Office of Resilience & Sustainability (ORS) HR 1 (One Big Beautiful Bill) Impacts

Last updated: Thursday, August 21, 2025

Overview

HR 1 delivers real setbacks to New Orleans' climate and resilience progress. For City-led projects like **Reconnecting New Orleans East** and the **Climate Pollution Reduction Grant (CPRG)**, we are working to protect and advance the commitments already made. Importantly, **New Orleans' $49.9 million CPRG award is fully obligated and not at risk at this time**, though the federal program's administration could still face challenges nationally.

At the same time, programs such as **Solar for All** and tax credits that directly benefited residents, small businesses, and community partners are now under threat, creating uncertainty for the broader transition to clean energy.

Despite these challenges, New Orleans remains committed to building a resilient, sustainable future. We will continue to fight for the resources our residents deserve, advocate for fairness in federal decisions, and support local organizations that are bringing renewable energy and resilience hubs to neighborhoods across our city. By working together—with government, community, and business partners—we can ensure that progress does not stop here.

Funding Recissions

Neighborhood Access and Equity Program

HR 1 Section 60019 rescinds the unobligated funds for the Neighborhood Access and Equity (NAE) Program. NAE was established by the Inflation Reduction Act and the recission of unobligated funds directly impacts two projects in the City of New Orleans.

Reconnecting New Orleans East (City of New Orleans)

The Reconnecting New Orleans East project was awarded $61,544,718 in 2024 to improve multimodal access and safety along the I-10 corridor in New Orleans East. ORS and DPW collaborated in securing the funds, and DPW is the lead on implementing the project. Of the $61.5M award, only $2,232,806 was obligated for the Base Phase before HR 1 passed. The remaining $59.3 million is rescinded. The Department of Public Works is moving forward with the Base Phase and exploring alternative funding options, though the project will now require a phased and extended timeline.

Claiborne Corridor (Louisiana Dept of Transportation & Development)

The Louisiana Department of Transportation & Development (DOTD) was awarded $2 million in planning funds to study potential I-10 ramp modifications along the Claiborne Corridor. Because DOTD had not executed a funding agreement before HR 1's adoption, this award was rescinded in full. DOTD still has a $500,000 Reconnecting Communities planning grant from 2023, which will support limited traffic data collection and scope development.

Climate Pollution Reduction Grant Program

HR 1 Section 60013 rescinds the unobligated funds for the Climate Pollution Reduction Grant (CPRG) Program. **While the City's $49.9 million CPRG award is obligated,** the recission of unobligated funds may impact the EPA's ability to manage and administer the awarded funds. ORS continues to monitor whether there will be any impacts on New Orleans.

Solar for All

The termination of the **Solar for All** program—or "Solar for Y'all" in Louisiana—was announced by the EPA in August 2025, citing HR 1's elimination of its statutory authority. At stake is $7 billion nationally, including **$156 million awarded to the Louisiana** Department of Energy and Natural Resources (LDENR) for community-based solar projects. The City of New Orleans was not a direct recipient of these funds, but regional partners were, and the program's cancellation could disrupt planned solar access and resilience hub initiatives in New Orleans.

Legal experts, however, note that this termination may exceed the EPA's authority. HR 1 rescinded only **unobligated** funds, and most of LDNER's award had already been contractually obligated. Multiple legal groups argue that attempts to claw back obligated funding are likely unlawful and could trigger litigation. While the program technically remains in force under existing contracts, the political uncertainty has created significant risk for local projects.

ORS is closely monitoring these developments and stands ready to support regional partners as they navigate legal and administrative challenges to keep solar expansion efforts moving forward.

Termination of Tax Credits

HR 1 terminates multiple tax credits established by the Inflation Reduction Act, ending most eligibility by September 30 or December 31, 2025. This impacts:

- The City's ability to receive the tax credits through the Direct Pay provision established by the IRA for investments in clean energy projects, including solar energy systems and electric vehicles.
- The ability of residents and businesses to claim credits for solar panels, EVs, home energy efficiency, and related projects.

ORS is adapting community education and outreach programs like the Community Energy Advisors Initiative to reflect the new federal policy landscape. However, the early termination of credits – especially the 48E Clean Electricity Investment Credit – poses risks to both municipal and community-led clean energy projects. For example, the planned community solar project at the former Agriculture Street landfill could lose up to 70% of expected federal incentives if not completed by 2026.

Similarly, local partners such as Together New Orleans and Feed the Second Line have been leveraging this tax credit to establish community resilience hubs in partnership with local religious institutions and small businesses, providing critical backup power to vulnerable communities during outages.

The terminated tax credits include the following:

HR 1 Section	Previous Provision	HR 1 Provision
Sec. 70501 — 25E Used Clean Vehicles Tax Credit	Tax credit for buying a used electric vehicle, up to $4,000 (with income and vehicle price limitations).	Terminates the credit for vehicles acquired after September 30, 2025.
Sec. 70502 — 30D Clean Vehicles Tax Credit	Tax credit up to $7,500 for consumers purchasing a new plug in electric or fuel-cell vehicle. IRA introduced income and price eligibility limits and battery sourcing requirements, but removed the prior manufacturer sales cap.	Terminates the credit for vehicles acquired after September 30, 2025.
Sec. 70503 — 45W Commercial Clean Vehicles Tax Credit	Tax credit for businesses and tax exempt entities to purchase new electric or fuel-cell vehicles. Credit of up to $7,500 for light duty vehicles or $40,000 for heavy trucks.	Terminates the credit for vehicles acquired after September 30, 2025.
Sec. 70504 — 30C Alternative Refueling Property Tax Credit	Tax credit for installation of electric vehicle charging stations or other alternative fuel refueling property (e.g. hydrogen fueling), generally 30% of the cost up to a cap in eligible census tracts.	Terminates the credit with respect to property placed in service after June 30, 2026.
Sec. 70505 — 25C Energy Efficiency Home Improvement Credit	Tax credit for energy efficient home upgrades (insulation, windows, doors, HVAC, etc.), up to $1,200 per year (30% of qualified improvement costs, with specific item caps)	Terminates the credit with respect to property placed in service after December 31, 2025.
Sec. 70506 — 25D Residential Clean Energy Credit	Tax credit for homeowners installing residential solar panels, solar water heaters, wind turbines, geothermal heat pumps, or battery storage. Currently 30% of the cost. Credit is 30% for installations through 2032, then drops to 26% in 2033 and 22% in 2034; expires end of 2034.	Terminates the credit with respect to expenditures made after December 31, 2025.
Sec. 70507 — 179D Energy Efficient Commercial	A tax deduction (not a credit) for energy efficiency enhancements in commercial buildings. Allows qualifying building owners or	Terminates the deduction with respect to property constructed after the date that is 12 months after enactment.

Buildings Deduction	designers to deduct an amount (up to $5 per square foot, depending on energy savings and wage requirements) for efficiency improvements.	
Sec. 70508 — Termination of New Energy Efficient Home Credit	Eligible contractors who build or substantially reconstruct qualified new energy-efficient homes may be able to claim tax credits up to $5,000 per home. The amount of the credit depends on factors including the type of home, its energy efficiency, and the date when the home is acquired.	Terminates after June 30, 2026.
Sec. 70513 — 48E Clean Electricity Investment Credit	An investment tax credit for clean electricity projects and energy storage, providing a percentage of the project's cost as a credit (technology-neutral replacement for the traditional ITC).	Terminates for wind and solar by 2028; projects that begin construction within 12 months are carved out from the 2027 "placed in service" deadline. Phased out for nuclear, geothermal, battery storage, and hydropower by 2036.