## Impacts of HR 1 on Renewable Energy and Environmental Justice

July 24, 2025





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#### **RECORDING**

The webinar is being recorded and a link to the recording will be sent to everyone who registered within the next 24-48 hours.

#### **Questions**

Please submit your questions in the Q/A box.

#### <u>Chat</u>

Please remember to be respectful and civil in all chat interactions.



## Prayer for our Harmony with Mary, Mother of all Creation ~Leanne Jablonski FMI, Director, <u>Marianist Environmental Education Center</u>

(Inspired by Rev 12:6, 14, 16; 1/23/06 & 7/18)

Mary, Mother of all creation
We, your family,
Desire to be your living presence anew

Form us as your rain Quenching parched souls with hope

Form us as your fire Illuminating indifferent hearts with faith

Form us as your wind Refreshing dusty minds with wisdom

Form us as your soil Embracing all with compassion

In all these ways of life Form us, so that

Your seeds of justice sown deep within us will flourish Bearing abundant fruit Of peace and integrity

Joined together with all creation We will once again sing in harmony





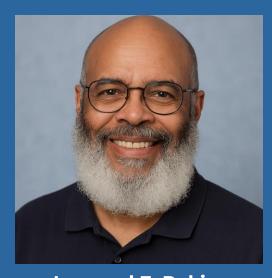
#### Impacts of HR 1 on Renewable Energy and Environmental Justice



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#### In a nutshell

- A budget reconciliation bill narrowly passed by Congress in July 2025
- Marketed as a fiscal discipline and energy security bill
- In reality: a sweeping rollback of climate and environmental progress
- "The cry of the Earth and the cry of the poor are one" – Pope Francis
- As people of faith, we are called to protect creation and future generations.
- HR 1 is not just a policy bill- it's a step backward from our moral and ecological commitments.





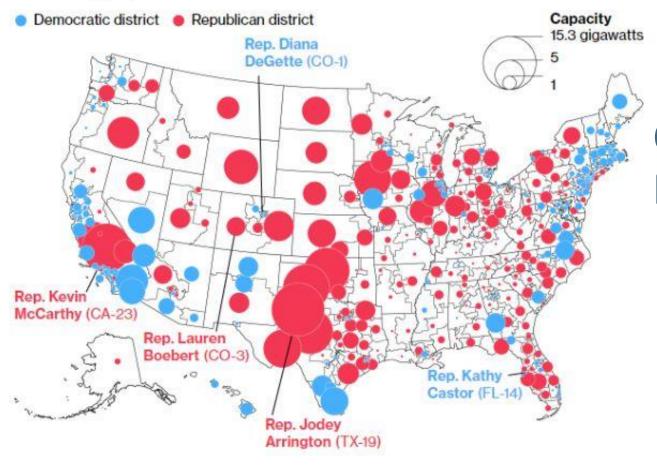
#### Climate and Environmental Rollbacks in the OBBB

- The bill takes away over **\$80 billion** in clean energy support that was passed in the Inflation Reduction Act. That includes:
- Incentives for clean electricity like solar and wind
- Support for clean energy manufacturing and clean hydrogen
- Tax credits to expand electric vehicle charging stations
- It also slashes key programs that protect our air and water, including:
- The Greenhouse Gas Reduction Fund, which helps communities cut pollution
- Programs to reduce diesel pollution and clean up polluted ports
- All Environmental Justice Grants, which support communities most impacted by pollution
- It even takes back \$3 billion in EPA funding that was already promised to help these communities



#### **Mapping Green America**

Republican districts, particularly in the Midwest, dominate in terms of US clean technology projects



# **Clean Energy Projects Mapped**

 80% of the Inflation Reduction Act's clean energy programs and incentives went to Republican-held districts







#### Who Gets Hurt?

- Low-income communities lose access to clean air, energy cost relief, and clean water investments
- Workers and manufacturers face job losses in renewables, EVs, clean hydrogen, and supply chain
- Communities of color and rural areas left behind in just transition efforts
- Repeals clean energy tax credits that fuel Catholic solar projects
- Makes it harder for faith institutions to afford or expand solar installations
- Slows but does NOT stop the clean July 25, 2025 energy transition

#### Who Benefits?

- Fossil fuel corporations
  - New subsidies and permitting favors
  - Legal shields for polluting projects
- Polluters and foreign-owned mining companies

Loopholes expanded, accountability

reduced





#### A Faithful Response: NETWORK's Advocacy

#### Our work:

- Mobilizing faith-based voices to urge reversal of IRA repeals
- Engaging lawmakers across parties to protect clean energy investments
- Organizing with interfaith coalitions to uplift the moral stakes: "Care for Creation, Care for Community"





#### What Comes Next – Legislative Priorities

#### **Defensive Work:**

- Fight to restore IRA energy tax credits through tax extenders debate
- Protect EPA authorities and re-fund EJ programs via appropriations
- Prevent further rollbacks of what remains of the IRA clean energy law

#### **Proactive Work:**

- Advance the Clean Energy Minerals Reform Act
- Support the Clean Energy Transmission Act
- Push for stronger rural and environmental justice investments in the next Farm Bill or standalones
- Urge lawmakers to approach permitting and mining reform in ways that help communities and the environment



#### Issue Areas to Watch (Q3-Q4 2025)

- Clean energy permitting reform and transmission buildout
- Justice40 and environmental justice implementation threats
- Mining reform and domestic sourcing policies
- Climate resilience funding in appropriations
- Election-year greenwashing and fossil fuel expansion bills



#### **Final Thoughts**

The OBBB was a setback—but not the end

We are rooted in hope and solidarity

Join us in defending creation and protecting those most harmed

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"We know that technology based on the use of highly polluting fossil fuels – especially coal, but also oil and, to a lesser degree, gas – needs to be progressively replaced without delay".

-Pope Francis, Laudato Si

## Catholic Energies: Introduction

#### A program of the Catholic Climate Covenant

Reduce energy waste in Catholic facilities to enable more resources to go towards mission-related activities

Provide education & resources to engage
Catholics to live their faith authentically,
including our common call to be stewards of
God's creation and to seek justice for our
vulnerable sisters and brothers





### **OBBB Impacts on Commercial Solar**

- Ends Investment Tax Credit (ITC)/Direct Pay in 2027 instead of 2032 loss of 30%+ rebate
- Changes to Safe Harbor are pending
- Implements new Foreign Entity of Concern (FEOC) restrictions beginning in 2026
- Storage ITC/Direct Pay extended with phase out beginning in 2033
- Adjusted Domestic Content requirements to earn ITC/Direct Pay
- No impacts to:
  - Transferability of ITC/Direct Pay
  - ITC/Direct Pay adders Energy Community, Low Income, or Domestic Content



## ITC/Direct Pay Phase Out

BBB/Reconciliation Bill accelerated the ITC/Direct Pay phase out – currently ends in 2027 with three dates of note until then:

- MOST SAFE Projects that "Begin Construction" by 12/31/25 will have up to four years to finish and are not subject to Foreign Entity of Concern (FEOC) restrictions (see below).
- **LESS SAFE** Projects that "Begin Construction" after 12/31/25 but by 7/4/26 will have up to four years to finish but will have to abide by FEOC restrictions. This new law makes sourcing equipment more difficult and could increase the project cost.
- **LEAST SAFE** Projects that "Begin Construction" after 7/4/26 must be completed by 12/31/27 to receive the Direct Payment and comply with FEOC.
- Impact: Projects that do not move quickly will likely lose out on the ITC/Direct Pay. Additional impact is loss of state incentives as project development accelerates. Once FEOC kicks in, unknown impacts.



## Safe Harbor Changes

- Current law allows for two paths to safe harbor ITC/Direct Pay for up to four years
  - Begin actual construction in a calendar year
  - Spend 5% of the project cost in a calendar year
- President signed an Executive Order on July 7 requiring the Treasury Department to review these rules and possibly rewrite them to make safe harbor more difficult
- Impact: Fewer projects would hit the "Start Construction" milestone and be able to utilize the ITC/Direct Pay reducing the financial returns



## Foreign Entity of Concern (FEOC)

- New law aimed at preventing certain foreign entities from benefiting from a US energy project
- Targets:
  - Certain foreign-owned companies
  - Certain foreign-owned investors
  - Anyone who provides material assistance from a FEOC
- Current FEOC: Iran, North Korea, Russia, China
- Impact: Unknown, but potentially the most impacted part of OBBB.
   Rules have not been finalized yet.



## Overall Impact for Nonprofit & Catholic Organizations

- "It could have been worse", but nothing in OBBB should be seen as a positive
- Will make projects more expensive
- 15-50% fewer installations over the next decade, with the percentage increasing drastically after 2027
- Never been a more important time to make quick decisions and proceed with a project if you are considering one



#### All Is Not Lost & Final Takeaways

- 86% of new electricity generation in 2024 from was renewable energy
  - the train may have slowed, but it hasn't derailed
- Economic and electricity demand realities aren't going away
  - State power commissions approved a record \$46B in rate increases so far in 2025
  - Electricity demand continues to rapidly increase & the power needs to come from somewhere
- Direct Pay incentive still exists for nonprofits
- Storage is still viable and can help with economics of a combined project
- The industry has adapted and will continue to do so



### Follow Up Questions?

- Dan Last, Program Director for Catholic Energies
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# Faith Rising—Responding to H.R. 1's Impact on Environmental Justice

Catholic Climate Covenant Webinar | July 24, 2025 Presented by Leonard Robinson Host of the Faith & Sustainability Podcast



## Scripture to Ground Us

"Learn to do good; seek justice, correct oppression..."— Isaiah 1:17 "The Lord God took the man and put him in the garden of Eden to till it and keep it." — Genesis 2:15

## H.R. 1 Fiscal Impact

PROGRAM	FUNDS RESCINDED	EJ IMPACT
EJ Block Grants	\$2.8 billion	Defunded grassroots initiatives in frontline communities
Greenhouse Gas Reduction Fund	\$27 billion	Halted clean energy projects led by nonprofits
Climate Monitoring & Pollution Funds	Hundreds of millions	Schools lost tools to track pollution & improve air
EPA EJ Grants (pre-H.R. 1 termination)	Nearly 800 grants	Local resilience work cut off midstream



# Breathing in the Cuts—Health Consequences

#### **Environmental Harm = Physical Harm:**

- Rise in asthma & lung illness from lost air monitoring
- Increase in lead, PFAS, & nitrate exposure from stalled water testing
- Toxins lingering in communities as clean-up grants vanished
- Urban heat exacerbated by defunded cooling initiatives



# Faces of Impact—ZIP Codes Under Pressure

Location	Cut Program	Health Fallout
West Oakland, CA	Air Monitoring	Surge in asthma ER admissions
Jackson, MS	Water Infrastructure	Outbreaks of stomach illnesses
El Paso, TX	EJ Youth Grants	Heat-related hospitalization rise
NC Flood Zones	Brownfield Cleanups	Persistent carcinogen exposure

## Faith Responds—With Action

#### What We're Doing:

- . *A Justice Vigils* outdoors and online
- . 🙇 Faith for Justice Pledges by congregants
- . *Eco-Justice Teams* forming in churches, temples, and mosques
- . & Call-ins & Petitions that center moral urgency



# Strategic Advocacy & Resilience

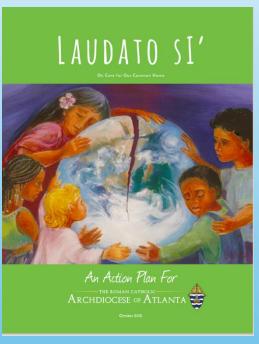
#### **Building What the Bill Cut:**

- Local EJ policies & ordinances
- Interfaith partnerships with mayors & councils
- Grassroots fundraising to revive lost initiatives
- Youth-led sustainability projects



#### **Archdiocese of Atlanta**

















### Call to Action

#### **Three Things You Can Do This Week:**

- Take a Faith for Justice pledge
- **Call one local official about an EJ ordinance**
- Start or join an Eco-Justice Team in your community

## **Closing Words**

"We are the ones that we've been waiting for!"



## **Questions?**

Leonard Robinson

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