

The Inflation Reduction Act Delivers Affordable Clean Energy for Hawaii

The Inflation Reduction Act is the most significant legislation in U.S. history to tackle the climate crisis and strengthen American energy security. It will lower energy costs for households and businesses, create manufacturing jobs for American workers, and deliver a clean, secure, and healthy future for our children and grandchildren. The savings, jobs, and other benefits provided by this legislation will reach communities across Hawaii.

President Biden promised to combat the existential threat of climate change and build a clean energy future that creates jobs, advances environmental justice, and lowers costs for families. He's following through on that promise with the Inflation Reduction Act and Bipartisan Infrastructure Law.

- **LOWER ENERGY COSTS:** The Inflation Reduction Act will make it more affordable for Hawaii families to purchase energy efficient appliances when they need to, make repairs around their homes, and save money on their utility bills each month, through:
 - Rebates covering 50-100% of the cost of installing new electric appliances, including super-efficient heat pumps, water heaters, clothes dryers, stoves, and ovens. In Hawaii, hundreds of thousands of low- and moderate-income households are eligible for rebates.
 - Rebates for households to make repairs and improvements in single-family and multi-family homes to increase energy efficiency.
 - Tax credits covering 30% of the costs to install solar panels and battery storage systems, make home improvements that reduce energy leakage, or upgrade heating and cooling equipment. No income limits apply.
 - Tax credits covering 30% of the costs of community solar projects—owned by local businesses that sign up families to save on their electric bills—with additional bonus credits of 20% for projects at affordable housing properties and 10% for projects in low-income communities.
 - Grants to help state and local governments adopt the latest building energy codes, which would save the average new homeowner in Hawaii 16.8% on their utility bills—\$896 annually.
- **GOOD-PAYING JOBS:** In 2021, there were already 12,873 Hawaii workers employed in clean energy jobs. The Inflation Reduction Act will expand these opportunities, providing a historic set of tax credits that will create jobs across solar, wind, storage, and other clean energy industries. These credits include bonuses for businesses that pay a prevailing wage, so that Hawaii workers earn a good paycheck as we build the clean energy future in America.
- **DOMESTIC MANUFACTURING:** Manufacturers employ 12,100 workers in Hawaii, and the Inflation Reduction Act will help us make the technologies of the future at home—supporting local economies and strengthening supply chains. The Inflation Reduction Act will boost U.S. manufacturing of clean energy and transportation technologies, as well as investments for a new Advanced Industrial Facilities Deployment Program to position America to lead the growing global market for clean steel, aluminum, cement, and more.

- **SMALL BUSINESSES:** Hawaii is home to 137,328 small businesses, representing 99.3% of all businesses in the state, and the Inflation Reduction Act will help them save money. Commercial building owners can receive a tax credit up to \$5 per square foot to support energy efficiency improvements that deliver lower utility bills. Other programs that will benefit small businesses include tax credits covering 30% of the costs of installing low-cost solar power and of purchasing clean trucks and vans for commercial fleets.
- **ELECTRIC VEHICLES:** The Inflation Reduction Act will make it easier and cheaper to purchase an electric vehicle, with upfront discounts up to \$7,500 for new EVs and \$4,000 for used EVs, helping middle-class Americans skip the gas pump and save on fuel costs. In Hawaii, hundreds of thousands of people will be eligible for these discounts. Hawaii recently [submitted](#) a state plan for using funds from President Biden's Bipartisan Infrastructure Law to build out EV charging stations along highways.
- **CLEANER AIR:** The Inflation Reduction Act will significantly reduce pollution, resulting in 100,000 fewer asthma attacks in America in 2030, and position the U.S. to achieve President Biden's climate goals. Lowering greenhouse gas emissions will not only avoid costly climate impacts from more extreme weather, but also improve local air quality—preventing premature deaths and reducing air pollution. In addition to reducing pollution across the economy, the Act will benefit communities most in need of cleaner air, with in environmental justice block grants, investments for cleaner buses and trucks, and a Clean Energy and Sustainability Accelerator that will prioritize emissions-reducing projects in disadvantaged communities and fund state and local green banks like the Hawaii Green Infrastructure Authority.
- **RURAL OPPORTUNITIES:** The Inflation Reduction Act supports climate-smart agriculture practices, which will help Hawaii's 7,300 farms lead on climate solutions and reward their stewardship. Electric cooperatives, which serve about 35,000 homes, businesses, and other customers in Hawaii, will for the first time be eligible for direct-pay clean energy tax credits. And this legislation dedicates investments for rural electric cooperatives to boost resiliency, reliability, and affordability, including through clean energy and energy efficiency upgrades.
- **RESILIENT COMMUNITIES:** The Inflation Reduction Act will upgrade affordable housing, including projects that boost resilience in the face of intensifying extreme weather. In Hawaii, thousands of people live in affordable housing units that are eligible for upgrades like flood-proofing and storm resistance, as well as clean energy and electrification. A new Neighborhood Access and Equity Grant Program includes support for transportation projects and planning to protect against flooding, extreme heat, and more. The Inflation Reduction Act also invests in strengthening America's forests, including programs focused on preventing wildfires and for tree planting projects that help protect communities from extreme heat.