

The Bipartisan Infrastructure Law (BIL, aka the Infrastructure Investment and Jobs Act, IIJA) and Inflation Reduction Act (IRA)



BIL, aka IIJA

The \$1.2 trillion Bipartisan Infrastructure Law, also known as BIL and IIJA, passed in November 2021 and addresses the country's degrading roads, bridges and public transportation, and will help **upgrade the nation's power infrastructure to improve resiliency**, expand access to high-speed broadband, expand the network of electric vehicle chargers and replace lead pipes to ensure safe and clean drinking water. Its primary intent was to accelerate the needed upgrades of core infrastructure through direct grant investments in research and development (R&D) and infrastructure modernization.

The BIL authorized billions of dollars in funding opportunities across a wide variety of areas, including energy-related infrastructure. **Opportunities authorized under BIL include** grid modernization, new electric transmission, energy system resiliency and reliability updates, electric vehicle charging infrastructure, improvement to the energy efficiency of buildings, smart manufacturing, carbon capture and carbon utilization projects, renewable energy technologies and demonstration projects and other innovative initiatives.

IRA

The **Inflation Reduction Act (IRA) is the most significant action by the federal government on clean energy and climate change in the nation's history**. The IRA provides investments that will **lower energy costs for families and small businesses** and deliver clean energy for all. The \$737 billion IRA was enacted in 2022, designed to lower inflation, lower healthcare drug costs and allocate nearly \$390 billion to bolstering federal investments in clean energy, climate change mitigation and adaptation and environmental justice initiatives. Unlike the BIL, with its focus on providing grants to state and local governments and to private sector companies, the IRA is primarily composed of incentive payments and tax credits. Those are intended to encourage increased energy production and consumer adoption of clean energy, energy efficiency and carbon reduction. The **IRA defines and provides rebates, incentives and tax credits for such things as installing new electric appliances, air source heat pumps, energy efficiency home repairs including insulation, tax credits for solar panels and much more**.

In a sense, BIL and IRA are complementary, with the BIL building the underlying physical system capacity and structure to support future change and the IRA serving as the mechanism to catalyze this change.

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