

Wins for Nevada in the Inflation Reduction Act

The Inflation Reduction Act (IRA), which recently passed both houses of Congress and was signed into law by President Biden in August 2022, includes [\\$369 billion in investments](#) in decarbonizing our economy, transitioning to clean energy, reducing the cost of energy, and remedying environmental health disparities. **These investments are poised to deliver significant wins to Nevadans in the years to come, can play a big role in helping Nevada achieve its statutory greenhouse gas reduction targets of 28% by 2025, 45% by 2030, and net zero by 2050, and especially can help Nevada deploy more renewable energy and accelerate its transition to 100% clean electricity.**

Renewable Electricity

The IRA extends the current federal investment and production tax credits (ITC and PTC) for solar and wind energy until 2025 and establishes a new technology-neutral ITC and PTC for all zero-carbon (and some very low-carbon) electricity generation technologies, from 2025-2032.

- Nevada is already the nation's leading solar state, with the highest number of [solar jobs per capita](#) and highest number of [solar panels per capita](#).
- The decade-long extension of the solar and wind production and investment credit will create long-term certainty for the renewable energy industry and reduce or eliminate any costs for Nevada to achieve its [renewable portfolio standard](#) target of 50% by 2030, and accelerate its path to 100% clean electricity.
- Expanding the ITC and PTC to include energy storage can help integrate intermittent sources of renewable energy like solar and wind and bring down the retail cost of electricity.



Electric Vehicles

The expanded and extended EV tax credit in the IRA allows low-income car-buyers to claim as much as an additional \$7,500 tax credit for the purchase of a new electric vehicle, or \$4,000 for the purchase of a used electric vehicle, helping Nevada achieve the rapid growth in zero emissions vehicle sales required by [Clean Cars Nevada](#)—reducing costs for drivers, and improving Nevada's air quality.

Energy Cost Savings

The IRA extends through 2032 existing incentives to help homeowners pay for energy-saving upgrades. It significantly expands what these incentives can help pay for to include doors, windows, heat pumps for both space heating and water heating, and rooftop solar, helping Nevadans save money on high energy costs.

- In addition to the tax incentives, the IRA establishes rebates for specified appliances, like \$1,750 for a heat pump water heater, \$8,000 for a heat pump for space heating or cooling, and \$840 for an electric stove-top or an electric clothes dryer. This will help Nevada reduce the 10% of its greenhouse gas emissions that come from residential and commercial buildings.
- For renters, the IRA also includes a \$1 billion grant program to help make affordable housing more energy efficient.

Industrial Decarbonization & Clean Manufacturing

The IRA includes \$6 billion for the Advanced Industrial Facilities Deployment Program to pilot new technologies that can bring about clean innovation in high-emissions industrial processes like cement and lime production, helping decarbonize and sustain manufacturers like Nevada Cement Company in Fernley and the Pilot Peak lime plant in West Wendover.

- In addition, the IRA's provisions incentivizing grid energy storage and electric vehicles will stimulate demand for advanced battery manufacturing and electric vehicle component parts, such as those built in Storey County, NV.

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Rural Economies

The IRA includes \$9.7 billion in USDA loans for rural electric cooperatives, like Wells Rural Electric Company and Mt. Wheeler Power to help them acquire renewables and other carbon-free energy, plus a further \$3 billion for rural energy loans and grants.

Tribal Sovereignty and Resilience

Nevada's Tribal nations, including the Pyramid Lake Paiute Tribe and the Te-Moak Tribe of Western Shoshone Indians, have been hit hard by the impacts of climate change. The IRA includes, for the first time, dedicated funding to help Tribes decarbonize their economies and adapt to a changing climate. The IRA includes:

- \$12.5 million to mitigate drought impact for Tribes.
- \$10 million for Tribal fish hatcheries like the Numana Paiute Tribal Fish Hatchery.
- \$150 million for Tribal home electrification.

- \$75 million for loans to Tribes for energy development.
- A tenfold increase, from \$2 billion to \$20 billion, in loan guarantees for Tribal energy development.

Greenhouse Gas Reduction Fund

The fund has the potential to build upon and catalyze new clean energy financing ecosystems in states across the country. The EPA and states can use this fund to incubate new green banks and clean energy financing institutions or to bring additional capital to existing green banks like the [Nevada Clean Energy Fund](#).

Nevada is well-positioned to be a key engine in the United States' transition to a clean energy future. Nevada leaders should capitalize on the opportunities presented by the IRA, as well as the 2021 Infrastructure Investment and Jobs Act, to catalyze this transition in the years to come.