

Regulatory Alert

Regulatory Insights



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Inflation Reduction Act: Energy Security & Climate Change Investments

In the largest investment in energy security and climate change to date in the U.S., the Inflation Reduction Act (having passed the Senate) is scheduled for final vote by the House on August 12th before moving to the President for signature.

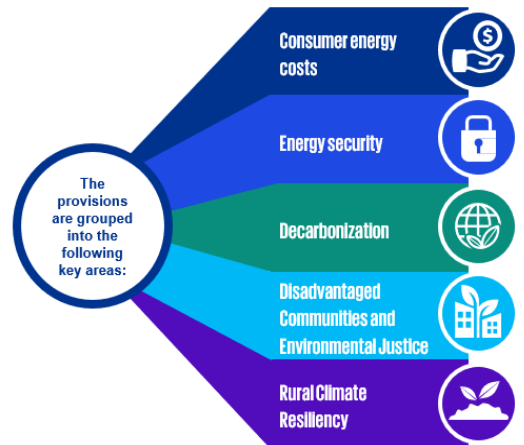
Overall, the Act will provide more than \$370 billion to energy security and climate programs, including:

- More than \$60 billion to onshore clean energy manufacturing in the U.S.
- More than \$60 billion in environmental justice priorities to drive investment in disadvantaged communities
- \$27 billion for a Greenhouse Gas Reduction Fund, or so-called “green bank,” to leverage public/private investments in projects to combat climate change
- A path for the U.S. to achieve 40 percent emissions reduction by 2030.

Key changes to the energy security and climate change provisions from the initial bill released July 27th include the addition of:

- \$4 billion to drought mitigation
- \$3.1 billion to distressed farm loans
- \$2.2 billion to provide financial assistance to borrowers “determined to have experienced discrimination prior to January 1, 2021, in Department of Agriculture farm lending programs”

The Act is the largest congressional action on climate change, to date, and could likely spur additional funding streams, inclusive of public and private efforts.



In Case You Missed It: KPMG Regulatory Insights prepared an analysis of the various energy security and climate change provisions. The analysis, grouped by key areas, types, and agency, is contained in our Regulatory Alert, which is available [here](#).

Note: Modifications to the initial July 27th bill include key changes to the tax provisions. For more information on the tax provisions of the Inflation Reduction Act, see KPMG TaxNewsFlash, available [here](#).

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