“With passage of this legislation, the U.S. makes an important down payment on comprehensive climate action. The Infrastructure Investment and Jobs Act unlocks important funding for research, development, and demonstration of the technologies we need to decarbonize the U.S. economy — all while creating jobs and protecting against the worst impacts of climate change.”

Lindsey Baxter Griffith, Federal Policy Director at Clean Air Task Force

**Major Investments in Our Future:**

The *Infrastructure Investment & Jobs Act* (IIJA), also known as H.R.3684 or the bipartisan infrastructure plan, passed the House of Representatives late on November 5, 2021, and was signed into law in mid-November. The $1.2 trillion package represents months of bipartisan negotiations and is the first critical component of achieving the vision laid out in President Biden’s American Jobs Plan.

IIJA is a significant first step towards meeting the climate crisis and reinvigorating the U.S. economy in the wake of the COVID-19 pandemic. The bill’s passage clears the way for billions of dollars of investment in research, development, and demonstration for carbon-free technologies and infrastructure, which are vital to opening pathways for achieving net-zero emissions. These investments will begin reversing the tide in the fight against climate change while creating new jobs and opportunities for communities across America.

**What’s in the IIJA?**

The bipartisan IIJA makes investments in advancing critical zero-carbon technologies the world will need to commercialize in the coming decades to achieve our deep decarbonization goals. These investments in innovation will help open new and more flexible pathways to achieve our decarbonization goals expeditiously, including in hard-to-decarbonize sectors. **Some of the IIJA’s climate and energy innovation policies include:**
Carbon Capture, Utilization & Storage:
Programs to demonstrate and scale technologies that can capture emissions from point sources and directly from ambient air.

- Carbon Capture Transportation Infrastructure Program (Sec. 40304): Authorizes $2.1 billion in loans and grants to build new CO₂ management infrastructure. This language is derived from the SCALE Act.
- Carbon Utilization Grant Program (Sec. 40302): Authorizes $310.1 million through 2026 to offer grants to states, local governments, and utilities to produce products made using captured carbon.
- Carbon Capture Pilot and Demonstration Program (Sec. 41004): Appropriates over $3.47 billion for carbon capture demonstration and pilot projects that can scale-up the technology for commercial deployment.
- Direct Air Capture (DAC) Hubs (Sec. 41005): Authorizes $3.5 billion for a program that will develop four regional direct air capture hubs that can remove carbon from ambient air resulting in negative emissions. The legislation also funds another $115 million in prizes for precommercial and commercial DAC demonstrations.
- Industrial Emissions Demonstration Projects (Sec. 41008): Appropriates $500 million for projects that reduce non-power sector industrial emissions and can help decarbonize processes such as steel, aluminum, iron, cement, and other heat-intensive products.

CO₂ Storage Commercialization Program (Sec. 40305): Authorizes $2.5 billion Large-Scale Carbon Storage Commercialization Program at DOE to provide grant funding for the development of new or expanded commercial large-scale carbon sequestration projects and associated carbon dioxide transport infrastructure, including funding for the feasibility, site characterization, permitting, and construction stages of project development. Language is derived from the SCALE Act.

- Funding for Class VI Well Permits at EPA and States (Sec. 40306): Directs EPA to advanced Class VI injection well permitting for geologic CO₂ sequestration, authorizing $5 million a year through 2026 for EPA permitting process. Authorizes $50 million over five years for grants to states to defray the costs of state agencies for permitting and monitoring Class VI CO₂ injection wells.
- Carbon Capture Technology Program (Sec. 40303): Appropriates $100M for a front-end engineering and design (FEED) program to support deployment of carbon dioxide transport infrastructure.

Zero-Carbon Fuels:
Investments in low- and zero-carbon fuels will reduce emissions in hard-to-decarbonize sectors.

- Hydrogen Hubs (Sec. 40314): Authorizes $8 billion through 2026 to establish at least four regional clean hydrogen hubs. Similar to the CCS hubs, the “hubs” model will allow for economies of scale to emerge around the production, processing, distribution, storage, and use of hydrogen.
- Clean Hydrogen Technology Recycling (Sec 40314): Authorizes and funds a $500 million DOE grant program for research, development, and demonstration of technologies that create innovative and practical approaches to increase the reuse and recycling of clean hydrogen system components such as electrolyzers and fuel cells.
- Clean Hydrogen Electrolysis Program (Sec. 40314): Directs and authorizes DOE to establish a $1 billion research, development, demonstration, commercialization, and deployment program intended to significantly reduce the cost, improve efficiencies, and increase durability of producing clean hydrogen using electrolyzers.

Super Pollutants:
Developing and deploying more technologies to monitor and plug leaks of potent greenhouse gases to drive near-term emissions reductions.

- Plug Orphaned Wells (Sec. 40601): Authorizes up to $4.71 billion for a program to plug abandoned wells on public and Tribal lands. Methane leaks from “orphaned” well sites contribute to climate change.
Nuclear:
Programs to maintain our country’s existing zero-carbon nuclear fleet and develop the next generation of reactor technologies.

- **Advanced Reactor Demonstration Program, ARDP (Sec. 41002):** Provides nearly $2.48 billion in funding for a Department of Energy program aimed at developing advanced reactor models through cost-sharing with industry.
- **Civil Nuclear Credit Program (Sec. 40323):** Authorizes $6 billion through 2026 for a program to maintain the U.S.’ existing zero-carbon nuclear fleet by supporting nuclear plants experiencing financial challenges as a result of economic factors.

Electricity Transmission:
One of the major barriers to deploying more clean energy is national transmission constraints—the inability to connect the regions where clean power is made to where it is used. IIJA invests in grid expansion, reliability, and resilience.

- **Transmission Facilitation (Sec. 40106) and Power Marketing Administration (Sec. 40110):** Ups new loan authority for the Department of Energy and Power Marketing Administration by $12.5 billion for transmission upgrades and expansion.

In addition to these climate-related provisions, the IIJA will invest in other important infrastructure needs, but not be limited to, the following important climate provisions. The bill includes $110 billion for road and bridge repair, $65 billion for improving access to high-speed internet, $55 billion to replace lead water pipes, $66 billion for rail maintenance and expansion, and $7.5 billion for 500,000 new electric vehicle (EV) charging stations, among other items.¹

**Passing The Build Back Better Act is a Necessary Next Step:**
The IIJA is a major investment in our country’s critical infrastructure, but it is only a first step in making the necessary investments and creating a positive business environment where clean energy and decarbonized technologies can flourish.

The Build Back Better Act, still under negotiation in Congress, will build on IIJA’s foundation by providing strong incentives for clean energy innovation and deployment. Together, these bills will send a clear signal to the market and strengthen U.S. climate credibility and technological competitiveness.

Build Back Better should include:

- Production and investment tax incentives with “direct pay” that stimulate the deployment of clean energy technologies, including renewables, carbon capture, hydrogen, advanced nuclear, existing nuclear, and “enabling” technologies and infrastructure like high-voltage transmission equipment;
- A technology-inclusive tax credit multiplier for emerging or nascent low-carbon technologies that need additional support, such as advanced nuclear and carbon capture and storage;
- A waste charge that will price fugitive emissions of potent heat-trapping methane gas and promote more efficient drilling operations; and
- Federal grants to spur progress on industrial decarbonization.

*Build Back Better* must also pass to fully realize the benefits of IIJA. The IIJA coupled with the *Build Back Better Act* will provide a broad suite of clean energy and climate investments that reinforce each other and help the United States reach 50-52% economy-wide emissions reductions by 2030.

¹ Most appropriations in the IIJA are set through fiscal years 2025 and 2026.