ENERGY COMMUNITIES IWG ENCOURAGES PRIVATE INVESTMENT TO SUPPORT REVITALIZATION OF AMERICA'S ENERGY COMMUNITIES

Inflation Reduction Act provides unprecedented opportunities for public and private sector investment in energy communities

New York, New York (April 30, 2024) – The Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization (Energy Communities IWG) marked its third anniversary with an event at the Federal Reserve Bank of New York, highlighting the financial and public benefits of private sector investment in America's energy communities.

As part of the event, senior Biden Administration officials joined financial industry representatives to highlight federal incentives, such as the Qualifying Advanced Energy Project Credit (§ 48C), Energy Community Tax Credit Bonus, Energy Infrastructure Reinvestment program and the Greenhouse Gas Reduction Fund that are catalyzing economic development through clean energy projects. The event served as the start of a new dialogue to address challenges and identify opportunities for private capital to deploy investments to energy communities resulting in good-paying jobs for American workers.

"We are not looking just to invest and walk away," said Brian Anderson, Executive Director, Energy Communities IWG. "Our goal is to build resiliency and stability by changing the economic fundamentals of these communities and creating economic diversity."

The Inflation Reduction Act (IRA) represents one of the most significant investments in reducing carbon emissions in American history and has substantially improved the economic prospect of rural, historically disadvantaged communities by creating incentives to encourage long-term investment. Federal incentives, coupled with a record $688 billion in private sector investment, are already creating good-paying jobs, fostering economic growth, and building America's supply-chain resiliency in energy communities across the country.

The event underlined the latest efforts to bolster investments in energy communities through opportunities available through the IRA. Financial sector leaders universally agreed the IRA created a great opportunity for clean energy investments and shared insights about the challenges of investing at scale, including intermediary capacity, a common taxonomy, and the need for robust, sincere community engagement. Project-specific examples showed the need for tailoring projects with community-centered opportunities, such as public health in eastern Kentucky and energy development in Wyoming.

"We've learned a lot by listening to energy communities. The biggest lesson we've taken away is that they don't just want airdropped solutions; they want community-developed and community-designed solutions," said Ali Zaidi, White House National Climate Advisor. "Energy communities have made it clear they want to see revitalization, but they also want to own a piece and have equity in the transition."

"We are working on getting energy communities involved in owning a part of this transition," said David Crane, Under Secretary for Infrastructure, U.S. Department of Energy. "A key element of this includes bringing in the private sector to find equitable solutions."

Energy communities are attractive options for manufacturing and private sector investment, as many already have a motivated and skilled workforce along with existing infrastructure, including shuttered power plants and mines, that can be repurposed for new industry. The U.S. Department of the Treasury released guidance for $6 billion for the second round of the Qualifying Advanced Energy Project Credit (§ 48C). The first round resulted in $1.5 billion in allocations to projects in traditional energy communities, advancing the president's commitment to invest in the communities that have kept America's economy powered for generations. The second round of § 48C will reserve $2.5 billion for projects based in energy communities.

According to a 2023 report from the U.S. Department of the Treasury, *"It is well-established that clean investments grew meaningfully after the [Inflation Reduction Act] passed. But we find that clean investments grew especially quickly in 'Energy Communities,' areas with a history of fossil fuel production, where clean industry potential exists but opportunity has been scarce."*

"This is about bringing these communities into the energy transition, and there are a few cross-cutting provisions that do that, including the § 48C tax credit, the energy community tax credit bonus, and even the prevailing wage and apprenticeship programs. All of this is part of the larger [Biden Administration's] industrial strategy program," said Laurel Blatchford, Chief Implementation Officer for the Inflation Reduction Act, U.S. Department of the Treasury.

Over the past three years, the Energy Communities IWG has acted in alignment with its mission to ensure the nation sustains momentum in building a clean energy future made in America and powered by American workers. The Energy Communities IWG has:

- Launched six Rapid Response Teams (RRTs).
- Hosted more than 45 events, bringing together 9,500+ energy community stakeholders.
- Developed a Getting Started Guide to help communities start the process of planning or responding to economic and social changes.
- Established a Navigator team to answer questions and connect nearly 800 energy community stakeholders with federal partners and resources.

The Energy Communities IWG is pursuing a whole-of-government approach to create good-paying union jobs, spur economic revitalization, remediate environmental degradation and support energy workers in coal, oil and gas, and power plant communities across the country. Learn more at energycommunities.gov.

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