

Tribal Relevant Programs in IRA

U.S. Department of Energy, Office of Policy



Overview

- IRA invests a historic \$369 billion in addressing climate change, with several new or expanded Tribal specific programs created at DOI and DOE
- Clean energy tax credits now directly available to Tribal governments and non-profits
- Other relevant programs and provisions supporting reinvestment in energy and environmental justice communities—some expiring in 2024 or 2026.
- Most tax credit bonuses and DOE loans can stack, providing a significant opportunity for Tribal energy projects

Tribal Specific Programs

IRA §	Program	Agency	Funding (\$ million)	Notes
50145	Tribal Energy Loan Guarantee Program	DOE	\$75.0	Loan authority raised to \$20 billion. Loan guarantee may now cover 100% of debt.
80001	Tribal Climate Resilience	BIA	\$220.0	No cost-sharing or matching requirements
80002	Native Hawaiian Climate Resilience	BIA	\$23.5	No cost-sharing or matching requirements
80003	Tribal Electrification Program	BIA	\$145.5	No cost-sharing or matching requirements. For electrifying homes with zero-emissions systems and associated repairs.
80004	Emergency Drought Relief for Tribes	BOR	\$12.5	No cost-sharing or matching requirements.
50122	High-Efficiency Electric Home Rebate Program	DOE	\$225.0	Funds for Tribal governments to provide rebates for low-income home electrification projects. \$225m specifically allocated for Tribes. FY 2031 expiration.

Additional Tribal Relevant Provisions

IRA §	Program	Agency	Funding (\$ Billion)	Notes
50144	Energy Infrastructure Reinvestment Financing	DOE	\$5.0	\$250 billion in loan authority for repurposing, retooling, repowering, or replacing retired energy infrastructure. FY 2026 expiration.
60103	Greenhouse Gas Reduction Fund	EPA	\$27.0	Tribal governments eligible to apply. FY 2024 expiration.
60114	Climate Pollution Reduction Grants	EPA	\$5.0	Tribal governments eligible to apply. FY 2026 expiration.
60201	Environmental and Climate Justice Block Grants	EPA	\$3.0	Tribal governments in partnership with non-profits eligible to apply. FY 2026 expiration. FY 2026 expiration.
13801	Direct Payment of Tax Credits	IRS	-	Tribal governments and Alaska Native Corporations eligible for direct payment of clean energy tax credits.
13101	Energy Community Tax Credit Bonus	IRS	-	10% or 10 percentage point boost in clean electricity tax credits for projects located in “energy communities.”
13102, 13702	Bonus investment tax credit in low-income communities	IRS	-	Projects less than 5 MW eligible for 10% increase in investment tax credit if located on Indian land.

Individuals also eligible for the Energy Efficient Home Improvement Credit (25C), Residential Clean Energy Credit (25D), and the Clean Vehicle Credit (30D)

Tribal Energy Loan Guarantee Program (TELGP)

- Increases the available loan authority of the TELGP from \$2B to \$20B, available through 2028
- Loan guarantee may now cover 100% of debt
- In addition to continuing partial loan guarantees, makes permanent the ability for borrowers to apply for direct loans through TELGP via the U.S. Treasury Federal Financing Bank (FFB)
- Provides \$75 million to carry out the program
- Administered by DOE through the Loan Programs Office

Tribal & Native Hawaiian Climate Resilience

Tribal Climate Resilience Program

- **\$220 million** for Tribal climate resilience and adaption programs
- Available until September **2031**
- No cost sharing and matching requirements
- Administered through the Bureau of Indian Affairs

Native Hawaiian Climate Resilience

- **\$23.5 million** for climate resilience, adaptation, and technical assistance to Native Hawaiian communities
- Available until September **2031**
- No cost sharing and matching requirements
- Administered through the Office of Native Hawaiian Relations

Tribal Electrification Program

- Will provide **\$145.5 million** to help tribal communities transition to clean, zero-emission, electric energy systems. Funds can be used for
 - The provision of electricity to unelectrified Tribal homes through zero-emissions energy system
 - To transition electrified Tribal homes to zero emissions energy system
 - Associated home repairs and retrofitting necessary to install the zero emissions energy systems authorized
- No cost sharing and matching requirements
- Available until **2031**
- Administered through the Bureau of Indian Affairs

Emergency Drought Relief for Tribes

- **\$12.5 million** for near-term drought relief actions to mitigate drought impacts for Tribal communities impacted by the operation of a Bureau of Reclamation water project
- No cost sharing and matching requirements
- Available until 2026
- Administrated through the Bureau of Reclamation



High-Efficiency Electric Home Rebate Program

- Covers up to 100% of home electrification project costs for low-income households, and up to 50% for moderate-income households (up to \$14,00)
- Covers equipment and installation costs, via point-of-sale rebate
- \$225 million reserved for Tribes. Funds are distributed to Tribal governments for administration via an application process.

Qualified Projects

Heat pump HVAC systems

Heat pump hot water systems

Electric stoves and cooktops

Electric heat pump clothes dryer

Upgrading circuit panels

Insulation

Air sealing and ventilation

Wiring

Energy Infrastructure Reinvestment Program (EIR)

- New DOE Loan Programs Office (LPO) program supporting investment in replacement of existing or retired fossil energy assets.
- No innovation criteria required.
- Eligible uses:
 - Retooling, repowering, repurposing, or replacing already retired energy infrastructure
 - New projects that avoid, reduce, use, or sequester emissions from operating energy infrastructure



<https://www.energy.gov/lpo/articles/deploydeploydeploy-2-energy-infrastructure-reinvestment-eir-program>

Energy Infrastructure Reinvestment Program (EIR) – Potential Examples

Already Retired

- Replacing fossil electricity generation with established cleaner sources
- Replacing fossil electricity generation with emerging clean firm power sources
- Repowering or replacing older renewable assets with more efficient / state-of-the-art
- Retooling fossil-based energy infrastructure for manufacturing
- Replacing fossil-based industrial processes with decarbonized industrial processes
- Repurposing oil pipelines for clean hydrogen or CO₂ transport
- Site remediation

Currently Operating

- Retrofitting existing fossil assets with carbon capture and sequestration equipment
- Refinancing, upgrading, uprating existing nuclear facilities
- Fuel switching at operating power plants
- Transmission upgrades
- Refinery upgrades
- Site remediation

<https://www.energy.gov/lpo/articles/deploydeploydeploy-2-energy-infrastructure-reinvestment-eir-program>

Greenhouse Gas Reduction Fund

- New EPA program to make competitive awards to fund green banks around the country
- Prioritization on supporting projects that benefit and reduce air pollution and GHG emissions in disadvantaged communities
- Funds must leave EPA by the end of FY 2024
- Tribal governments or non-profit green banks providing financial assistance to tribal projects are eligible

Category	Budget (\$B)	Eligible Entities
Deploying Zero-Emission Technologies	\$7	Tribal governments, States, municipalities, other non-profits
Low-Income and Disadvantaged Communities	\$8	Non-profit green banks
General Assistance	\$12	Non-profit green banks

Climate Pollution Reduction Grants

- \$5 billion new EPA program to support GHG emission reduction plan development and implementation
 - **Planning Grants:** \$250 million in grants to support development of GHG emissions reduction plans
 - **Performance Awards:** \$4.75 billion in competitively awarded grants to carry out plans, based on performance in implementing plan
- Eligible awardees include Tribes, States, municipalities, air pollution control agencies, or a combination of the above

Environmental and Climate Justice Block Grants

- \$3 billion new EPA program to support community-led projects to address disproportionate environmental and public health harms related to pollution and climate change
- Tribal governments partnered with a community-based non-profits eligible

Eligible Activities

Community-led projects that help reduce GHG and other air pollution:

- Pollution monitoring, prevention, and remediation
- Investments in low- and zero-emissions technologies and infrastructure
- Workforce development

Mitigating climate and health risks from urban heat islands, extreme heat, wood heater emissions, and wildfires

Climate resiliency and adaptation

Reducing indoor toxics and indoor air pollution

Facilitating engagement of disadvantaged communities in State and Federal advisory groups, workshops, rulemakings, and other public processes

Direct Payment of Tax Credits

Tribal Governments, Alaska Native Corporations, and any other non-profit organization, can now receive the following tax credits as a direct payment from the Treasury:

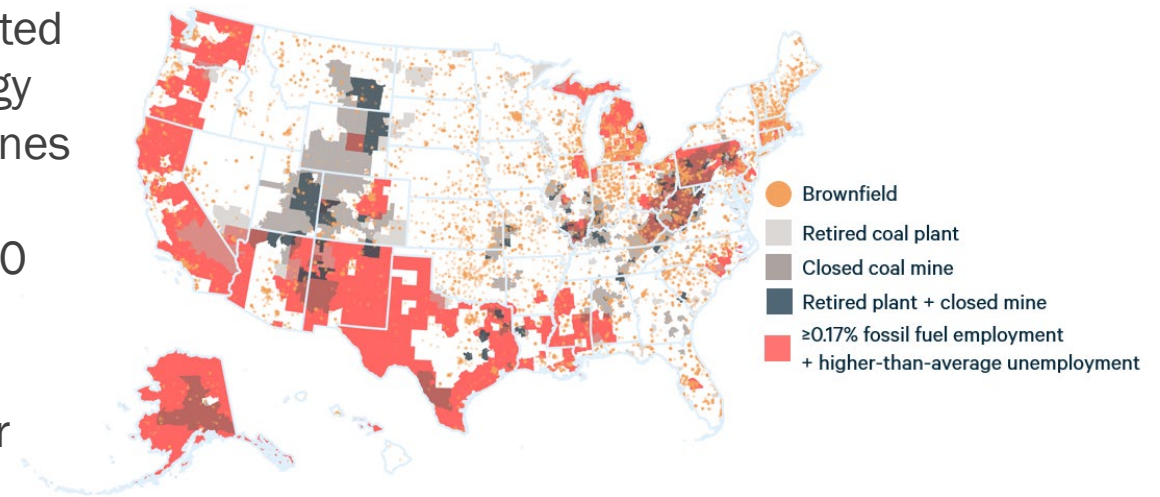
Tax Code	Credit	Summary Description
30C*	Alternative Fuel Refueling Property Credit	30% of investment cost, including EV chargers
45/45Y**	Clean Electricity Production Credit	\$26/MWh for 10 years, with bonuses possible
48/48E**	Clean Electricity Investment Credit	30% of investment cost, with bonuses possible
45Q*	Carbon Oxide Sequestration Credit	Up to \$85/metric ton sequestered for 12 years
45V*	Clean Hydrogen Production Credit	Up to \$3/kg of hydrogen for 10 years
45W	Commercial Clean Vehicles	Up to \$7,500 for a light duty clean vehicle, or up to \$40,000 for a medium or heavy-duty clean vehicle
45X	Manufacturing Production Credit	Credits for production of solar, wind, and battery components or critical minerals
45Z*	Clean Fuel Production Credit	Credits for production of low carbon fuels
48C*	Advanced Energy Project Credit	30% investment credit for facilities manufacturing clean energy products

*prevailing wage and apprenticeship requirements must be met for max credit, otherwise 5x lower in value

+over time, projects must meet domestic content criteria in order to be eligible for direct pay

Energy Community Tax Credit Bonus

- Bonus credit available for clean electricity projects located in communities that have previously hosted fossil energy infrastructure, including retired coal plants and coal mines
- Bonus is a 10% increase in the production credit or a 10 percentage point increase for the investment credit
- This bonus credit can stack with other bonus credits for domestic content and environmental justice



Preliminary external assessment of potential energy communities. IRS will have final determination of identifying qualifying energy communities.

Allocated Environmental Justice Bonus

- Additional investment tax credit bonus for clean electricity projects benefiting environmental justice communities
- These bonuses cannot stack with each other but can stack with the energy community and domestic content bonuses
- Limited to 1.8 GW/year total, and to projects 5 MW or smaller

Category	Bonus Credit
Located in low-income community	10 percentage points
Located on Indian land	10 percentage points
Located on a low-income residential building (includes buildings supported by tribally designated housing entity)	20 percentage points
Projects that provide over 50% of total financial benefits to low-income households	20 percentage points

Example Direct Pay and Bonus Stacking

For example, a 5 MW solar project, owned by a Tribal government, meeting the requirements for the relevant bonuses, could earn up to a 70% investment credit, as a payment from the Treasury.

DOE loans from TELGP or the new EIR program **can stack** with relevant tax credits

Category	Credit Value
Base investment tax credit value	6%
If prevailing wage and apprenticeship requirements met	30%
If domestic content criteria met	+10%
If located in energy community	+10%
If benefiting low-income population	+20%
Total Credit	70%