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President Biden's Inflation Reduction Act Has Created Thousands of Jobs, Brought Billions in Clean Energy Investments to Michigan

Michigan capitalizes on Inflation Reduction Act to create good-paying, American manufacturing jobs, lower costs, spur energy and economic independence, and meet goals of the MI Healthy Climate Plan

LANSING, Mich. — Michigan is aggressively pursuing federal funding opportunities to drive economic development and implement the MI Healthy Climate Plan to reach 100% carbon neutrality by 2050. The investments will create good-paying jobs, combat climate change, and build a healthier, happier future for Michiganders.

Passed one year ago today, the Inflation Reduction Act (IRA) is the largest investment in climate and energy in American history. The legislation aims to tackle the climate crisis, advance environmental justice, create clean energy jobs and position the United States as a world leader in clean energy manufacturing. To date, billions of dollars in clean energy manufacturing projects have been invested in Michigan as a result of the IRA.

"Michigan is the epicenter of the clean energy future thanks to our manufacturing prowess, innovative businesses, and record federal resources from the Inflation Reduction Act," said **Governor Whitmer**. "With these historic federal resources, we are shifting towards electric vehicles and clean energy, creating tens of thousands of good-paying, high-skill jobs in Michigan, bringing advanced manufacturing back to every region, and growing our economy. Thanks to President Biden's leadership, we will continue competing to win projects, bring supply chains home, and pursue a clean energy future together."

Clean energy manufacturing investments spurred by the Inflation Reduction Act

- In October 2022, Michigan-based Our Next Energy (ONE) announced it would invest \$1.6 billion to establish a battery cell manufacturing plant in Van Buren Township. ONE's founder called the IRA an "enormous gift" to shape the future of EVs.
- In May 2023, Polar Racking announced it would open a new manufacturing facility in Michigan to produce solar mounting solutions. A Polar Racking executive directly cited the IRA as a reason to expand the company's manufacturing operations.
- In May 2023, Nel Hydrogen announced plans to open a 'gigawatt electrolyzer' manufacturing facility in Michigan, a \$400 million investment that will employ over 500 people. The project will benefit from the IRA's new tax credits for clean hydrogen production.
- In October 2022, Magna invested \$526 million across several expansion projects. In March 2023, Magna announced an additional \$100 million investment to open a new seating plant to supply GM EVs in Auburn Hills. The facility is expected to create 500 new jobs, which would be represented by the United Auto Workers union.

- In February 2023, Ford Motor Company, encouraged by the IRA, announced it is investing billions
 of dollars to build the Blue Oval Battery Park in Marshall to accelerate the industry wide
 transition to electric vehicles, creating thousands of potentially good-paying jobs with the free
 choice to join a union
- In October 2022, Lear announced it would open a \$112.5 million battery plant in Independence Township. The plant will build battery connector units for GM EVs and news reports state the expansion was "in response to incentives for on-shoring included in the Inflation Reduction Act."
- In December 2022, Ultium received a \$2.5 billion Department of Energy loan thanks to the IRA for three EV battery factories, including a \$2.6 billion Ultium and LG Energy Solutions manufacturing plant in Lansing. Ultium broke ground on the Lansing facility in September 2022.

Reducing Costs for Michigan Households and Businesses through the Inflation Reduction Act

In addition to driving investments in clean energy manufacturing, the IRA will lower costs and bring clean energy and climate solutions to Michigan homes and businesses across the state. The state has already secured millions of dollars in climate-related funding that will reach Michigan residents and businesses in the coming years—and more will come as billions of dollars are made available in tax incentives and federal funding programs to tackle climate change.

- Home Efficiency Rebates Program (HOMES): A nearly \$106 million rebate program for households to make energy efficiency upgrades range from \$2,000 to \$8,000 per household for low and moderate-income households.
- **High-Efficiency Electric Home Rebate Act (HEEHRA)**. A more than \$105 million, 10-year rebate program to support low- and moderate-income (LMI) households who choose to invest in electric appliances.
- Climate Pollution Reduction Grants: A \$3 million grant to engage Michigan residents statewide in the strategic implementation of the MI Healthy Climate Plan.
- National Electric Vehicle Infrastructure Program: \$110 million Bipartisan Infrastructure Law program to create a statewide, interconnected network of DC fast chargers along the National Highway Systems.

"Since the passage of the IRA, EGLE has aggressively mobilized to leverage these dollars to improve residents' quality of life and implement the MI Healthy Climate Plan," said **Phil Roos, Director of the Department of Environment, Great Lakes, and Energy**. "These federal resources and our recently signed state budget will help us implement the climate plan and grow Michigan's clean energy economy. Programs like the HOMES and HEERA will have a real impact in people's lives—lowering their energy costs and making their homes more comfortable with energy efficient upgrades. EGLE is ready to roll up our sleeves and engage residents, businesses, and local and tribal governments on how we make these resources go as far as possible to meet our joint goals."

Mobilizing Michigan to Secure Federal Resources

Since the passage of the IRA, as well as the Bipartisan Infrastructure Law and CHIPS and Science Act, Michigan has actively mobilized to secure federal resources. Governor Whitmer proposed and secured

\$337 million for the Make it in Michigan Competitiveness Fund to help bring home more than Michigan's fair share of federal resources to grow the economy and bring more projects home.

This mobilization also included creating the <u>Michigan Infrastructure Office</u> (MIO) and signing executive directives to prepare state agencies for formula funding opportunities. Tasked by Governor Whitmer with coordinating state activities in pursuit of federal funding opportunities, MIO is driving collaboration with departments across state government.

"In response to the Inflation Reduction Act and other federal programs launched under President Biden, Michigan is embracing a collaborative ecosystem that empowers us to secure crucial federal projects while also strategically planning for their lasting impact," said **Zachary Kolodin, Michigan's Chief**Infrastructure Officer and director of the Michigan Infrastructure Office. "By pooling resources, ideas and expertise, we are not just building the infrastructure; we are crafting a legacy that will resonate across generations, fostering a stronger, more resilient Michigan for years to come."

In addition, MIO launched a Technical Assistance program to help communities leverage federal funding opportunities by providing technical assistance, planning and matching grants to connect locals, tribal governments and other eligible entities with consulting services to help identify, apply for, manage and administer federal grant funding. This program is administered with support from the Michigan Department of Transportation.

Michigan Leads the Race for Jobs and Investments

A new report from Climate Power shows Michigan continues to lead the race for jobs and investment. The report shows Michigan is the number two state nationwide for clean energy investments, with a combined \$20 billion of investment since August 2022. The report also shows Michigan leading the nation after winning 14 projects in clean energy, battery, and electric vehicle manufacturing. According to the report, Michigan has announced more than 13,000 jobs since the passage of the Inflation Reduction Act in 2022. The Climate Power report follows Michigan being named as one of three states poised to "dominate" electric vehicle battery manufacturing in the United States by 2030.

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