ISSUE BRIEF: THE STATE OF FEDERAL CLIMATE IMPLEMENTATION, BY STATE

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Introduction

September marks almost two years since the passage of Infrastructure Investment and Jobs Act (IIJA), and roughly one year since the passage of the Inflation Reduction Act (IRA). These two laws contain historic amounts of federal funding for infrastructure and clean energy, millions of which has already gone towards a range of climate projects throughout the United States. This brief provides a snapshot of how IIJA and IRA funding has been distributed thus far and is based largely on data tracked in the Climate Program Portal's (CPP) Outcomes Dashboard.

The Process of Awarding Funding

At the time they were enacted, IIJA (November 15, 2021) and IRA (August 16, 2022) appropriated \$251.3 billion and \$143.8 billion in direct spending and loans, respectively, for climate change related programs and initiatives. The CPP also tracks an estimated \$265.4 billion for two dozen clean energy tax credits from the IRA; the actual cost will depend on uptake. This funding has been and will continue to be distributed in a range of ways, from formula grant allocations to state agencies to competitive grant applications. Since the laws were enacted, many program administrators and federal agencies have been preparing and planning how to implement the funding.

Dozens of programs have put out requests for information and public comment to help shape or amend how programs are designed. Some programs will distribute these funds as one-time grants—for example all the Greenhouse Gas Reduction Fund's funding must go out the door to recipients by September 2024—while others will distribute funding in intervals over the next few years. For more details about past and upcoming Public Request and Implementation Deadlines check out the CPP <u>Opportunities Dashboard</u>.¹

There are a few stages funding passes through before reaching its end recipient. First, legislation must authorize and appropriate funding. Funding authorization refers to the establishment or modification of federal programs, whereas appropriation entails providing the actual funds needed to carry out those programs. IIJA and IRA authorized new programs, modified existing programs, and in many cases (though not all) appropriated funding for those programs, often for multiple years. The CPP Opportunities Dashboard breaks down the \$663.6 billion in appropriated funds for nearly 300 climate change related programs in greater detail.

¹ CPP's Opportunities and Outcomes Dashboards are only open to public officials, and 501(c)(3) nonprofit organizations working on the intended and equitable allocation of federal climate investments.



Once funding has been appropriated, it is generally distributed via discretionary grants or formula grants. Discretionary funds are competitive and typically made available through public requests for proposals or RFPs (all open requests for CPP tracked programs can be found here). Formula grant funds are allocated to states on a predetermined basis; those state agencies manage how funds are distributed to projects. To keep track of these moving pieces, we define funding in the following four ways:

- **Funding awarded** is funding that has been designated for a specific recipient or a specific project.
- **Funding available** refers to funding for which an RFP, funding opportunity, or rebate application has been opened, but for which the recipient(s) have not yet been announced.
- **Funding allocated** refers to formula funding for which the state or local allocations have been announced, but has not yet been made available through a state or local funding opportunity or has not been awarded to specific recipients within the state.
- **Funding remaining** refers to funding which was appropriated but has not yet been allocated, made available through a funding opportunity, or awarded to specific recipients.

As of August 29, 2023, about 40 percent of IIJA funding and 17 percent of IRA funding has been awarded, made available through public request, or allocated to states through formula grant programs.

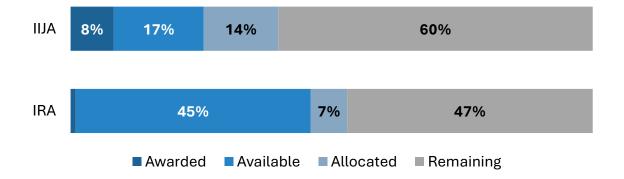


Figure 1: Funding status breakdown

This figure shows program request and awards data from federal agencies implementing IIJA and IRA funding. It includes funding for discretionary grants, formula grants, direct federal spending, and cooperative agreements. It excludes funding for loans and estimated tax credit spending.

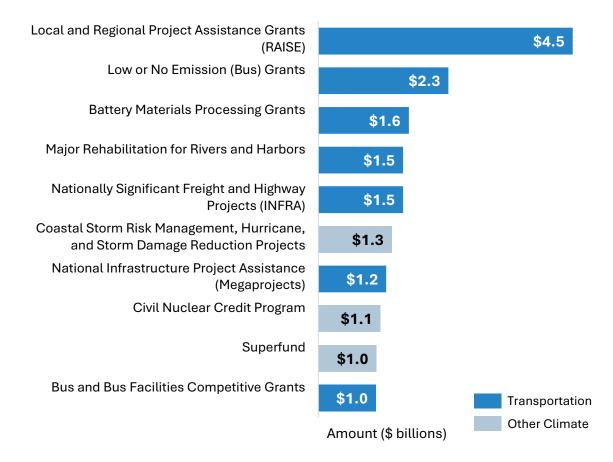
Source: Atlas Public Policy analysis using data from the Climate Program Portal's Outcomes Dashboard, 2023.



Infrastructure Investment and Jobs Act

The distribution of IIJA funds is further along than IRA with about eight percent of IIJA's funding for climate related programs being awarded, totaling \$25 billion for 3,187 projects across all fifty states, the District of Columbia (DC), and U.S. territories. In total, 51 programs have awarded projects with most funding focused on transportation.

Figure 2: Top ten IIJA climate related programs by awarded funding

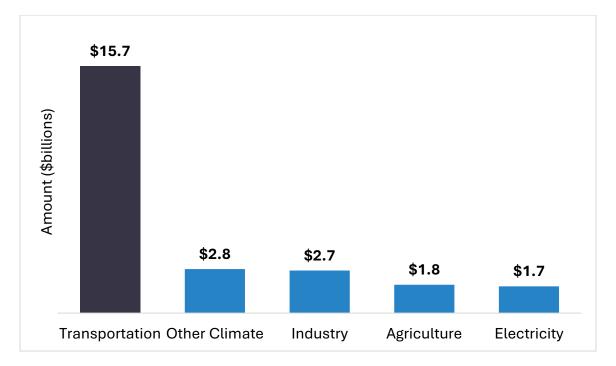


Funding awards were compiled from program administrator announcements and the White House IIJA <u>Map of Progress.</u> This figure does not include funding awarded via loans.

Source: Atlas Public Policy analysis using data from the Climate Program Portal's Outcomes Dashboard, 2023.







Many of the transportation sector programs funded by IIJA are not exclusively used for climate-related projects and only contain some climate-related elements. Due to data availability, we cannot disaggregate funding used specifically for climate elements, and so include the entire funding amount.

Source: Atlas Public Policy analysis using data from the Climate Program Portal's Outcomes Dashboard, 2023.

In addition to awarded projects, about 17 percent of funding has been made available for applications via requests for proposals, and 14 percent has been allocated to states through formula grant programs like the National Electric Vehicle Infrastructure (NEVI) Formula Program or the Weatherization Assistance Program. We are beginning to see formula grant funds be distributed to projects, like the recently announced <u>NEVI awards</u> in Pennsylvania, Colorado, Ohio, Hawaii, and Maine.

Inflation Reduction Act

Far less of IRA's funding has been awarded to projects thus far, but that is expected to change once current funding opportunities close and awardees are announced. Eyes are on the <u>Greenhouse Gas Reduction Fund</u>, the largest pot of funding outside of the tax credits in IRA. The program's \$27 billion is split into three funding opportunities. The National Clean Investment Fund and the Clean Communities Investment Accelerator are both accepting applications through mid-October and are expected to distribute \$14 billion and \$6 billion, respectively, to awardees in 2024. The remaining \$6 billion will be distributed through the Solar for All program, whose application deadline closed at the end of August.



While awards will likely be announced early next year, the EPA published a <u>preview</u> of which states started the application process by submitting a Letter of Intent; most states applied with the notable exceptions of Florida, Nevada, Idaho, Montana, and North and South Dakota.

Another key IRA funding opportunity underway is the <u>Climate Pollution Reduction Grants</u> program. The program is designed to support states, municipalities, territories, and Tribes as they craft strategies to reduce greenhouse gas emissions. The \$5 billion in funding is divided into phases: the first, to develop climate action plans, and the second, to implement those plans.

At this time, most of the Phase 1: Planning Grants recipients have been selected and funds are being awarded. States, the District of Columbia (DC), and Puerto Rico are being given \$3 million each, about 79 metropolitan areas have been granted \$1 million regional planning grants, and \$25 million is being distributed to Tribes and Territory governments, totaling nearly \$250 million. Notably, four states have passed on the planning grants: Iowa, Kentucky, Florida, and South Dakota. Instead, funds are being distributed to those states' largest metropolitan areas.

Once entities complete their climate action plans (the current deadlines are March and April 2024), they will be eligible to apply for \$4.6 billion in funding for competitive implementation grants. In early September, CPP published a <u>Spotlight</u> further detailing the status of IRA funding.

Awarded Projects by State

Together, IIJA and IRA present an unprecedented opportunity for public investments in climate change infrastructure. Consequently, as funds hit the ground, advocates, communities, and local leaders are paying close attention to whether their state is on pace to take advantage of that opportunity. Although most of the funding made available by these two laws has yet to be awarded, a good chunk has gone out the door to projects. Below is a snapshot of how much funding has been awarded within each state or territory thus far.

California, Michigan, Louisiana, New York, and Texas have seen the most overall awarded funding to date. Of the five, Texas's per capita spending is notably low, at \$40 per resident. On a per-capita basis, Alaska, North Dakota, Louisiana, DC, and Vermont have received the most funding.

Differences in funded projects illustrate local needs and economies. For example, in Alaska, most of its awarded funding has come from a \$250 million award for Alaska's Regional Ports via the Major Rehabilitation for Rivers and Harbors program and \$112 million



for four projects via the Port Infrastructure Development Program. Another tenth of its funding (\$70 million) has been awarded through the Tribal Climate Resilience Community Relocation Grants for six Native Villages. Conversely, some of North Dakota and Louisiana's largest funded projects include \$115 million, \$220 million, and \$100 million for Battery Material Processing Facilities in Mercer County, North Dakota; Vidalia, Louisiana; and St. Gabriel, Louisiana, respectively. DC's largest awarded project is supported by a \$104 million Low or No Emission Grant for transit buses, while Vermont's funding has primarily gone towards a \$29 million grant to clean up the Ely Copper Mine superfund site. Arkansas, Alabama, Florida, Maryland, and South Carolina have the lowest per capita investment to date.

Table 1 summarizes the amount of funding awarded to each of the 50 states, DC, and territories across all the federal programs tracked by the Climate Program Portal. As mentioned, a significant share of awarded funding has gone towards the transportation sector.

State	Funding Awarded	Per Capita Funding	Projects
Alabama	\$166,239,438	\$33	33
Alaska	\$687,112,121	\$937	92
Arizona	\$442,080,513	\$60	72
Arkansas	\$110,454,272	\$36	29
California	\$2,754,099,377	\$71	270
Colorado	\$493,455,460	\$84	81
Connecticut	\$355,392,594	\$98	47
Delaware	\$90,560,928	\$89	15
District of Columbia	\$156,272,083	\$233	7
Florida	\$623,179,895	\$28	111
Georgia	\$515,628,530	\$47	78
Hawaii	\$245,735,100	\$171	31
Idaho	\$146,600,413	\$76	28
Illinois	\$625,959,806	\$50	70
Indiana	\$451,681,090	\$66	55
lowa	\$202,171,069	\$63	48

Table 1: Climate Program Funding from IIJA and IRA



State	Funding Awarded	Per Capita Funding	Projects
Kansas	\$212,214,406	\$72	44
Kentucky	\$813,369,715	\$180	60
Louisiana	\$1,210,292,786	\$264	68
Maine	\$287,762,219	\$208	68
Maryland	\$231,798,099	\$38	36
Massachusetts	\$537,148,325	\$77	73
Michigan	\$1,287,000,251	\$128	99
Minnesota	\$296,722,000	\$52	55
Mississippi	\$315,302,823	\$107	45
Missouri	\$504,329,815	\$82	81
Montana	\$258,056,954	\$230	51
Nebraska	\$116,114,179	\$59	29
Nevada	\$370,510,233	\$117	38
New Hampshire	\$65,606,064	\$47	25
New Jersey	\$792,188,408	\$86	68
New Mexico	\$274,195,840	\$130	49
New York	\$1,257,406,936	\$64	101
North Carolina	\$633,209,483	\$59	82
North Dakota	\$296,814,941	\$381	28
Ohio	\$677,467,566	\$58	68
Oklahoma	\$364,974,712	\$91	68
Oregon	\$288,670,568	\$68	87
Pennsylvania	\$635,791,166	\$49	75
Rhode Island	\$207,619,794	\$190	18
South Carolina	\$160,280,271	\$30	46
South Dakota	\$62,274,573	\$68	25
Tennessee	\$605,232,519	\$86	54
Texas	\$1,197,655,996	\$40	125
Utah	\$184,793,395	\$55	41



Issue Brief: The State of Federal Climate Implementation, By State

State	Funding Awarded	Per Capita Funding	Projects
Vermont	\$153,107,178	\$237	27
Virginia	\$851,089,569	\$98	79
Washington	\$859,623,130	\$110	112
West Virginia	\$127,420,295	\$72	33
Wisconsin	\$276,563,623	\$47	78
Wyoming	\$97,840,412	\$168	17
Territories			
American Samoa	\$4,391,100	\$88	4
Guam	\$11,443,400	\$74	2
Northern Marina Islands	\$5,011,300	\$106	3
Puerto Rico	\$211,883,781	\$62	21
U.S. Virgin Islands	\$34,860,000	\$427	3
Multiple	\$352,889,217	-	20
Total	\$25,197,549,731	\$75	3,187

The awarded funding totals in this table were compiled based on data that was available through August 29, 2023. Funding through loans is not included in the totals. While some of these programs contain climate mitigation and adaptation elements, at times, it can be difficult to delineate when funding supports those efforts versus standard roadway and infrastructure projects. Consequently, the totals below likely include some funding that has supported work outside the scope of climate policy.

Source: Atlas Public Policy analysis using data from the Climate Program Portal's Outcomes Dashboard, 2023.

What's Next?

With a little over half of IIJA and IRA's funding yet to be made available for projects, the awarded funding picture will continue to develop. As it does, the <u>Climate Program Portal</u> will integrate new data as it is announced. One of the biggest questions posed by stake-holders has been how much of this funding, or rather the benefits of this funding, is reaching disadvantaged communities in accordance with the Justice40 Initiative. Thus far, the primary mechanism the White House has been evaluating these programs is through <u>Environmental Justice Scorecards</u>, but more detailed project level analysis will be necessary to provide a thorough picture of the initiative. In the next year we expect to see significant award announcements from some of the largest funding initiatives like the Greenhouse Gas Reduction Fund.





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