

## **Federal Government Goes All-In on Carbon Emissions Reduction**

**The Inflation Reduction Act of 2022 includes over \$5 billion in funding to support commercial real estate's ongoing efforts.**

By Paul Bergeron

Many commercial real estate companies are in line to reduce their carbon emissions. From faraway net-zero goals to environmental, social governance (ESG), it's the thing to do for investors and a moral obligation, they will say.

Now, the government is coming up big to assist. The Inflation Reduction Act of 2022, passed last week, aims to fight climate change and address record inflation. It includes policies that will invest in U.S. energy production, reduce carbon emissions and ensure American infrastructure is affordable, reliable, clean and secure.

This agreement comes with its own policy "promises" to aggressively reduce emissions by 2030 within the building sector and drive low-carbon procurement. The world's biggest culprits, India and China, of course, are not included.

### **'Act's' Investment Details**

It makes vital investments to "enhance embodied carbon transparency and create a more robust market for low-carbon materials, while at the same time bolstering the competitiveness of US manufacturers by providing them the tools they need to decarbonize," Stacy Smedley, Executive Director of Building Transparency, said in prepared remarks.

Among items being touted:

- efforts toward standardization of environmental product declaration (EPD) certificates, which are declarations that quantitatively evaluate and declare the environmental performance of a product or service, for construction materials;
- funding to support the development and standardization of EPDs for construction materials;
- money to install low-embodied carbon materials and products for use in General Services Administration-owned buildings; and
- reimbursements and incentivizes for the use of low-carbon materials and products for Federal Highway Administration projects.