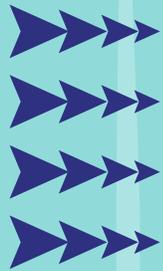




AN ANALYSIS ON



**The Climate and Energy
Provisions of the
Inflation Reduction Act** **IRA**

2023

Table of Contents



Acknowledgements **2**

Analysis **3**

Topline Takeaways **6**

Topline Numbers **13**

Navigating the Spreadsheet **14**

Acknowledgements



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Analysis

The Inflation Reduction Act (IRA) funnels billions of dollars to false solutions like carbon capture and storage (CCS), hydrogen, critical minerals, offsets and nuclear energy. The continuation of the fossil fuel and extractive industries ensures that climate chaos will accelerate. Mother Earth is warning us that we are out of time. Measures to drastically reduce extraction and phase out fossil fuels must be at the forefront of all environmental and climate-related policies. As application deadlines to the IRA become more available, decisions are being made on the allocation of the funds, and programs are being developed, the Indigenous Environmental Network (IEN) has developed this analysis to guide and inform Indigenous Peoples, Tribal nations, environmental justice communities and organizations. The analysis presented in this report demonstrates that the IRA is not a climate or environmental justice bill. While the IRA includes a few good provisions, the majority of the programs provide incentives to dirty energy, and already existing programs that have not been delivered.

The Indigenous Environmental Network situates the current US economy within a historically-constituted practice of exclusion. Indigenous Peoples, Black, Peoples of Color, (IPBPC), women and the poor already have a deep understanding of what it means to be exploited by colonial governments. Further, capitalism and extractivism is a mode of production based on racialized, sexist, and colonialist economic hierarchies, which are perpetuated today in the current politics of climate change economics. The impacts of climate change intensifies the structural inequalities inherent in a system based on racial, gender and ethnic inequalities. It is in this framework that the Indigenous Environmental Network gives meaning to the term “environmental justice” and “Indigenous environmental justice” –

understanding the term to include a deep connection to Indigenous inherent relationship to land, air and water, as well to race, ethnicity, gender, Indigeneity, and economic inequality.

Therefore, instead of focusing on provisions for obvious false solutions, this analysis focuses on the provisions that are hailed as funding for environmental justice communities, and by implication Indigenous environmental justice, even though the term environmental justice only appears about 10 times in the IRA.

The IRA does not define environmental justice, which leaves the definition up to the federal agencies that are distributing the money. Further, the terms that stand in as a proxy for environmental justice include: “underserved communities”, “low-income communities”, “Tribes”, and “Indian land”, among others. In 2022, the US Senate Democrats issued a release stating that the IRA includes over \$60 billion for “environmental justice priorities”. A key area of contention causing division among environmental justice organizations is based on claims that this bill provides sweeping funding

for environmental justice communities. Proponents of the IRA continue to falsely claim this bill provides US\$60 billion to allegedly environmental justice communities. Much of so-called environmental justice is really based on funding mechanisms that already exist, that include loans and ‘competitive grants’ and funding to already existing projects.

To use these spreadsheets, we have built three separate spreadsheet tabs:

Programs for Tribes: The first tab is dedicated to energy security and climate change funding streams open to Tribes and Tribal Governments. This includes provisions eligible to Tribes in the \$60 billion as well as additional provisions.

Environmental Justice Programs US Senate Democrats \$60B: The second tab is a breakdown of the \$60 billion claimed to be dedicated funding for environmental justice.

Indigenous Environmental Network Analyzed Provisions Total: The third tab includes all analyzed programs for Tribes (tab 1), the \$60 billion for environmental justice (tab 2), plus a few additional programs that may impact Tribes and environmental justice communities.

Each of the spreadsheets includes a breakdown: Please see full descriptions in the Key.

- Title and number of provision (column A)
- Name of provision (column B)
- Brief description (column C)
- Amount (column D)
- Type of funding (column E)
- Eligible entities (column F)
- Is funding directly available to Tribes and EJ communities? (column G)
- New or existing program (column H)
- Climate change impact (column I)
- Environmental justice proxy language (column J)
- Indigenous Environmental Network overall recommendation (column K)
- And recommendation note (column L)

We include in **column F** the type of funding available by provision, and in **column G** whether the funding is direct, non-direct, mixed, unclear or N/A (administrative costs). Unfortunately, governments, mainstream economists, researchers and white-led green NGOs brush aside the critical importance of Tribal sovereignty, Indigenous identity and citizenship, race, ethnicity and gender in definitions of environmental and climate justice. Further, they often point to voices of “diversity” to legitimize their organizing and ignore entrenched injustices. The experience of environmental justice communities living through environmental and climate injustices becomes a tool for interests promoting neoliberal “equity” and corporate interests. This same process of dividing environmental justice groups – highlighting a few and silencing others – was replicated in the process that led up to the vote on the IRA. The outcome has produced programs in the IRA that require “eligible entities” to compete for loans and create partnerships with non-profit organizations.

Therefore, in **column J**, we break down whether or not the provision includes environmental justice-proxy language, meaning Tribes, “low-income”, “underserved communities” and a handful of similar terms. Although there is one direct grant opportunity in the block grant Section 60201 for “environmental and climate justice communities”, the grants are marked for community based non-profits or partnerships between non-profit and Tribal governments, universities and local governments.



As stated previously, the crucial problem is that the \$60b supposedly available for environmental justice in the IRA is not what it is stated to be. Most of the provisions are available to multiple entities so it is impossible to know where the money will go. In addition, some of the \$60b is tied up in administrative costs. It is impossible for us at this time to predict in the majority of the provisions who will get the money and what it will be used for because they are mixed together with multiple groups who might be eligible or chosen for funding. Additionally, as the provisions begin to actualize the amount of spending and where it goes is changing. One example is the Greenhouse Gas Reduction Fund. Therefore, not surprisingly, the amount and destination of the funding depends on political maneuvers dominated by whatever powerful actors in whichever federal institution are in place at the time.

Column H breaks down whether the provision is a new or existing program. Proponents of the IRA claim these are new and innovative programs. However, 24 of the 55 provisions in Sheet 2 are for existing governmental programs. Although some of these programs Indigenous Environmental Network supports, proponents should refrain from claiming that the IRA finances all new programs.

Column I analyzes whether the provision will fund false solutions to climate change and provides more detail in the following columns regarding cautions and potentials. Further, many provisions only tangentially address or do not address climate change at all, and they have been labeled N/A.



We have found that in some cases the IRA makes what was a good program worse.

Such is the case with the language focusing on sequestering carbon in Title 2 of the agriculture conservation programs. What were once decent conservation programs for increasing biodiversity are now redesigned for selling offsets in the voluntary carbon markets.

The purpose of this research report is to provide an advocacy tool to Indigenous Peoples and environmental justice communities to help develop strategies, as well as to foster inquiry and information gathering regarding many of the IRA programs and funding schemes. Indigenous Peoples have recognition in the colonial legal system of Tribal Sovereignty, inherent customary rights, and Treaty reserved rights. In addition, Indigenous Peoples also have their respective Traditional Indigenous Knowledge which serves as a foundation among other things of their legal systems, inherent responsibilities to land, air and water, and the inherent relationships embodied in all of this. If unchecked, and without Free, Prior and Informed Consent, or at the very least meaningful consultation standards that are legally enforceable, much of what is in the IRA will potentially have impacts on many Indigenous Tribal interests.

Topline Takeaways

1 The IRA systematically neglects the prioritization of Indigenous Peoples.

- Indigenous Peoples have minimal access to guaranteed funding allocated for Energy Security and Climate Change programs under the IRA, representing only a fraction of a percent.
- \$622,500,000 of the \$60 billion is allocated specifically for Tribes, representing a mere 1% of the “environmental justice” funding.
- Out of the \$135 billion of “Energy Security and Climate Change” funding analyzed by Indigenous Environmental Network, only \$722.5 million is expected to be specifically available to Indigenous Peoples.
- While Tribes are eligible to apply for funding in much of the IRA, Tribes often have to compete with federal and state agencies, non-profits and other entities for a range of funding mechanisms. This competition will likely result in inequitable distribution of resources.

2 It is false and misleading to claim that the IRA allocates \$60 billion to environmental justice.

- Only 7% of the \$60 billion for environmental justice is specifically slated for environmental justice communities to be used on climate and energy projects under EJ direction.
- Only \$23.5 billion (of the \$60 billion) has the potential for meaningful climate impacts, while some provisions only indirectly address or do not address climate change.
- Thirty percent of the \$60 billion (\$17.9 billion) is expected to fund false solutions, including the Advanced Energy Tax Credits, which includes the use of CCS and CCUS, (this is additional and separate from 45Q investments found in different sections of the IRA) and sections of the Greenhouse Gas Reduction Fund, which places national non-profits in charge of distributing competitive grants among a variety of stakeholders.
- Loans, tax credits, cost sharing, and rebates are not the same as direct grants, and can further prohibit certain communities from accessing funds. In places where funding is directly available to communities, the IRA sets up Tribal and environmental justice communities to compete against one another for limited funds.

Topline Takeaways

(cont'd)

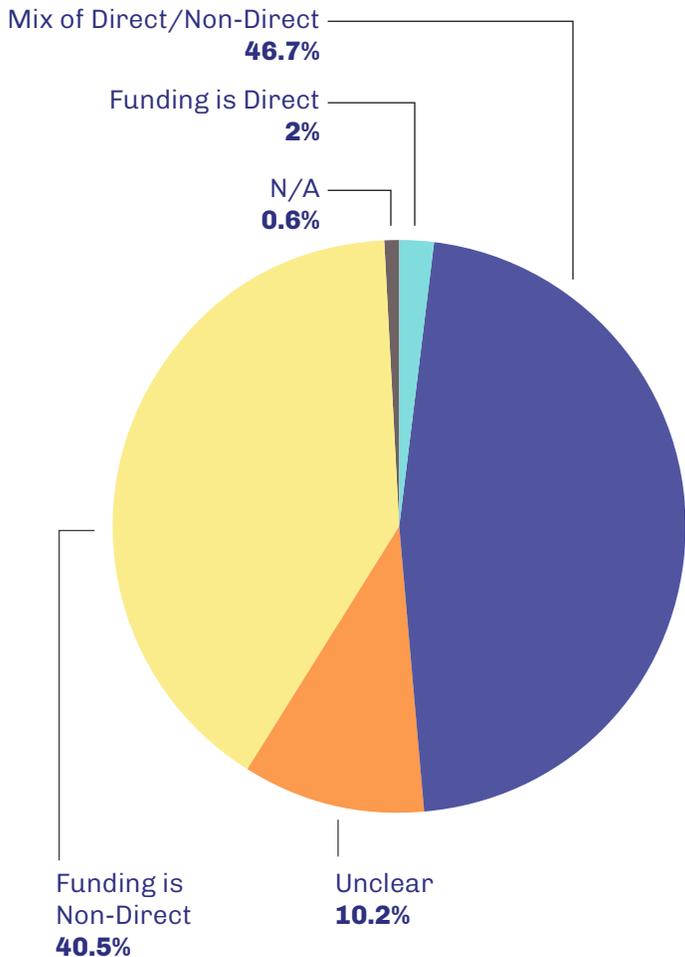
3 The IRA lacks clarity on how the funding will be distributed, making it nearly impossible to determine how much money will go directly to Tribes and environmental justice communities.

- The funding avenues for many programs include competitive grants, loan guarantees, and cost-sharing, as well as direct grants and other forms of assistance. This ambiguity on the method of distribution raises concerns about the bill's ability to fulfill its commitments to promoting environmental and climate justice.
- The majority of the environmental justice funding is available to entities outside of those living in impacted communities. While there is potential for some funding to make a meaningful impact, it is unclear how much money will actually end up in the hands of communities experiencing environmental injustice and racism to use as they see fit, versus how much will go to federal and state agencies, technical assistance providers, non-profits, and others to enact a top-down vision of combating environmental injustice.

4 The Inflation Reduction Act undermines climate justice by funding false solutions and neglecting the crucial importance of reducing emissions at source and keeping fossil fuels in the ground.

- False solutions include the use of biofuels, biomass, biogas, hydrogen, carbon capture and storage (CSS), carbon markets, offsets, carbon dioxide removals, nuclear power, and mining, among others.
- Nearly 50% of the \$135 billion in climate and energy funding analyzed by Indigenous Environmental Network include the use of false solutions, while an additional 23% of funds could potentially be used for false solutions. Our analysis finds that up to \$97.6 billion could fund false solutions depending on allocation decisions that will be made by the administering agencies.
- 73% of the \$60 billion for environmental justice should be approached with caution or avoided outright as they can be used to fund false solutions.

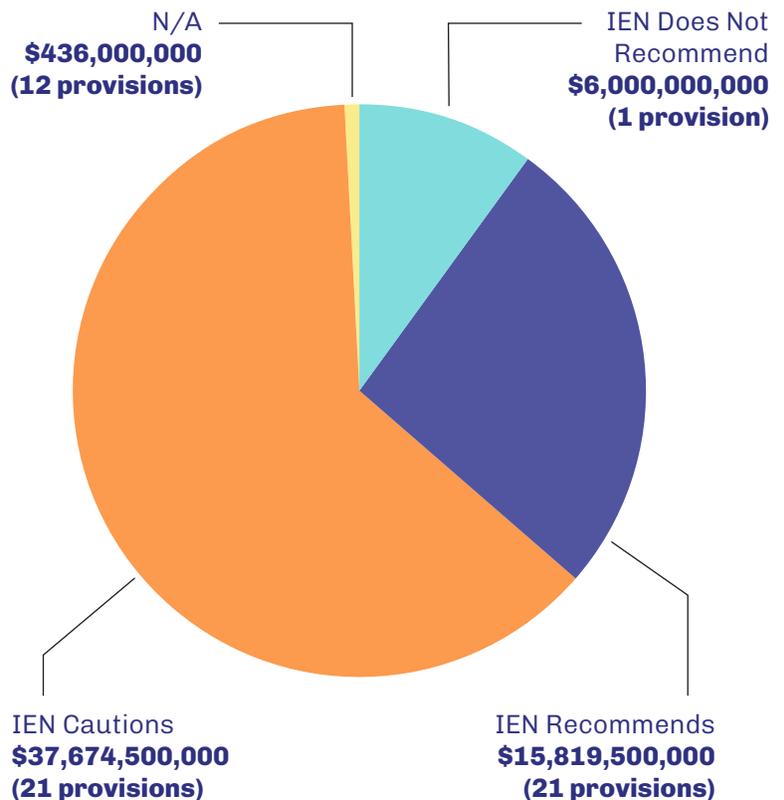
The IRA's ~\$60B for 'Environmental Justice'



Q: Can Tribes and/or EJ communities directly access the IRA's ~\$60 billion for 'environmental justice'?

A: Only about 2% of the IRA's ~\$60 billion for environmental justice is direct funding to Tribes and/or EJ communities. There are some mixtures of direct/non-direct but it is unclear who will exactly have access to that funding.

The percentage of funds Tribes and/or EJ communities can directly receive from the federal government compared to funds that require a third party for Tribes and/or EJ communities to access.



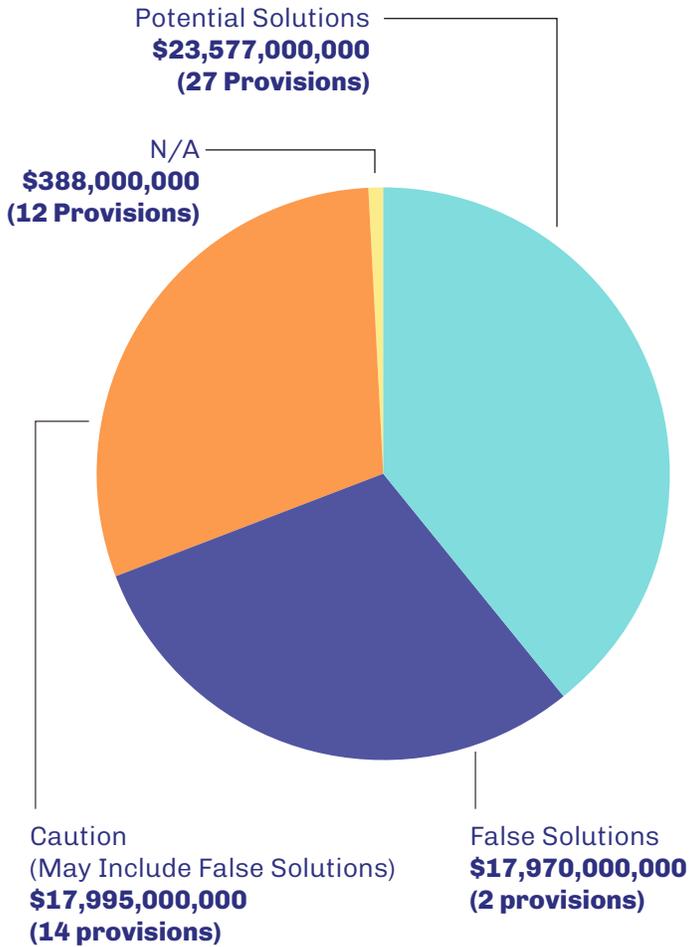
Q: How much of the IRA's ~\$60 billion for 'environmental justice' does IEN recommend pursuing?

A: About one fourth (1/4) of the funding, or 21 of the 55 provisions.

This shows what quantity of the IRA's ~\$60 billion for 'environmental justice' IEN recommends Tribes and/or EJ communities apply for, not apply for, or proceed with caution, broken down by dollar amount with the corresponding number of provisions included.



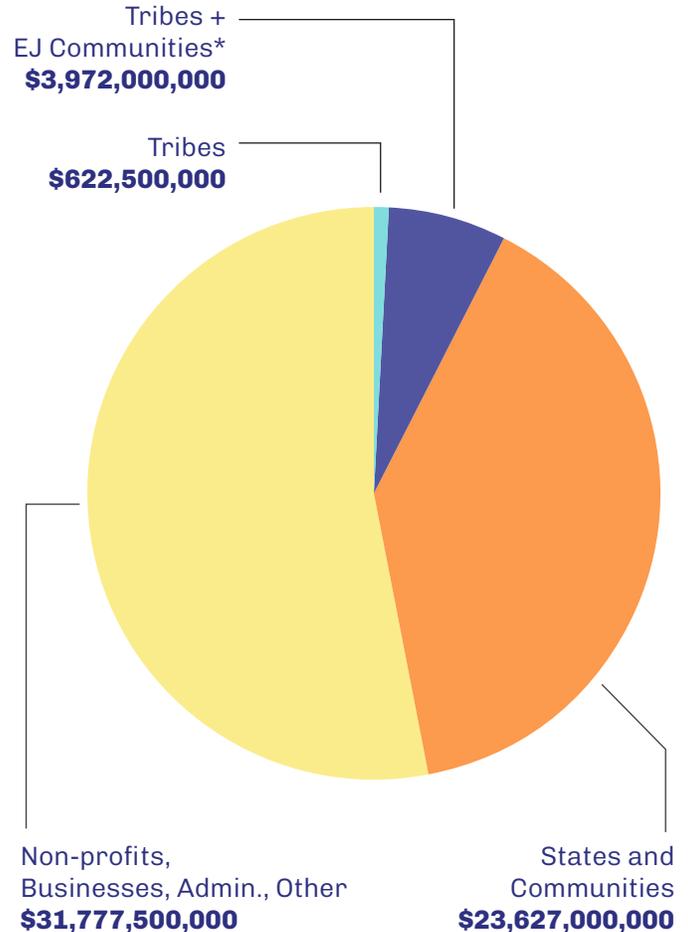
The IRA's ~\$60B for 'Environmental Justice'



Q: What types of climate solutions are funded in the IRA's ~\$60 billion for 'environmental justice' ?

A: IEN analysis cautions against just about one-third (1/3) of the IRA's ~\$60 billion for 'environmental justice', and almost another third (1/3) of the funding to be false solutions. That is almost two-thirds of the ~\$60 billion for EJ provisions that are either caution or false solutions. That leaves over one-third (1/3) as potential solutions.

This breaks down how much of the IRA's ~\$60B for 'environmental justice' goes towards false climate solutions, cautions (as they may include False Solutions), and solutions. See page 13, column I, for a description of how IEN defines potential, caution, and false solution.



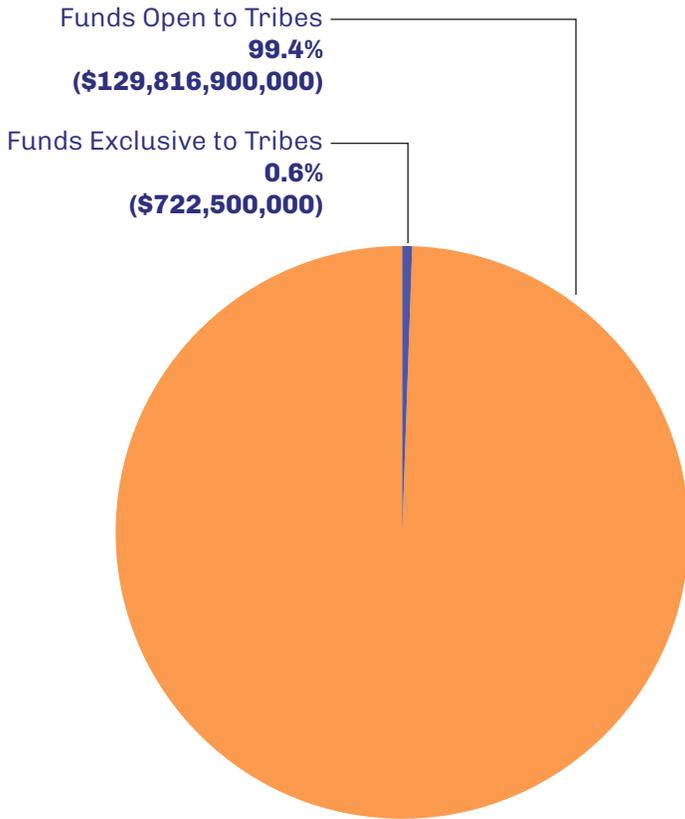
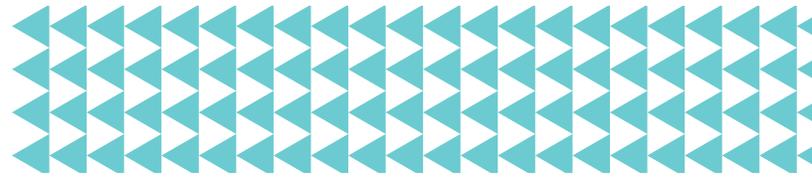
Q: Who gets the IRA's ~\$60 billion for supposed 'environmental justice'?

A: The tiny sliver in the pie chart is for Tribes only, about 1%. Tribes and EJ can apply to roughly to 7.6%. Although Tribes may apply to some of the other provisions with NGOs and other entities, there is no guarantee.

*This amount includes \$622.5 thousand exclusive to Tribes as well as \$3.35 billion exclusive to environmental justice (EJ) communities, which includes Tribes.



Programs for Tribes (Tab 1)

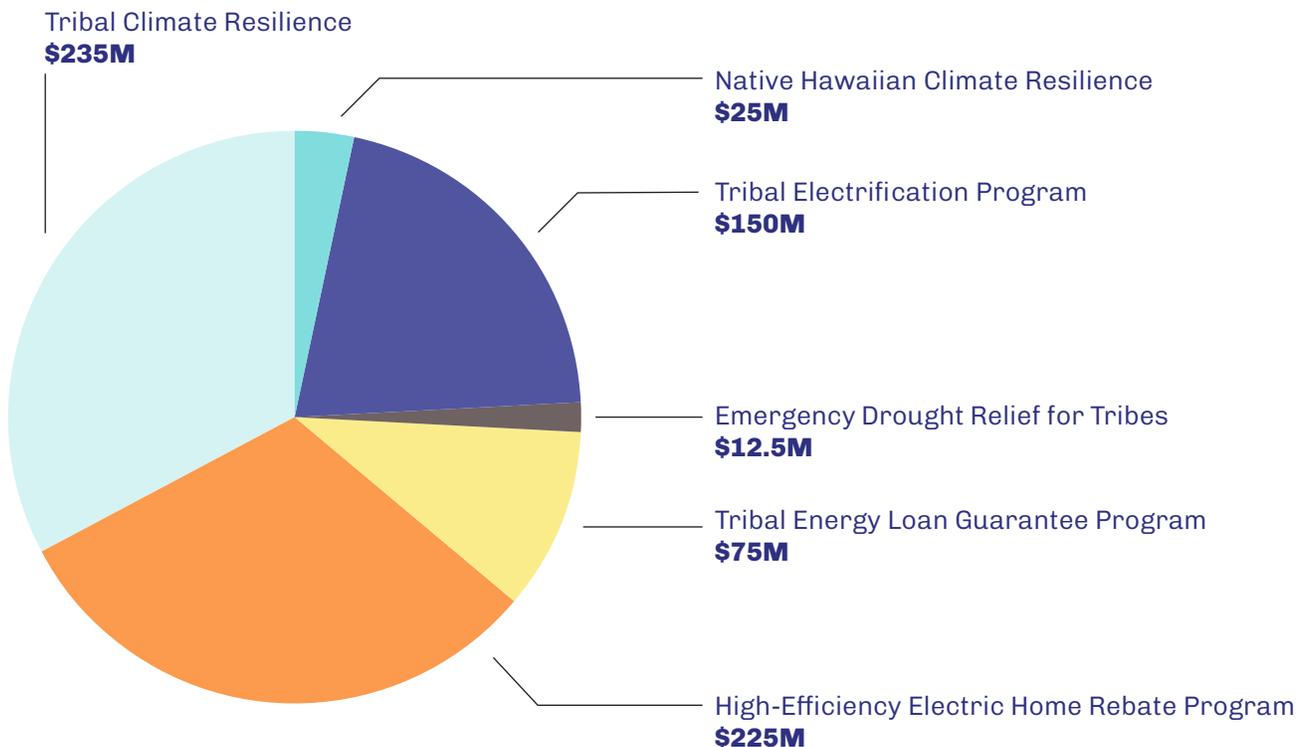


Total amount of IEN analyzed climate and energy funding available to Tribes.

\$129.8 billion of the climate and energy funding in the IRA is open to Tribes. Of this \$129.8 billion, only \$722.5 million is available exclusively for Tribes.

How is the above \$722.5 million exclusively available to Tribes is divided?

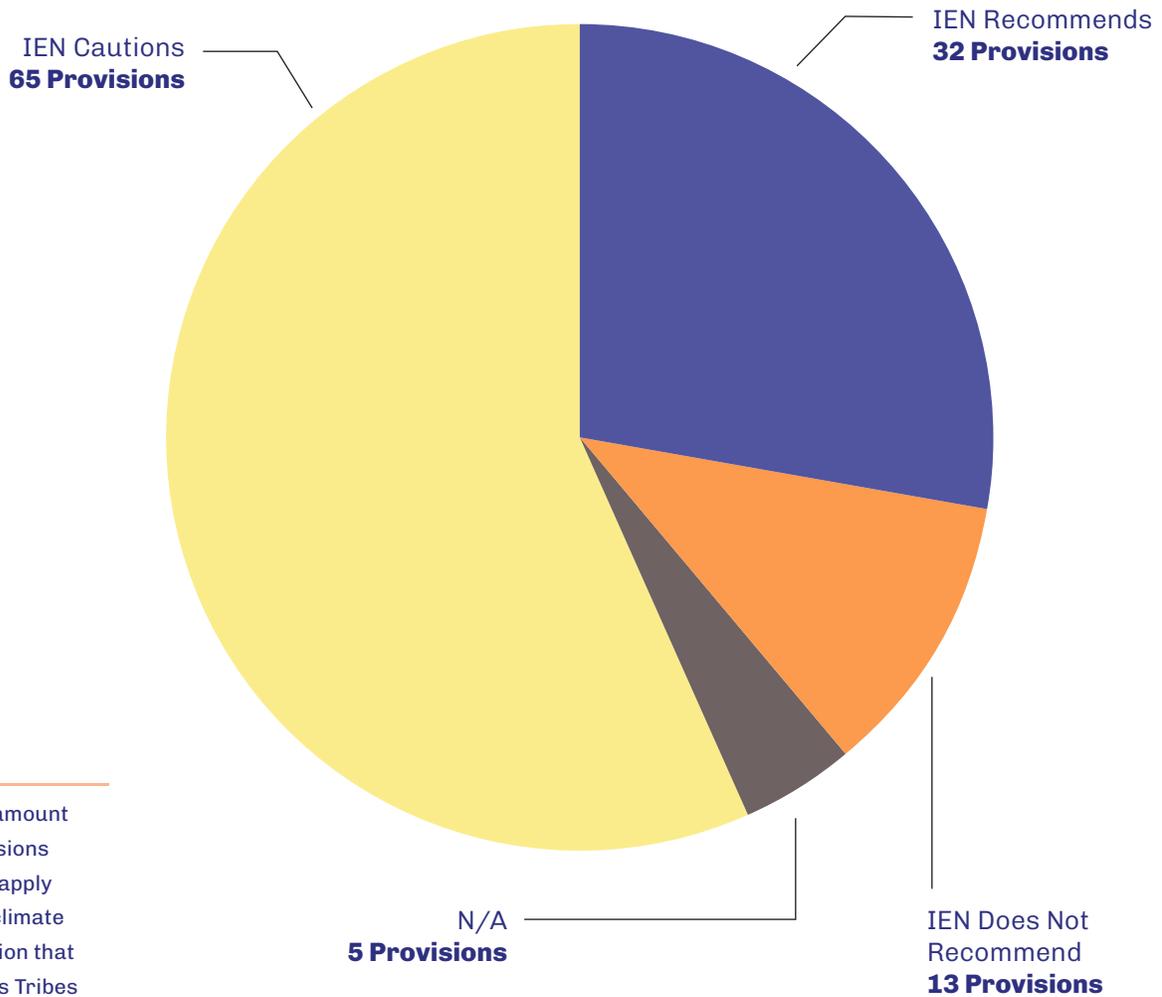
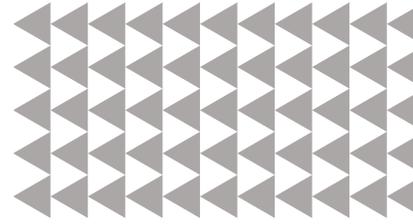
This breaks down the six programs exclusively for Tribes in the IRA's climate and energy funding by dollar amount.



Programs for Tribes (Tab 1)

Q: How many of the IRA's 115 provisions available to Tribes does IEN recommend pursuing?

A: IEN recommends 32 of the 115 provisions, just under one-third (1/3) of the provisions.



This shows the amount of the 115 provisions that Tribes may apply for in the IRA's climate and energy section that IEN recommends Tribes apply for, not apply for, or proceed with caution.

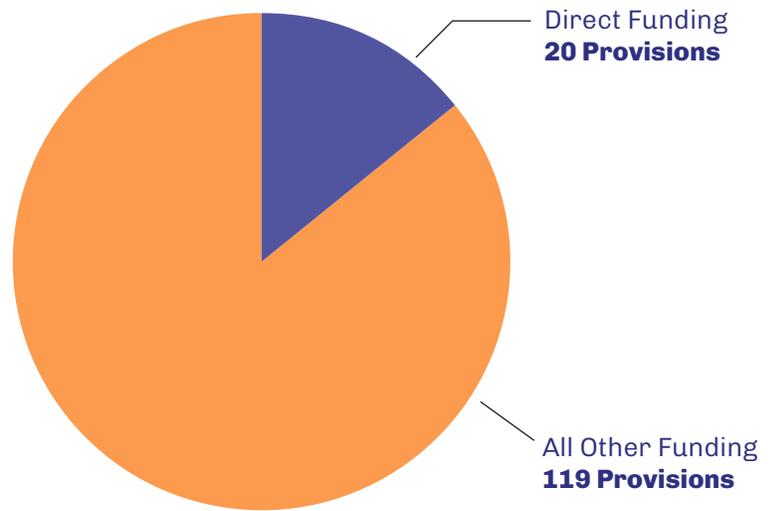
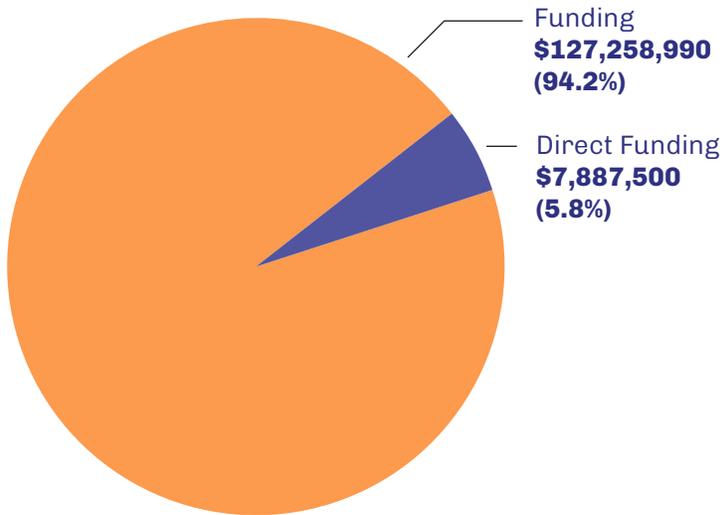


All IEN-Analyzed IRA Climate and Energy Programs (Tab 3):

Tab 3 is the total IEN analyzed 139 IRA climate and energy provisions (totaling ~\$135 billion).

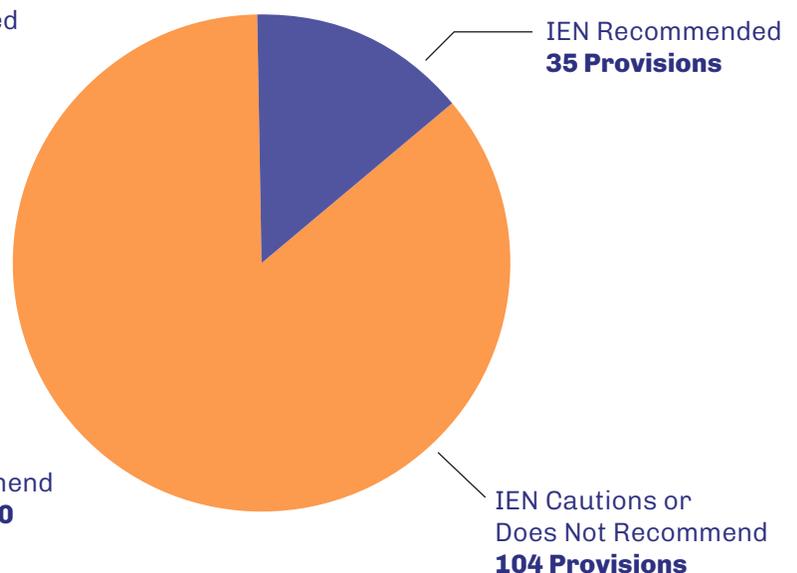
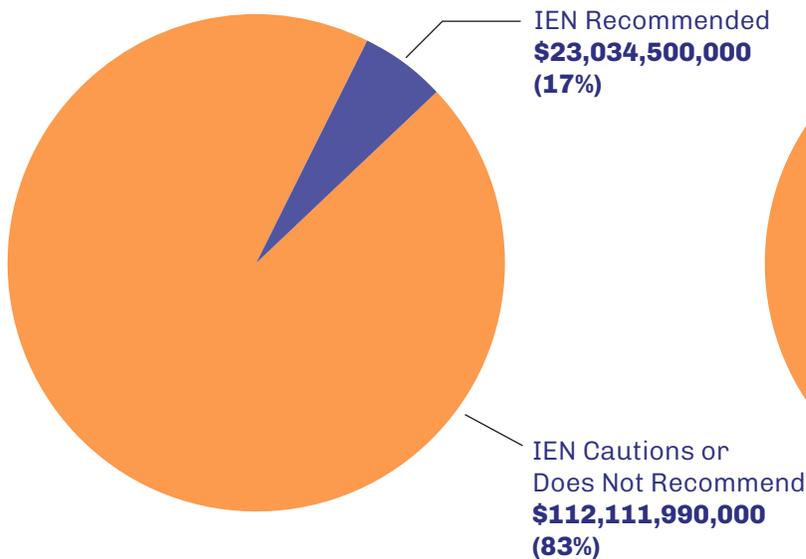
Q: How much of this is guaranteed to go directly to Tribes and/or EJ communities?

A: Only 20 provisions, which represents less than 6% of total funds.



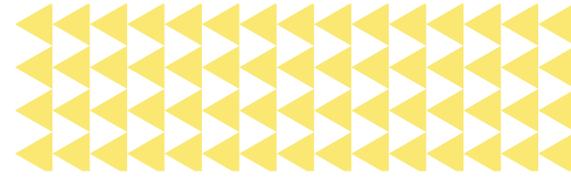
Q: Of the total climate and energy provisions, how many does IEN confidently recommend Tribes and/or EJ communities apply for?

A: Only 35 provisions, which represents about 17% of total funds.



Topline Numbers

(cont'd)



Of the IRA's Energy Security and Climate Change provisions, Indigenous Environmental Network analyzed **115 allocations** available to Tribes or that may impact Tribes:

- 44 provisions show potential for meaningful climate impacts, 36 have the potential to further false solutions, and 22 should be approached with caution.
- \$28.3 billion are allocated to potential climate solutions, \$66.2 billion is allocated to potential false solutions, and \$31.4 billion is allocated to programs that should be approached with caution.
- While some programs may show potential for meaningful climate impacts, they often include provisions that IEN cautions. Therefore, Indigenous Environmental Network recommends only 14% of the provisions, cautions against 76%, and opposes 9%



Of the **\$60 billion** claimed by the US Senate Democrats for environmental justice (EJ):

- \$622,500,000 of the \$60 billion is allocated specifically for Tribes, representing a mere 1% of the "environmental justice" provisions.
- Over 61%, \$37 billion of the \$60 billion is allocated to the Greenhouse Gas Reduction Fund (\$27 billion), and Extension of the Advanced Energy Credit (\$10 billion). Indigenous Environmental Network strongly cautions the impacts of these programs in our analysis.
- Only 7% of the budget, \$3.97 billion of the \$60 billion is estimated to be specifically for "community-based organizations" (block grant partnerships) and Tribes.
- Only 2% of the budget, \$1.17 billion, is estimated as direct funding, 47% as a mix of direct and non-direct funding (unspecified), and 40% of spending as non-direct, 10% is unclear, and 1% is n/a meaning that the distribution of the \$60 billion for environmental justice will be divided up between agencies, third party administrators, non-profits and technical assistance providers.
- 73% of the \$60 billion should be approached with caution or avoided outright as they can be used to fund false solutions.
- Programs Indigenous Environmental Network recommends for Tribes and EJ communities amounts to roughly \$16 billion, or 27% of the \$60 billion.

Of the **\$135 billion, 139 Energy Security and Climate Change provisions analyzed by IEN:**

- Less than 6% or \$7.9 billion is estimated as direct funding.
- Nearly half, 49% or \$66.2 billion, of the funding is expected to contribute to false solutions, while 23% of the provisions should be approached with caution.
- Programs IEN recommends for Tribes and environmental justice communities amounts to \$23 billion, while the remainder should be approached with caution or avoidance.

Navigating the Spreadsheet



Access to spreadsheet

[Click Here](#)

The spreadsheet is divided into three tabs labeled:

1. **Programs for Tribes**

The 'Programs for Tribes' tab is a list of climate and energy provisions in the IRA for which Tribes are eligible. The provisions on this tab also appear in Tab 3. Additional provisions are included that pose a significant impact on Tribes, Tribal land, and/or Tribal interests.

2. **EJ Programs US Senate Dems \$60b**

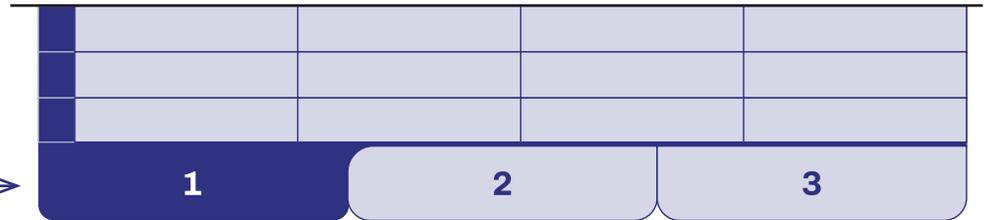
The 'EJ Programs Senate Dems \$60b' tab includes all of the provisions which the Senate Democrats claim are part of the \$60B for environmental justice. The provisions on this tab also appear in Tab 3.

3. **Indigenous**

Environmental Network Analyzed Provision Total

The 'Indigenous Environmental Network-Analyzed Provisions' tab combines tabs 1 and 2 plus provisions 50121 and 60401.

Tabs are located at the bottom left of the browser window.



How to Understand Each Column

Column	Column Name	Description	Drop-Down Variables
A	Section in the IRA	This column is used to indicate each provision's section number.	N/A
B	Name of Program or Provision	The full name of the sections as they appear in the IRA text.	N/A
C	Description	A brief explanation of what each provision is meant to achieve. The text in this column is taken from the IRA or the IRA Guidebook.	N/A
D	Amount	The amount of funding made available through the provision.	N/A



How to Understand Each Column

Column	Column Name	Description	Drop-Down Variables
E	Type of Funding	The type(s) of funding made available through the provision. Types of funding include but are not limited to: grants, loans, tax credits, competitive grants, technical assistance, financial assistance, administrative costs. Under some provisions, the type of funding is not specified.	N/A
F	Eligible Entities	The eligible entities for receiving funding under each provision. Under some provisions, eligible entities are not specified and/or defined.	N/A
G	Is funding direct to Tribes and EJ communities?	Indicates how funding will be distributed.	<ul style="list-style-type: none"> Direct Non-Direct Mixed Unclear N/A
H	New or Existing Program?	Indicates whether the provision is a new program established under the IRA or an existing one.	<ul style="list-style-type: none"> New Existing Unclear
I	Types of climate solutions	Indicates to what extent the provision contributes to climate solutions.	<ul style="list-style-type: none"> Potential Caution FALSE N/A
J	EJ Language Proxy	Indicates the presence of terms such as disadvantaged, low income, and underserved. The IRA does not use the term 'environmental justice (EJ) community'. Indigenous Environmental Network has identified the terms above, among others, as proxies which may include EJ communities.	<ul style="list-style-type: none"> Yes Multiple Entities Including Tribes Unclear N/A



How to Understand Each Column

Column	Column Name	Description	Drop-Down Variables
K	Recommendation	Indigenous Environmental Network's recommendation on applying to the provision.	   
L	Recommendation Notes	Relevant or important information about the specific provision.	
M	Application Information	Useful application information.	

How to Understand the Drop-Down Variables

Column	Column Name	Description	Drop-Down Variables
G	Is funding direct to Tribes and 'EJ communities'?		Funding for which Tribes and EJ communities can apply directly to the Federal distributing agency.
			Funding goes to entities including state and local governments, non-profits, and the private sector. Tribes and EJ communities can apply through a third party.
			Funding is available for EJ communities, Tribes and other entities, which include competitive funds.
			The provision provides insufficient language or guidance on who will receive the funding.
			Not applicable. Money does not go to Tribes or EJ communities.



How to Understand the Drop-Down Variables

Column	Column Name	Description	Drop-Down Variables
H	New or Existing Program?	New	A program that is created under the IRA.
		Existing	A program that existed prior to the IRA.
		Unclear	The provision provides insufficient language or guidance
I	Climate Solution?	Potential	Provisions that show potential to address climate change.
		Caution	Provisions that may undermine climate justice by including a false solution. Indigenous Environmental Network recommends Tribes and/or EJ communities proceed with caution if they choose to apply for funding.
		FALSE	Provisions that undermine climate justice by including a false solution. This includes provisions related to hydrogen, carbon capture and storage (CCS), carbon capture use and storage (CCUS), mining, carbon trading and offsetting mechanisms, among others. Note: When one or more false solutions is included in the provision, we label it False. However, there may be potential solutions in this provision. Please refer to the recommendation and recommendations notes.
		N/A	Not applicable



How to Understand the Drop-Down Variables

Column	Column Name	Description	Drop-Down Variables
J	EJ Language Proxy	Yes	Provisions in which the IRA uses terms including: disadvantaged, low-income, underserved, high poverty, community-based, energy communities, and nonattainment areas, and Tribal governments etc.
		Multiple Entities Including Tribes	Provisions including Tribes, states, local governments, corporations, non-profits and other entities that do not include specific EJ proxy language.
		Unclear	The provision provides insufficient language or guidance.
		N/A	Not applicable
K	Recommendation	Yes	Provisions which Indigenous Environmental Network recommends Tribes and/or EJ communities apply for.
		Caution	Provisions which Indigenous Environmental Network recommends Tribes and/or EJ communities proceed with caution if they choose to apply for funding. (An explanatory note is included in column L).
		Do not recommend	Provisions which Indigenous Environmental Network does not recommend Tribes and/or EJ communities apply for.
		N/A	Not applicable

