

LEGAL UPDATES

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DOUG JONES

AUSTIN:

512.479.1178

DOUG.JONES@

HUSCHBLACKWELL.COM

GOP Seeks to Derail Biden's Climate Initiatives

Kevin McCarthy (R-CA), the Speaker of the U.S. House of Representatives, has introduced a debt limit plan that aims to cut government spending by \$2.7 trillion over the next decade. The Republican plan specifically targets President Biden's climate initiatives by repealing the Inflation Reduction Act's various clean energy tax credits. Among other things, these tax credits would include credits for solar and wind facilities in low-income communities, sustainable aviation fuel credits, and credits for previously owning clean energy vehicles.

McCarthy argues that the bill is necessary to promote economic growth and reduce the burden of regulations on businesses; however, environmental groups and some Democrats criticize the bill, saying it would harm efforts to combat climate change and hinder the growth of the renewable energy industry. The bill is likely to face significant opposition in Congress, even from some Senate Republicans such as Chuck Grassley (R-IA), who has long been a supporter of the biodiesel fuel tax credits that were extended as part of the Inflation Reduction Act.

What this means to you

Renewable energy project developers, owners, and investors should closely watch the proposed legislation as it makes its way through Congress given the bill's potential to alter the underlying economics of certain ventures.

Contact us

If you have questions about the Inflation Reduction Act's renewable energy provisions or the House Republicans' proposed legislation, please contact your Husch Blackwell attorney.