

THE COMMONWEALTH OF MASSACHUSETTS OFFICE OF THE ATTORNEY GENERAL

ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

ANDREA JOY CAMPBELL
ATTORNEY GENERAL

(617) 727-2200
www.mass.gov/ago

January 16, 2025

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
2468 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable John Thune
Majority Leader
U.S. Senate
511 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
2433 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Steve Scalise
Majority Leader
U.S. House of Representatives
266 Cannon House Office Building
Washington, D.C. 20515

Dear Esteemed Congressional Leaders:

We, the undersigned Attorneys General, as chief legal officers of our states, urge you to affirm your commitment to the Inflation Reduction Act (IRA) and safeguard its significant investments in the health of our economy and your constituents. As a result of the IRA, our nation is strengthening domestic energy security, reducing energy costs, diversifying our domestic energy resources, rebuilding our domestic manufacturing economy, bolstering and modernizing critical infrastructure, and creating well-paying jobs while simultaneously reducing harmful pollution. To continue progress toward these important objectives, we urge you to preserve important incentives in the tax code strengthened by the IRA, including those in 30D, 45X, 45Y, 48C, and 48E, as well as the grant and loan programs that complement them.

The IRA has kicked off a major reinvestment in domestic manufacturing. Since the IRA passed, businesses have invested nearly \$500 billion in low-carbon energy and domestic manufacturing, with private investments exceeding public dollars five- to six-fold to create new opportunities for communities that have long prided themselves on producing energy to power

America.¹ These new opportunities will bring back the types of jobs that we've seen flee abroad, while promoting U.S. energy security, leadership, and affordability. Our states benefit from the growing domestic supply chains, grid reliability, and lower energy prices afforded by investments in our jurisdictions and across the nation. For example:

- After decades of decline in the manufacturing industry in Pueblo, Colorado, construction began last year on an expansion of the world's largest manufacturing plant for wind turbine towers. In a city that had added only 5,000 jobs since 2008,² the facility, with its new 900,000 square-foot expansion, expects to employ over 1,000 people by 2026.³ As Pueblo's mayor said, this expansion "will ensure that we will continue to have manufacturing that will make big things in Pueblo and in the United States for decades to come."⁴
- Thanks to the IRA's Qualifying Advanced Energy Project Tax Credit (Section 48C)⁵, Siemens is investing \$150 million in its first U.S.-based power transformer factory in Charlotte, North Carolina. In addition to contributing to the reliability and security of the U.S. energy grid,⁶ this investment will create over 550 jobs in logistics, mechanics, assembly, and other roles, with an average salary of over \$80,000.⁷
- The IRA's incentives have spurred a rebirth in Michigan's automaking industry, with over 18,000 new jobs announced in the electric vehicle industry in the state.⁸ Our Next Energy is investing \$1.6 billion in an electric vehicle battery gigafactory in Van Buren Township, Michigan, where it expects to employ over 2,000 people by 2027.⁹ Most of the private investments in the electric vehicle industry in the past few years are due to incentives created by the IRA and the Bipartisan Infrastructure Law (BIL).¹⁰
- A new \$4-5 billion dollar battery factory near Atlanta, Georgia, will create around 3,500 jobs, while a \$3.5 billion battery manufacturing plant outside Charleston, South Carolina, will repurpose end-of-life batteries and ultimately create 1,500 jobs.¹¹

These are just a small sample of the many projects advancing because of the promise of IRA tax credits. Repeal of credits such as the Section 45X credit for advanced manufacturing, the Section 48C credit for investments in advanced energy, and the Section 48E clean electricity investment credit could stymie these important projects, stranding private investments and leaving gaps where jobs and revenue streams were expected. These and other clean energy manufacturing projects will be sustained, in turn, by other IRA incentives that fuel a domestic market for their products, such as the onshoring of domestic supply chains encouraged by Sections 45Y and 48E and the growth in the electric vehicle market spurred by the Section 30D credit. In other words, all these pieces work together. Repealing any one of these incentives would undermine domestic energy security, infrastructure development, and economic progress.

Beyond the IRA's tax provisions, towns and cities across the nation are depending on IRA and BIL grant and loan programs to repair crumbling infrastructure, rebuild local economies, enhance energy security, promote domestic agriculture, and preserve natural resources. For example:

- A U.S. EPA Clean Communities Investment Accelerator Grant of \$500 million to an Appalachia-based lender is leveraging private capital to finance an estimated \$1.6 billion

into 2,000 new energy projects, creating 13,000 jobs in rural communities nationwide—like Virginia’s first solar-powered hospital in rural Christiansburg.¹²

- A multi-state coalition including North Carolina, South Carolina, Virginia, and Maryland has received a \$421 million EPA Climate Pollution Reduction Grant to implement natural lands conservation and restoration projects, which will improve water quality, reduce flood risk, improve wildlife habitat, and create recreational opportunities.¹³
- The U.S. Department of Agriculture Rural Energy for America Program (REAP) is funding \$2 billion for renewable energy systems and energy efficiency improvement grants for agricultural producers and rural small business owners—like the solar and battery storage project at Long’s Pic Pac in Pineville, Kentucky, which will save a small local grocer \$15,000 per year in energy costs.¹⁴
- Recent U.S. EPA Community Change Grant recipients include ten Alaska Native communities embarking on projects to install water and sewer infrastructure, remediate and weatherize homes, stabilize eroding riverbanks, and enhance transportation and energy security, while supporting workforce development.¹⁵ Unincorporated areas from Hillsborough County on the northern edge of Tampa to Norcross in Georgia to Alabama’s Hale, Lowndes, and Wilcox counties will receive resources to address longstanding gaps in wastewater management and support access to clean drinking water.¹⁶
- The IRA’s Homeowners Managing Efficiency Rebates (HOMES) and Home Electrification and Appliance Rebates (HEAR) will save households up to \$1 billion annually on energy bills and support over 50,000 U.S. jobs. North Carolina alone has received over \$208 million for energy efficiency rebates for its residents from DOE.¹⁷

These are, again, only a small sample of the many programs that are delivering significant benefits to communities across the nation. And while many of the projects supported and enabled by the IRA are already delivering jobs and economic benefits, most of the law’s benefits have yet to be seen. Many businesses, organizations, and state and local governments await grant funds to spur development of clean energy technologies and much-needed infrastructure. Likewise, businesses are already making significant purchases while awaiting the finalization of loans conditionally committed to them.

We thank you for passing legislation to strengthen our domestic manufacturing economy while increasing and diversifying our domestic energy resources, lowering costs, strengthening our energy security, and protecting the health of our residents. We respectfully urge you to continue to prioritize these aims by affirming your commitment to the IRA’s federal incentives for domestic clean energy production, technology manufacturing, and the restoration of critical infrastructure across the nation. Thank you for your leadership, and we look forward to working with you on this and other critical initiatives.

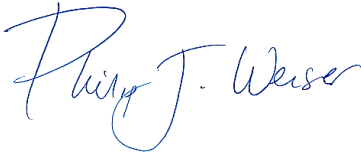
Sincerely,



ANDREA JOY CAMPBELL
Attorney General
Commonwealth of Massachusetts




ROB BONTA
Attorney General
State of California



PHILIP J. WEISER
Attorney General
State of Colorado



WILLIAM TONG
Attorney General
State of Connecticut



KATHLEEN JENNINGS
Attorney General
State of Delaware




ANNE E. LOPEZ
Attorney General
State of Hawaii



KWAME RAOUL
Attorney General
State of Illinois



AARON M. FREY
Attorney General
State of Maine



ANTHONY G. BROWN
Attorney General
State of Maryland



KEITH ELLISON
Attorney General
State of Minnesota



MATTHEW J. PLATKIN
Attorney General
State of New Jersey



RAÚL TORREZ
Attorney General
State of New Mexico



LETITIA A. JAMES
Attorney General
State of New York



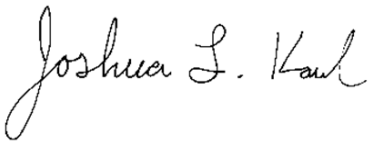
JEFFREY JACKSON
Attorney General
State of North Carolina



PETER NERONHA
Attorney General
State of Rhode Island



CHARITY R. CLARK
Attorney General
State of Vermont



JOSHUA L. KAUL
Attorney General
State of Wisconsin

Cc: The Honorable Jason Smith, U.S. House Chairman, Ways & Means
The Honorable Richard Neal, U.S. House Ranking Member, Ways & Means
The Honorable Jodey Arrington, U.S. House Chairman, Budget
The Honorable Brendan Boyle, U.S. House Ranking Member, Budget
The Honorable Brett Guthrie, U.S. House Chairman, Energy and Commerce
The Honorable Frank Pallone, U.S. House Ranking Member, Energy and Commerce
The Honorable Lindsay Graham, U.S. Senate Chairman, Budget
The Honorable Jeff Merkley, U.S. Senate Ranking Member, Budget
The Honorable Mike Crapo, U.S. Senate Chairman, Finance
The Honorable Ron Wyden, U.S. Senate Ranking Member, Finance

The Honorable Mike Lee, U.S Senate Chairman, Energy and Natural Resources
The Honorable Martin Heinrich, U.S Senate Ranking Member, Energy and Natural Resources
The Honorable Shelley Moore Capito, U.S Senate Chairman, Environment and Public Works
The Honorable Sheldon Whitehouse, U.S Senate Ranking Member, Environment and Public Works

¹ Lily Bermel et al., *Clean Investment Monitor: Tallying the Two-Year Impact of the Inflation Reduction Act*, RHODIUM GROUP (Aug. 7, 2024), <https://rhg.com/research/clean-investment-monitor-tallying-the-two-year-impact-of-the-inflation-reduction-act/>.

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⁷ Sara Samora, *Siemens Energy Plans North Carolina Power Transformer Facility*, MANUFACTURING DIVE (Mar. 11, 2024), <https://www.manufacturingdive.com/news/siemens-energy-large-power-transformer-facility-charlotte-north-carolina/708676/>.

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⁹ Press Release, ONE, *ONE Announces \$1.6 Billion Investment in 20 GWh Michigan Cell factory Beginning LFP Production in 2024* (Oct. 5, 2022), <https://one.ai/news/onecircle>.

¹⁰ Env't Defense Fund, *supra* note 8, at 4.

¹¹ Jason Thomas, *Work begins on \$3.5B EV battery manufacturing plant in Berkeley County*, CHARLESTON REG'L BUS. JOURNAL (Jan. 25, 2024), <https://charlestonbusiness.com/works-begins-on-3-5b-ev-battery-plant-in-berkeley-county/>.

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¹⁵ U.S. Env't Prot. Agency, *Community Change Grants Selections*, <https://www.epa.gov/inflation-reduction-act/community-change-grants-selections>.

¹⁶ *Id.*

¹⁷ U.S. Dep't of Energy, *Home Energy Rebates Progress Tracker*, <https://www.energy.gov/scep/home-energy-rebates-progress-tracker>.