

The announcement of the legislative deal (the [Inflation Reduction Act of 2022](#)) between Senator Joe Manchin (D-WV) and the Democratic Senate leadership was a big deal in climate policy. The legislation relies on the reconciliation process, allowing it to pass with a simple 50 votes (plus Vice President Harris' tie-breaker vote). The legislation provides for hundreds of billions of dollars in investments in decarbonization in the American economy – and current estimates are that it will [significantly advance](#) President Biden's goal of reducing carbon emissions from the U.S. by [50 percent from 2005 levels by 2030](#). (For an overview of all the provisions, see this [summary](#).) It's no surprise that climate activists are happy, especially given the prospect just a few weeks ago of no legislative action at all.

I'm optimistic about the impacts of the IRA – it will drive investment in climate technology, both in research and deployment, that will produce transformational change. As such, the IRA shows the potential (indeed, the necessity) of [an investment-focused approach to climate policy](#), because investments can drive down the cost of decarbonizing our economy, and rapidly scale up decarbonization. As pointed out by [other commentators](#), a framing that [emphasizes how decarbonization can produce cheaper, more abundant, and more reliable energy for a growing economy is a framing that is most likely to succeed politically](#).

But the benefits of an investment-driven focus for climate policy go beyond the short term. Investments today will have political benefits in the future. As a result of those investments, there are people, companies, and communities with a stake in a decarbonizing future. Those people, companies, and communities have made significant investments in that decarbonizing future, and can see themselves benefitting from it. This is the “[green spiral](#)” concept that my collaborator Nina Kelsey at George Washington University [has developed](#) (others call it a “[green vortex](#)”). Green spirals refer to the positive feedback loop that exists between investments in environmentally-friendly technology, and the increased political support for further environmental policies that those investments create. Our research team has documented this [dynamic](#) in the context of climate policy both in [California](#) and [internationally](#).

Thus, the IRA will have direct payoffs – advancing decarbonization in the next decade through investments – and indirect payoffs – increasing future political support for more ambitious climate policy. So why only “two and a half cheers”? Well, while hundreds of billions of dollars is a great investment, it likely is only a fraction of what we'll need to do ultimately, and time is of the essence. So the best way to improve the IRA would be to increase its size significantly – though that is no reason to oppose the IRA's passage as it is.