



Happy birthday to the Inflation Reduction Act. It's been nearly a year since Democratic lawmakers and the White House celebrated the passage of the [biggest climate spending legislation in American history](#). But in many ways passage was the easy part. Exactly *how* the IRA continues to be implemented at the local, state, and federal level will help determine [whether the U.S. can meet increasingly urgent climate goals](#), as well as benefit communities that historically have been left behind.

One thing is for sure: the law is growing up fast. At the time, the Inflation Reduction Act was estimated to include \$369 Billion in tax credits and other funding for climate and clean energy programs. More recent estimates put the cost at double or even [triple that amount](#). Even if this mind-boggling amount of funding is there, it's a complex process to connect those dollars to communities and projects on the ground.

I asked some of the UCLA Emmett Institute's resident experts to share their top thoughts on how the IRA is performing, especially in the area of clean energy and electric vehicles.

[William Boyd](#) is faculty co-director of the Emmett Institute; [Mary Nichols](#) is Distinguished Counsel; and [Julia Stein](#) is Deputy Director.

***What's one specific success of the Inflation Reduction Act after one year?***

**William Boyd:** Money is flowing! Reports suggest that the appetite for tax credits and other incentives in the IRA are quite robust and that companies are taking advantage of these opportunities and investing in clean energy manufacturing and renewable energy projects despite a challenging macroeconomic environment. The IRA has also spawned a very interesting discussion about industrial policy and the role of government in strategic sectors. Regardless of where one comes down on the merits of this debate, the debate itself is important and reflects the need to rethink neoliberal policies of the past.

**Mary Nichols:** It's incenting greater private-sector investment in building out a robust EV charging network. The IRA included important support for advanced batteries and the installation of charging infrastructure and we're seeing that spur private investment from network operators from coast to coast.

**Julia Stein:** And it's already doing work to boost future EV sales—in support of both state- and federal-level goals to significantly increase the share of EVs on the road by the 2030s.

***What's one critical deficiency or policy opportunity at the federal level that must be addressed to stay on track?***

**Boyd:** Transmission siting and development. Everyone knows that if we can't build high voltage transmission, we won't achieve the goals of the IRA and climate and clean energy policy generally. The problem here is the Federal Power Act, which leaves transmission siting authority with the states. The infrastructure bill did revive FERC's so-called backstop siting authority for specific transmission projects that are deemed to be in the national interest, but we really need to change the law and federalize transmission siting, which is what we already have for natural gas pipelines.

**Nichols:** Failure to allocate or reallocate federal personnel to help local, state and NGO partners apply for IRA funding. This gap is now being remedied somewhat by philanthropy, but we could see more action at the federal level.

**Stein:** Related to that, the federal government should continually assess whether target

groups are actually able to access funding easily and effectively to achieve the goals of the legislation. Access to funds can be constrained in multiple ways; a couple that come to mind are that conditions attached to funding can present hurdles to its deployment and that some target groups may lack capacity to tap into available resources. As an example of the first issue, the IRA contains funding that can offset the cost of purchasing zero-emission industrial equipment, but that funding is conditioned on the purchased equipment being American-made. With some equipment, there are supply constraints affecting American-manufactured models, but models manufactured abroad are readily available. Entities who want to undertake a costly upgrade with government support may find their hands tied, even though zero-emission equipment is available on the market today.

***What's a state policy that California should pursue to help fill the gap?***

**Nichols:** Connecting people with funding opportunities. California should use existing networks created by the California Air Resources Board, the Office of Planning and Research, and the California Energy Commission to actively encourage applications for the IRA funding. As we see more entities complete the process, these agencies should help to communicate success stories.

**Stein:** In the vein of supporting environmental justice communities, as IRA funding is deployed, California can also make sure that it is providing adequate support to lower-income Californians. The IRA is designed to push decarbonization of our electrical grid, transportation sector, and buildings, but careful attention will need to be paid to make sure that lower-income Californians can take advantage of new technology and aren't left holding the financial bag as we transition away from fossil fuels. The state also has a big role to play in making sure that environmental justice communities can actually access the funding the law intends for them. California is already starting to take important steps in this direction, and doubling down on those efforts so we can achieve an equitable transition will be key.

**Boyd:** California and other states are limited in what they can do to deal with the transmission siting problem as it pertains to interstate projects, but there are efforts underway to streamline state permitting and siting and to promote more regional cooperation. All of that is helpful. I think one of the most important things the states can do - and California is already doing this - is to experiment with new electricity rate designs to ensure access and affordability. Decarbonization through electrification will not happen if electricity prices are too high or volatile. So, we need to be thinking hard about how access and affordability are actually critical tools for electrifying and decarbonizing everyday life.