5 b

Energy Infrastructure Reinvestment Financing - loan guarantee program to support projects that rework, repurpose, or replace energy infrastructure no longer in operation or support the operation of energy infrastructure that reduces, sequesters, or uses GHGs or pollutants



New uses for retiring AE assets, loan guarantees for direct air capture

Buildings

\$1 b

To provide local and state governments with assistance for Latest and Zero Building Energy Code Adoption. Includes active training, enforcement programs, and measurement of compliance.



Local governments are eligible, opportunity to improve building codes and advance ACEP Sustainable Buildings Goals

\$1 billion

For loans and grants that improve the Energy Efficiency, Water Efficiency, or Resilience of Affordable Housing. Includes funding for data analysis, benchmarking, IT.



Flows from HUD to housing providers. HACA/HATC could access, or HPD could spread the word or provide technical assistance to non-profit providers

Greenhouse Gas Reduction Fund (‘The Green Bank’)

\$7 billion for grants, loans, technical assistance for low-income communities to deploy/benefit from zero emission technologies

\$20 billion (\$8 billion for low-income) for grants to provide investment to leverage private sector investment or assist communities to reduce GHGs

- Municipalities + non-profits eligible for this funding
- Potential to build and capitalize a local green bank to invest in local projects
- Leverage private sector investments (every \$1 could unlock \$5-9, per NRDC)
- Potential to partner with local green financing nonprofits

Residents and Businesses

\$9 b

Rebates (designed/administered by States):

- Home Energy Performance-Based, Whole-House Rebate (HOMES) Program
- High-Efficiency Electric Home Rebate Program (HEERA)

Tax Credits

- Energy Efficient Home Improvement Credit (25C)
- Energy Efficient Commercial Buildings Deduction (179D)
- Residential Clean Energy Tax Credit (25D)
- EV Tax Credit (30D)

Opportunities for Austin Energy to:

- Spread the word about these programs
- Provide assistance to customers (esp. low-income/communities of color) to help apply
- Build knowledge, skills, and experience in the contractor community through training programs, so they are ready to install/maintain clean technologies

Justice40 Initiative

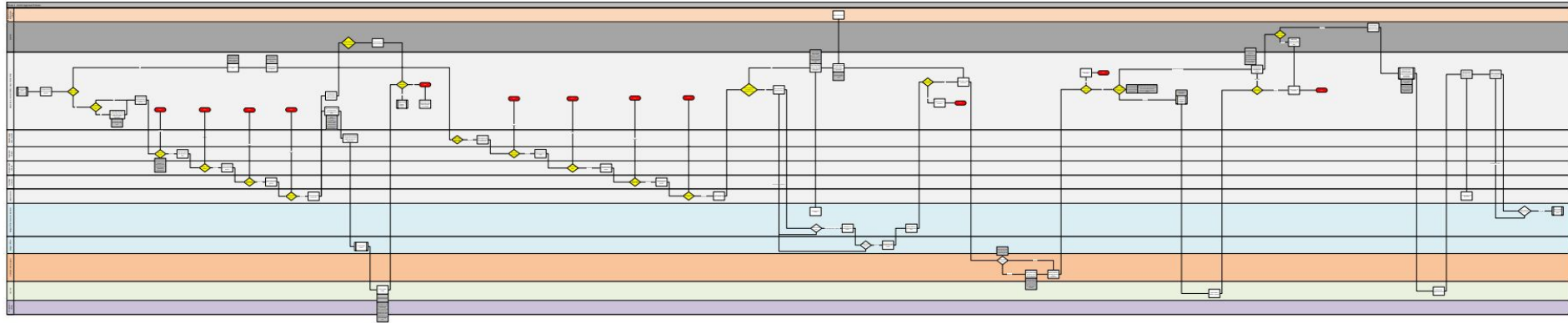
- Whole of government plan that 40 percent of the overall benefits of certain Federal investments flow to disadvantaged communities
- Communities will be screened based on the [Climate and Economic Justice Screening Tool](#)
- How does this relate to IRA?
 - Some programs dedicated to serving disadvantaged communities (i.e. Environmental and Climate Justice Block Grants)
 - Some programs have 40% set aside (Neighborhood Access and
 - Equity Grant Program, GHG Reduction Fund, Rebates)
 - Many tax credits have adders that increase the value of the credit when disadvantaged communities are served)

The Problem - Limited City Grant Infrastructure

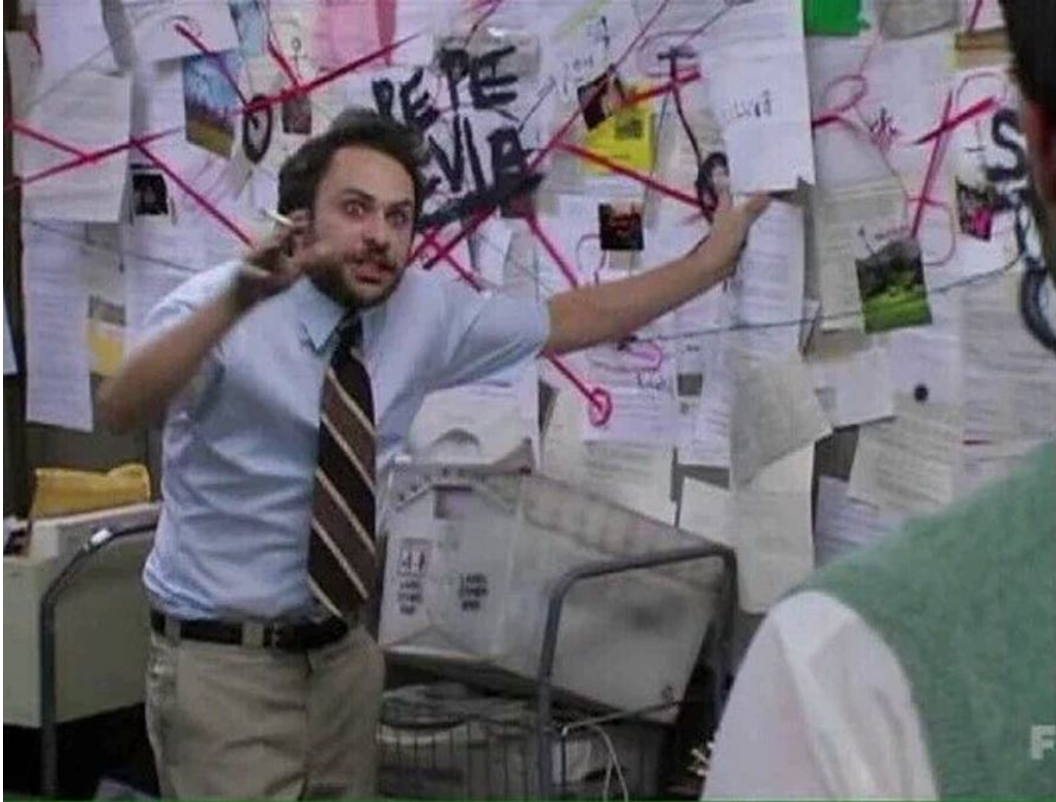


Grants Decision Process

- Long, with many veto points
- Requires many people to sign off
- Needs early buy-in from leadership



Our Approach - Connect the Dots



Our Approach - Connect the Dots

- Meetings with 15+ departments to identify gaps
- Everyone looking to us to lead on this
- Development of a plan to hire AECOM off the environmental rotation list
 - Initial funding from Management Services budget
 - Leadership, finance, and intergovernmental relations supportive of approach
- Regular check ins to make sure departments are aligned

Climate Pollution Reduction Planning Grants

- \$1 million in non-competitive funding for regional climate planning
- Unlocks the possibility of applying for CPRG implementation grants - \$4.6 billion in total (coming early 2024)
- City of Austin (Sustainability) leading process
- AECOM supporting grant application
- Deadline to apply 5/31
- Outputs
 - Four years of regional climate planning
 - Priority and Comprehensive Climate Action Plans

Partners

City of Austin

Travis County

CAPCOG

City of Kyle

Hays County

CAMPO

City of Buda

Bastrop County

Clean Air Force

City of San Marcos

SPEER

City of Lakeway

Movability

City of Round Rock

Lone Star Clean Fuels Alliance

City of Pflugerville

Sierra Club

Urban and Community Forestry Grants

- Competitive funding from USDA - \$1.5 billion in funding
- City staff convening a group of 20+ CBOs on an application
- Application for \$20 million+ over 5 years
- Application led by American Youth Works, with support from AECOM



Urban and Community Forestry Grants



Leadership



Contributing Partners



Collaborating Partners

AYW

Roles

Project
Administration
& Workforce
Development Lead

TreeFolks

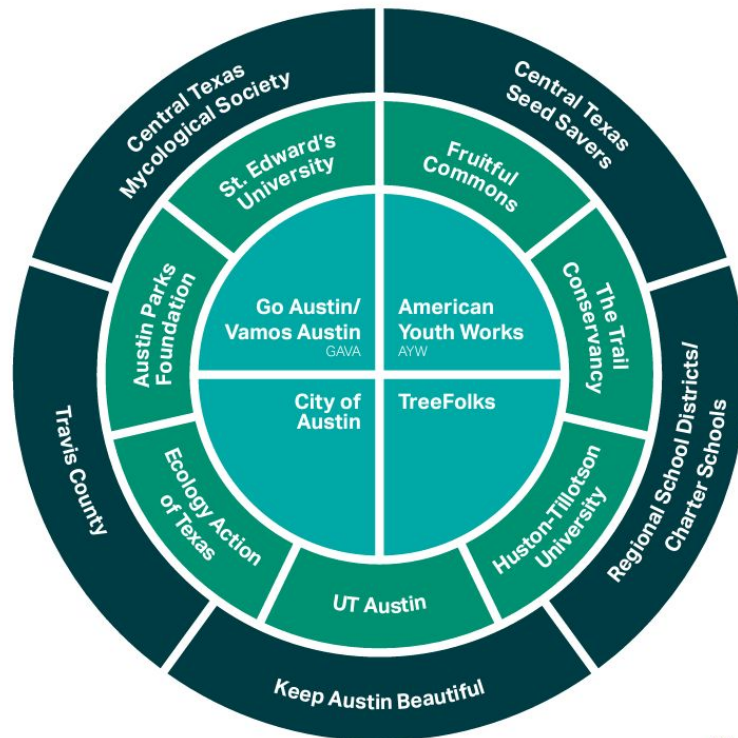
Cross-Partner
Coordination

City of Austin

Interagency
Coordination
and Ongoing
Monitoring &
Evaluation

GAVA

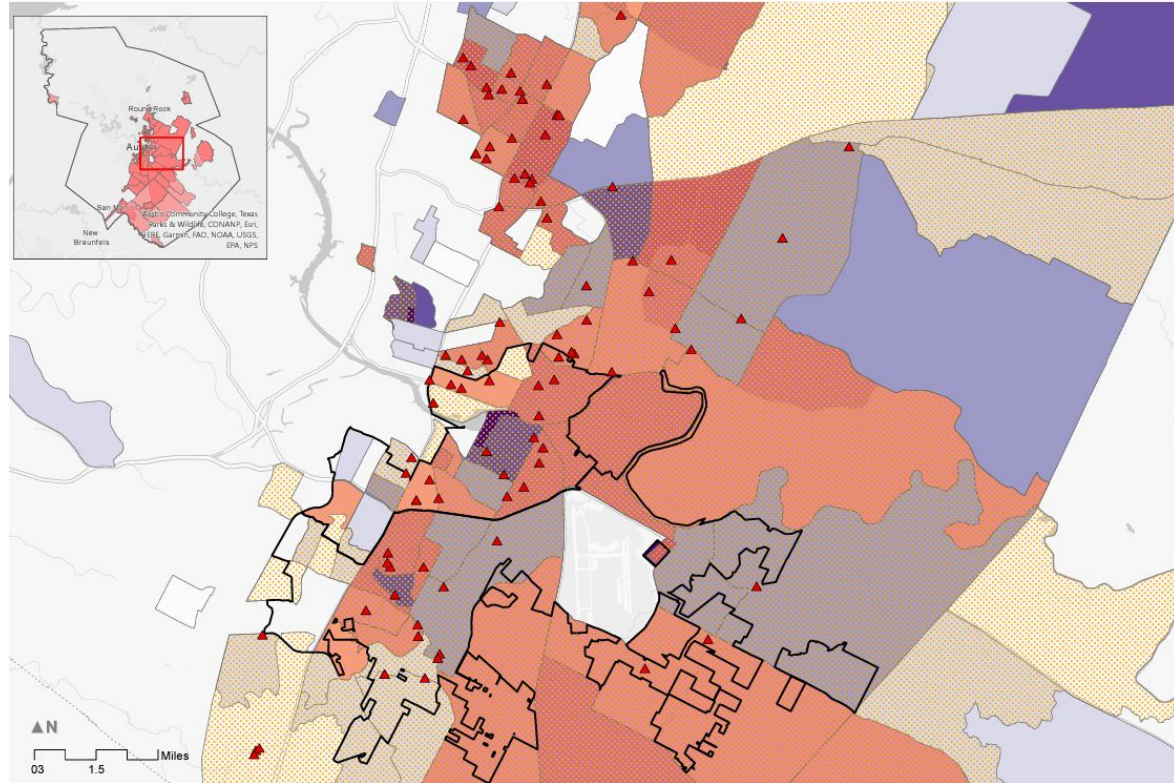
Equitable
Engagement in
Disadvantaged
Communities



Urban and Community Forestry Grants

Projects exclusively in disadvantaged communities

- Tree Planting and Maintenance
- Workforce Development
- Community Leadership/ Empowerment and Education
- Research/ Data Analysis/ Monitoring



Urban and Community Forestry Grants

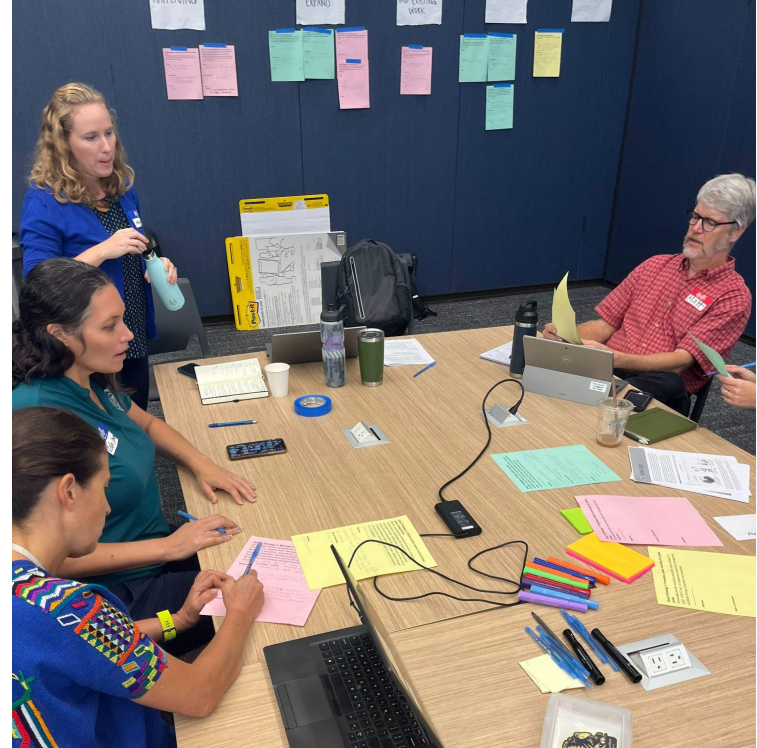
- Addresses many goals/strategies in climate equity plan
 - Green jobs and workforce development
 - Achieving 50% local tree canopy cover
 - Prioritize local community initiatives
 - Regional collaboration
 - Protect and manage natural lands
- New model of city-supported application, with CBO as lead
- Deadline - June 1

Austin Energy Pursuits

- Energy Efficiency Conservation Block Grant
 - \$855k in formula funding
 - AE exploring how to best use funds to meet objectives
- Charging and Fueling Infrastructure Grant
 - Competitive grant program with \$700 million for electric vehicle (EV) charging infrastructure and other alternative fueling infrastructure projects in urban and rural communities in publicly accessible locations, including downtown areas and local neighborhoods, particularly in underserved and disadvantaged communities
 - AE putting together an application

Interdepartmental Workshop - June 7

- It's difficult to go from idea to application from announcement to grant deadline
- We need to do homework to hit the ground running
- AECOM to facilitate a workshop with city staff to look at funding, identify projects, and linkages between them
- **Output:** preliminary project list and recommendations of project bundles to support compelling grant proposals



What's Next

- Submit applications for CPRG and UCFG
- Get departments together for workshop, develop list
- Go after other opportunities as they arise