Inflation Reduction Act

Problem:

- Virginia families cannot afford or access energy-efficient solutions, including electric vehicles, heat pumps, and home solar.
- Low-wealth communities, especially Black, Brown, and Indigenous communities, have suffered from the climate crisis at an exaggerated rate and have not been included in policy conversations.
- Greenhouse gas emissions have not been cut at a rate that would ensure America meets its Paris Climate Agreement goals, threatening all Virginians with the dangers of extreme climate change.
- Many Virginia communities, especially in Hampton Roads, are at the frontlines of rising sea levels.
- Virginians are facing rising utility bills and other expenses caused by rising temperatures and climate change.
- Virginians are hurting at the gas pump as fuel prices remain at near record highs.

Call to Action:

- Call on Federal and State regulators to distribute IRA funds quickly and responsibly and with disadvantaged communities in mind.
- Call on Congress to pass the Environmental Justice for All Act that directly covers environmental justice priorities.
- Call on Congress to reject permitting reform supported by Sen. Joe Manchin that would allow for further drilling, mining, and transport of harmful fossil fuels, including in disadvantaged communities.

What IRA Brings to Virginia:

- Discounts of up to $7500 for some new electric vehicles.
- Businesses with commercial building space can receive credit up to $5/square foot to make energy efficiency improvements to the space, lowering energy bills and reducing pollution.
- 30% tax credits for community solar projects, with 50% tax credits for community solar in affordable housing projects.
- New rebates are available to low and moderate-income Virginians covering up to 100% of cost of installing new electric devices, including heat pumps and water heaters.
- Grants to state and local governments to upgrade to latest energy codes, lowering energy bills for consumers.
- Affordable housing units will be eligible for storm resilience and flood proofing improvements.
- $11.6 billion investment in clean energy power and storage generation, with credit to companies paying prevailing wage to incentivize better paying jobs for Virginians providing clean energy.

What That Means:

- Low-income Virginians now have numerous available tax credits and rebates that will allow them to make energy-efficient improvements to their cars and homes that save on bills and reduce pollution.
- Historically disadvantaged communities in Virginia have funds specifically targeted to improving their communities.
- America is now much closer to reaching its Paris Agreement goals with a real chance of averting the worst climate change outcomes.

Sources: White House Virginia IRA state fact sheet

Virginia Interfaith Power & Light collaborates, as people of faith, to grow healthy communities and advance climate justice through education, advocacy, and worship.