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PRESS RELEASE

Western Grassroots Leaders Weigh in on The Inflation Reduction Act

Billings, Montana - Senate Majority Leader Chuck Schumer and Senator Joe Manchin have come to an agreement on a new budget reconciliation agreement entitled the Inflation Reduction Act (IRA) of 2022. This package contains historic investments to combat climate change and build America's clean energy economy, but is smaller than the Build Back Better Act passed by the House last year, and includes a number of problematic provisions that encourage continuation of fossil fuel production that would exacerbate climate change.

Westerners from the Great Plains to the Pacific Coast are glad that this package includes programs that will reduce carbon emissions, make communities more resilient to climate disasters, increase taxpayer returns from onshore oil and gas leasing, help ensure timely remediation of new wells, and speed up the renewable energy transition. The bill would invest \$369 Billion in funding for energy and climate change projects including:

- Extending renewable energy tax credits until 2025, and establishing new credits for all zero-carbon power generation from 2025-32. The bill also expands the current credits to allow use by rural electric cooperatives, state and local government agencies and other tax exempt entities, and provides larger credits for projects in low-income communities and communities historically dependent on fossil fuels.
- Providing \$12.8 billion to help rural communities invest in clean energy, including \$9.7 billion for rural utilities to enhance the long-term resiliency, reliability, and affordability of rural electric systems.
- Allocating \$440 million to tribal communities for electrification, energy development and climate resilience.
- Improving the onshore oil and gas program by increasing minimum bonds, rental rates, and royalties.

Rick Bell, a member leader of Dakota Rural Action from Rapid City SD and chair of the WORC Clean and Renewable Energy Campaign team said, "The new clean energy programs and funding in the IRA will provide much needed relief to rural communities in South Dakota. A benefit of this bill is that it would create direct incentives for co-ops to bolster our investments in grid modernization, renewables, battery storage and other energy technologies. The IRA would also make critical investments in energy security and it develops cost savings and job-creating clean energy solutions for the future of all our communities -- both rural and urban."

However, the bill also includes provisions that concern these Western leaders, including:

- Provisions that tie the fate of renewable energy development on federal lands and waters to continued leasing of federal oil and gas (Sec. 50265), propping up an industry that pollutes water and air, and exacerbating the climate crisis.
- Inclusion of carbon capture as eligible use of funds for energy development projects
- A promise by Senator Schumer to take future action on an undefined permitting reform bill which would severely restrict public involvement in the permitting process.

“The Western Organization of Resource Councils is encouraged that the Inflation Reduction Act holds promising proposals to make long-overdue improvements to our country’s oil and gas program, including increasing bonding levels, royalty rates, and discouraging wasteful practices that release harmful methane into the air. But we are extremely concerned about a requirement to make unspecified changes to permitting that would undermine the National Environmental Policy Act. And we find it truly perverse to make clean and renewable energy development subservient to a guaranteed level of future oil and gas leasing,” said **Barbara Vasquez, a leader with the Western Organization of Resource Councils from Cowdrey, Colorado.**

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The [Western Organization of Resource Councils \(WORC\)](#) is a network of grassroots organizations that span seven of the Western states with more than 18,000 members. Headquartered in Billings, Montana, WORC also has offices in Colorado and Washington, D.C.

[Dakota Rural Action \(DRA\)](#) organizes people and builds leadership while developing strong allied relationships. We protect environmental resources, advocate for resilient agriculture systems, and empower people to create policy change that strengthens their communities and cultures.