## **United States House of Representatives Select Committee on the Climate Crisis**

Hearing on September 29, 2022
"A Big Climate Deal: Lowering Costs, Creating Jobs, and Reducing Pollution with the Inflation Reduction Act"

### **Questions for the Record**

# Dr. Quinta Warren Associate Director of Sustainability Policy Consumer Reports

### **The Honorable Kathy Castor**

1. Climate impacts are already underway in communities across the country. Electric power infrastructure is especially vulnerable to extreme weather, as we saw with the devastation from Hurricane Ian. Dr. Warren, how would the consumer incentives in the Inflation Reduction Act help families have access to rooftop solar and backup storage that could help them keep the lights on during, and immediately after, extreme weather events?

In light of rising electricity and home energy costs, the incentives in the IRA make installing solar panels and storage batteries an even more attractive investment for many homeowners than it was just a couple years ago. By allowing consumers who install solar the ability to subtract 30% of the costs of their system as a tax credit, the IRA empowers consumers to make decisions that will give them greater control over the energy resilience in their homes, which will be critical during extreme weather events that cause blackouts.

2. Dr. Warren, increasingly consumers want access to clean energy and clean vehicles. How would the incentives in the Inflation Reduction Act help increase access to these clean technologies for all Americans?

Our 2022 nationally representative surveys on electric vehicles<sup>2</sup> and home sustainability<sup>3</sup> show that one of the largest barriers preventing consumers from adopting cleaner technology is

<sup>&</sup>lt;sup>1</sup> U.S. Energy Information Administration, Short Term Energy Outlook. https://www.eia.gov/outlooks/steo/report/electricity.php

<sup>&</sup>lt;sup>2</sup> January/February 2022 Consumer Reports nationally representative Battery Electric Vehicle and Low Carbon Fuels Survey of 8,027 US adults.

https://advocacy.consumerreports.org/press\_release/more-americans-would-definitely-get-electric-vehicles/

<sup>&</sup>lt;sup>3</sup> March 2022 Consumer Reports nationally representative Home Sustainability Survey of 2,240 US adults.

https://article.images.consumerreports.org/prod/content/dam/surveys/Consumer\_Reports\_Home\_Sustain\_ability\_March\_2022

purchase costs. The IRA will alleviate that directly by providing consumers incentives to purchase new electric appliances in addition to new and used electric vehicles. By ensuring that the incentives go to middle- and lower-income consumers, the IRA will help support a clean energy transition for those who have not historically benefited from federal incentives. Not only have we seen that these clean technologies help consumers save money on fuel and maintenance costs, there are also cost savings associated with the positive health benefits that come with transitioning to cleaner technology.

#### **Additional Questions for the Record**

1. How can underserved communities take advantage of the incentives in the IRA to defray some upfront costs?

EVs and energy-efficient appliances bring consumers cost savings throughout the life of the product in reduced fuel, energy, and maintenance costs.<sup>4</sup> The income caps and MSRP caps in the IRA for new and used EVs will ensure that the incentives are going to consumers who need them the most. The incentives for the purchase of used EVs will empower consumers who rely on the secondary market for their vehicle needs with additional resources to be part of the clean energy transition. Additionally, the provisions in the bill that allow for consumers to transfer their tax credits directly to dealerships will ensure greater access to the entirety of the tax credit for those individuals who don't have the tax liability necessary to receive the full incentive.

2. How can we support implementation of IRA to get these incentives into the hands of people that need them?

There are a few different levers to ensure that implementation of IRA gets incentives to consumers who need them. Consumer Reports has a variety of tools and resources that consumers can use to understand eligibility for some of the clean technology incentives within the IRA. Most notably our EV incentive finder<sup>5</sup> helps consumers locate the relevant EV incentives based on their zip code. Additionally, we've seen that one of the most impactful ways to increase experience with clean technology is to partner with community-based organizations that can educate their local communities on the benefits that cleaner technologies can bring to their lives. Finally, automakers and auto dealerships have a critical role to play in shaping consumer perception surrounding clean technologies and increasing knowledge of available incentives. Thus it is imperative that automakers work with dealerships to educate them on the benefits of EVs and their eligibility for federal and local incentives.

<sup>&</sup>lt;sup>4</sup> New analysis from CR finds that the most popular electric vehicles cost less to own than the best-selling gas-powered vehicles in their class.

https://advocacy.consumerreports.org/press\_release/new-analysis-from-cr-finds-that-the-most-popular-electric-vehicles-cost-less-to-own-than-the-best-selling-gas-powered-vehicles-in-their-class/

<sup>&</sup>lt;sup>5</sup> Consumer Reports Electric Vehicle Savings Finder.

https://www.consumerreports.org/cars/ev-incentive-finder/?INTKEY=I23XCAT2