**How the new Inflation Reduction Act can help against climate change**

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**Miles Earl**

The fight against climate change develops with the passing of the Inflation Reduction Act this week, which will reduce carbon emissions 42% by 2030.

The act marks a significant step into making a real change against carbon emissions that last year reached the highest level in history.

Rocky Mountain Institute managing director, Justin Locke proposed his plan for reducing emissions at the North County Climate Change Alliance meeting this week.

“A centralised energy pathway would be both cheaper and more energy secure”, due to global reliance on foreign fossil fuels,” said Mr. Locke.

The pathway “incentivises instillation of efficient upgrades and carbon capture in industrial sectors”, he said.

“What we’ve consistently found is that utility scale renewables in every single scenario reduced the cost of generation,” said Mr. Locke.

The bill being “a significant boom for our work across developing countries which we refer to as the global south”, he said.

With “these countries industrialising for the first time”, making them want to “leverage their natural resources”, said Mr. Locke.

Bahamas Power and Light has also worked with Locke’s team to “design, develop, and install a solar microgrid to withstand local hazards”, he said.

“Within a 5% cost premium, primarily in Labor, you could build these assets to withstand cat 5 plus hurricanes,” said Mr. Locke.

“Many have taken a directed hit from a cat 5 and survived without a scratch,” he said.

Mr. Locke went on to express how his work in developing countries made him realise that “regulatory reform is not one-size first-all”, he said.

Possible business models include to “remove or reduce to grow electricity sales” and “align utility earning opportunities with public policy goals”, said Mr. Locke.

But solutions made in New Zealand have positioned the Rocky Mountain Institute to support their endeavours.

Outlining the problem “is not with the ultimate goal of what we’re trying to achieve but how were trying to get there”, said Mr. Locke.

“Who gets the biggest piece of the pie and who owns the assets, that is what is preventing the economics of the energy transition happening,” he said.

In Australia, managing director of Pangolin Associates, Iain Smale has spoken in an interview about his own business methods to re-produce the carbon footprint.

“Most of the work we do is the business end of it, helping people measure and reduce,” said Mr. Smale.

Focusing on “people measuring their baseline emissions, off-setting carbon credits but more importantly trying to reduce that footprint as well”, said Mr. Smale.

“We’ve seen some come by two thirds, where they’ve switched all their electricity and power and become more efficient because of covid,” he said.

Mr. Smale went on to talk about how helpful newly implemented reforms could assist in a similar manner to the Inflation Reduction Act.

“Safeguard mechanism is set at 100,000 tones so people report their baseline, if you exceed that baseline you have to offset the difference,” he said.

A new administration is “looking to reduce that baseline down to 20,000 tones,” said Mr. Smale

“Just recently this week we’ve seen talk of the Australian government bringing in mandatory emission standards for vehicles,” said Mr. Smale

Although, change for emissions in the past 12 months has already occurred with the price of carbon credit increasing.

Mr. Smale said it was “a positive outcome that prices have gone up”.

A desire from clients to remain carbon neutral leaves “a bigger driver to reduce those emissions and therefore buy less carbon credits”, he said.

While locally, state member for Box Hill, Paul Hamer was interviewed on plans in place to reach carbon emission targets in Australia.

“There has been energy upgrade programs that the government has supported… to get energy upgrades to replace electrical appliances or gas appliances,” said Mr. Hamer.

“The Andrews government has implemented carbon emission targets, renewable energy targets at interim level,” he said.

Energy demand on the grid and the network has been reduced due to solar homes initiative that allow easier access for people to reduce energy.

Mr. Hamer said, “If you don’t have solar panels on your home, there’s a program to help subsidise putting in solar panels.”

“If you already have a grid of solar panels, there’s programs to assist you in purchasing a solar battery,” he said.

While changes in parliament allowed for uptake in emissions at state wide level, with solutions that were introduced at federal level not getting passed.

The carbon pollution scheme “had reached a particular point” until the “change at federal government when they removed that legislation”, said Mr. Hamer.

**Event link-** <https://www.eventbrite.com/e/a-global-energy-revolution-blueprint-for-a-prosperous-zero-carbon-future-tickets-390707585907>

**Sources:**

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