

The Inflation Reduction Act (IRA) is a landmark piece of legislation aimed at reducing inflation through a comprehensive suite of policy actions across sectors ranging from buildings to clean energy. Similarly, Governor Newsom passed several ambitious policies to advance the state's climate, energy, and environmental goals called the "California Climate Commitment". The following tables below provide a high-level overview of programs and policies contained in the IRA and the CA Climate Commitment that promote higher energy efficiency standards, climate resiliency, workforce education and development, and social and environmental justice. The information within these tables addresses the following categories: lead agency implementing the program, funding amount or type, a description of the funding (loan, grant, tax credit expansion etc.), participation requirements and eligibilities, and the general target audience for a given program. It is important to note that exact requirements and eligibilities, concrete funding amounts, and precise program details will not be available until these programs are implemented. The IRA Calculator* provides estimates for upfront discounts, available tax credits, estimated bill savings per year, and the total amount of incentives. Check out C40's guide** on upcoming funding opportunities for climate action.

Inflation Reduction Act

Lead Agency	Funding Amount	Funding Description	Eligibility/Requirements	Primary Target Audiences & Additional Details
USDA	\$1.9 billion	Rural housing loans/grants for high performance homes (includes multifamily)	Grants and loans will assist the development of high efficiency homes in rural America, including multifamily buildings. Grants and loans can be awarded to eligible organizations including local governments, state governments, non-profit groups, non-profit corporations and cooperatives, and Native American groups.	Local Governments, non-profits, Design professionals, Housing authorities, Installation professionals
HUD	\$900 million	Modernization of HUD-assisted properties to improve EE and resilience (Source: Sec 30002, IRA)	Intended to fund projects which improve energy efficiency, water efficiency, and enhance indoor air quality. Projects can include zero emission electricity generation, low emission building materials and processes, and energy storage to address climate resilience or building electrification strategies for eligible properties.	Building owners, Building professionals, Installation professionals
DOE, allocated to state energy offices	\$502 million	Weatherization and retrofitting of low-income homes	Expansion of the existing Weatherization Assistance Program (WAP) for low-income households.	Building Owners
USDA	\$20 million	USDA Assistance for Rural Electric Cooperatives (Source: Sec 22004, IRA)	The "Rural Clean Energy Initiative" provides technical assistance to rural coops for clean energy projects. Includes additional funds (\$100 mil) to aid in the administrative costs and salaries associated with enacting these clean energy and generation scale energy efficiency improvements.	Local Governments
DOE	\$1 billion (split into \$330 million and \$670 million depending, described in eligibility)	Assistance for Lates and Zero Building Energy Code Adoption (Source: Sec. 50131, IRA)	Allocation of funds depends on which sections of the Energy Policy and Conservation Act are being adopted: (42 U.S.C. 6321 through 6326) section (b)- \$330 mil, (42 U.S.C. 6321 through 6326) section (c). Intended for governments that adopt building codes that meet or exceed the provisions outlined in the 2021 International Energy Conservation Code or achieves equivalent or greater energy savings.	State Governments, Local Governments, Building professionals
IRS	Tax Credit Expansion (IRC 25C, IRC 25D, IRC 30C)	Extension, Increase and Modifications of Nonbusiness Energy Property C Credit, New Energy Efficient Home Credit (Source: Sec 13301 & 13304, IRA)	Credits are intended for "dwelling units" eligible to participate in the Energy Star Residential New Construction Program of the Energy Star Manufactured New Homes Program. Applies to single family and multifamily homes. Rebate amounts vary on homeowner or tenant income levels. These tax credits include IRC 25C (The Energy Efficient Home Improvement Credit), IRC 25D (The Residential Clean Energy Credit), IRC 30C (The EV Charger Credit).	Building owners, Building professionals, Installation professionals
IRS	Tax Credit Expansion (IRC 25C)	Expansion of tax credit amounts and eligibility for EE upgrades and retrofits as outlined in 26 USC 25C: Nonbusiness Energy Property (Source: Sec 50141, IRA)	Extends the lifespan and credit amount of the existing energy efficiency upgrade tax credit system.	Building Owners
IRS	Tax Credit Expansion (IRC 179D)	Energy Efficient Commercial Buildings Deductions	Deduction amounts are dependent on the observed increases in energy efficiency, drops the required improvements from 50% increase in energy efficiency to 25% increase in energy efficiency in most cases. Applies to new and retrofitted commercial buildings.	Building Owners
DOE, allocated to state energy offices	\$200 million, Workforce and Career Development Grant	State Based Home Energy Efficiency Contractor Training Grant (Source: Sec. 50123, IRA)	Professional development grant to finance workforce education in energy-efficient appliances and installations. The goal is to reduce the cost of contractor training, provide testing and certifications to participating contractors, and partner with nonprofit organizations to develop and implement state education programs.	Building Professionals, Installation professionals, nonprofits,
DOE, allocated to state energy offices	\$4.3 billion	HOMES rebate program (Source: Sec 50121, IRA)	Rebate amounts dependent on modeled and/or assessed energy savings resulting from energy-efficient upgrades and retrofits. Applicable to residential and commercial buildings.	Building owners, installation professionals, energy consultants
DOE, allocated to state energy offices, and EPA	\$4.3 billion	High Efficiency Electric Home Rebate Program (Source: Sec.50122, IRA)	Low- and middle-income households are eligible for point-of-sale rebates with maximums for energy-efficient appliances and systems, with a household rebate total up to \$14,000. Cannot be layered with any other federal grant/rebate program.	Building owners, installation professionals, energy consultants
		DOE Loan and Grant Programs (Source: Sec 50141, IRA)	Expands and increases funding for eligible loans issued under the Energy Policy Act of 2005. Includes provisions for funding to support financing energy infrastructure projects at the state and local level (replacement of non-operational energy infrastructure or to reduce infrastructure emissions).	State agencies, some local governments that manage their own energy coops/infrastructure.
		Committee on Environment and Public Works (Subtitle A-Air Pollution) (Source: Sec 134, IRA)	"GHG Reduction Fund" incentivizes projects which replace medium and heavy-duty vehicles with zero emission vehicles, GHG monitoring, methane emission reduction from petroleum and natural gas systems. Primarily provides technical and administrative support.	State governments, local governments, assistance to develop better GHG management, monitoring and mitigation practices.

*Check out the IRA Calculator here: <https://www.rewiringamerica.org/app/ira-calculator>.

**C40's Climate Action and the IRA-A Guide for Local Government Leaders:

https://c40.my.salesforce.com/sfc/p/#36000001Enhz/a/1Q000000ggm5/R0tppOcJtJz8JRz_FJJEpoqEAVvF7O3zEMtCyI6z09E

California Climate Commitment

Agency	Funding Amount/Type*	Funding Description	Primary Target Audiences & Additional Details
California Energy Commission, California Air Resources Board, Natural Resources Agency	\$2.1 billion	"Accelerate Clean Energy Projects" includes multiple pieces of legislation that benefits new infrastructure development projects and existing infrastructure retrofits. The exact allocation of funds for specific programs, projects, and sectors will be determined upon implementation.	Local Governments
California Energy Commission, California Air Resources Board, Natural Resources Agency, Department of Housing and Community Development	\$3.4 billion	"Support Energy Reliability" includes multiple pieces of legislation to benefit both new infrastructure projects, residential distributed resources and existing infrastructure retrofits. Exact allocation of funds for specific programs, projects and sectors will be determined upon implementation.	Local Governments
California Energy Commission, Department of Housing and Community Development	\$1.1 billion	"Climate Friendly Buildings" includes multiple pieces of legislation to benefit both new construction projects and retrofits for single family, multifamily, and commercial buildings. Exact allocation of funds for specific programs, projects and sectors will be determined upon implementation.	Building professionals, Building owners, Contractors, Manufacturers
Labor and Workforce Development Agency	\$315 million	"Massive Clean Energy Workforce Training" includes multiple pieces of legislation across multiple sectors. Primary legislation of interest is AB 2204 (program description below). Exact allocation of funds for specific programs, projects and sectors will be determined upon implementation.	Building professionals, Contractors, Manufacturers
Department of Housing and Community Development	\$975 million	"Affordable Housing Development" includes multiple pieces of legislation to benefit both new construction projects and retrofits for single family, multifamily, and commercial buildings. Exact allocation of funds for specific programs, projects and sectors will be determined upon implementation.	Building owners, Building professionals
Department of Housing and Community Development	Regulatory/ Financing Options	SB 852 , Climate resilience districts: formation, funding mechanisms. Allows for a city/county, special district, or a combination to form a climate resilience district for the purposed of raising and allocating funding for eligible projects and the operating expenses of eligible projects. This designation would give the city/county the designation of an enhanced infrastructure financing district.	Local Governments
California Air Resources Board, Natural Resources Agency, CAEPA, Department of Food and Agriculture	Regulatory/ Permitting Policy Alteration	AB 1279/SB 905 , Carbon Dioxide Capture, Removal, or Sequestration Projects. Requires the formation of a Carbon Capture, Removal, Utilization and Storage Program to evaluate the efficacy, safety, and viability of carbon capture, utilization, or storage (CCUS) technologies and carbon dioxide removal (CDR) technologies and facilitate the capture and sequestration of carbon dioxide from those technologies, where appropriate.	Local Governments, Permitting Professionals, Utilities
California Air Resources Board	Goal Setting/ Assessment	SB 1020 , 100% Clean Electric Grid. Revision of clean energy and renewable resource goals as follows: 90% of all retail sales of electricity to be clean/renewable to CA end use customers by Dec. 31, 2035, 95% by Dec. 2040, 100% by Dec. 2045.	Local Governments, Utilities,
California Energy Commission, Natural Resource Agency	\$20 million, Goal Setting/ Permitting	SB 379 , SolarAPP+ (or similar) permitting platform expansion to local governments to assist in expediting the permitting process for residential solar.	Local Governments, Installation professionals
California Energy Commission, Department of Housing and Community Development	Goal Setting/ Assessment	SB 1063 , Appliance Standards and cost-effective measures. Outlines approach which regulatory agencies will take when updating energy/water efficiency standards for residential and commercial appliances. Appliances which do not meet the standards outlined in this process will not be permitted to be sold in CA.	Building owners, building professionals, contractors, manufacturers
California Air Resources Board	Incentive Rules Change	SB 1230 , Zero-Emission or Near Zero-Emission vehicle incentive programs. All hybrid vehicles purchased with state incentive funds must be capable of plug-in charging. Proposed revision to incentive rules to allow consumers to be prequalified for incentive funds before vehicle purchase so incentive monies can be used at point of sale.	Residents/Consumers
California Energy Commission, California Air Resources Board	Goal Setting/ Assessment	AB 2061 , Transportation electrification: electric charging infrastructure. Collaborative and comprehensive database of charging infrastructure uptime for the state of California. Requires extensive data sharing across state agencies and utilities. Any funding entity which received state funding to build EV infrastructure must participate in this comprehensive data sharing.	Building Professionals, Building owners, Contractors
California Energy Commission, California Air Resources Board, California Building Standards Commission	Goal Setting/ Codes and Standards Expansion	AB 2075 , Energy: electric vehicle charging standards. Addition of mandatory EV charging installation infrastructure/capabilities to be added to new iteration of building codes for multifamily buildings. Addition of technical assistance resources to be building owners to decarbonize their buildings, whole building electrification plans, and provide model permits and eligibility check lists to expedite permitting.	Building Professionals, Building Owners, Developers
Labor and Workforce Development Agency	Goal Setting/ Workforce Development	AB 2204 , Clean Energy: Labor and Workforce Development Agency, Deputy Secretary for Climate. Deputy Secretary of climate will assist and organize the oversight of CA's short- and long-term workforce transition from traditional fuels to working in renewable/clean energy sources. Workforce training and development will be prioritized in communities with growing income disparities due to the transition to a carbon neutral economy.	Energy professionals
California Natural Resources Agency and Office of Planning and Research	Goal Setting/ Assessment	AB 1384 , Resiliency Through Adaptation, Economic Vitality, and Equity Act. Collaborate across agencies to ensure an equitable, wholistic plan to address climate change in areas most vulnerable to the various impacts of climate change. Additional acting agencies will be called upon to implement resiliency centered programs depending upon actions deemed necessary to be taken after assessments conducted by the CNRA and OPR.	Local Governments
California Air Resources Board	Goal Setting/ Codes and Standards Expansion	AB 2446 , Embodied carbon emissions: construction materials. Develop a strategy to achieve a 40% net reduction in GHG emissions of building materials by December 31, 2025, iterum target of 20% reduction by December 31, 2030. Collaborate efforts to ensure these building decarbonization efforts are achieved in tandem with the state's need to increase affordable housing throughout the state. Evaluate measures to support market demand and financial incentives to encourage the production and use of materials used in construction-related projects with low greenhouse gas intensity.	Local Governments, Building Professionals, Building Owners, Contractors

*Funding allocations outlined in this document are currently only specified at a broad categorical level. The funding amounts allocated to each category can be found here: <https://www.gov.ca.gov/wp-content/uploads/2022/06/California-Climate-Commitment-.pdf>.