

GGRF and Labor Standards

The Greenhouse Gas Reduction Fund (GGRF), made possible by the Inflation Reduction Act, represents a \$27 billion federal investment into the clean energy economy. The majority of the funding, \$20 billion, has been awarded to a handful of [national coalitions](#) through the National Clean Investment Fund (NCIF // \$14 billion) and Clean Communities Investment Accelerator (CCIA // \$6 billion). NCIF and CCIA will redistribute this financing mainly through state green banks, community development financial institutions (CDFIs), and credit unions. Priority projects for this \$20 billion financing include net-zero buildings, zero emissions transportation, and small-scale energy generation and storage.¹ The U.S. Environmental Protection Agency's (EPA) goal is to mobilize private capital to reduce climate and air pollution while reducing energy costs, improving public health, and creating good-paying clean energy jobs in communities across the country, especially in low-income and disadvantaged communities.

In order to create good clean energy jobs with this financing, recipients and subrecipients of GGRF funds should utilize high-road labor standards in addition to adhering to the prevailing wage and domestic content required by EPA. An analysis commissioned by the BlueGreen Alliance concluded that state green banks and other sub-recipients can attach additional labor standards to NCIF and CCIA funds they receive from EPA. See below for a summary of provisions required and encouraged by the EPA:

- **REQUIRED by EPA: Davis-Bacon Prevailing Wage** – For federal and federally assisted construction projects, the Davis Bacon Act and Related Acts require contractors and subcontractors to pay their workers no less than the local prevailing wages and fringe benefits for the same type of work within the geographic area.
- **REQUIRED by EPA: Domestic Content** - The Build America Buy America Act (BABA)—which was included in the Bipartisan Infrastructure Law—was enacted to improve domestic supply chains and establish robust, comprehensive domestic content preferences across all federal infrastructure spending. BABA also applies to the federal funding from the Inflation Reduction Act including for retrofits or new construction of buildings open to the public or that serve a public function. BABA requires that 100% of iron, steel, and most construction materials be produced in the United States and 55% of manufactured products for federal infrastructure projects.
- **ENCOURAGED by EPA: Additional Labor Standards and Community Benefits** - For larger projects, legally binding agreements ensure project deliverables and benefits to workers and can benefit the community at large. This may include Project Labor Agreements, Community Workforce Agreements (CWAs), and Community Benefits Agreements (CBAs). In addition, CWAs and CBAs can include provisions such as local and targeted hire, pre-apprenticeship training programs, and other community benefits that deliver on President Biden's Justice40 initiative to ensure that disadvantaged communities receive the benefits of new and existing Federal investments. See the BlueGreen Alliance's checklist for a full list of criteria recipients and subrecipients should consider: <https://www.bluegreenalliance.org/resources/bluegreen-alliance-checklist-for-federal-funding-applications/>

Additional BGA Resources

- Memorandum on Green Banks and Labor Standards from Harrison Institute for Public Law at Georgetown Law: <https://www.bluegreenalliance.org/wp-content/uploads/2024/07/BGA-Memo-Green-Banks-External-Version-v2-7-1-24.pdf>
- Inflation Reduction Act Resource Center: <https://www.bluegreenalliance.org/site/inflation-reduction-act-and-bipartisan-infrastructure-law-resource-center/>
- Inflation Reduction Act User Guide: <https://www.bluegreenalliance.org/site/a-user-guide-to-the-inflation-reduction-act/>
- Community Benefits Planning: <https://www.bluegreenalliance.org/resources/companies-succeed-communities-benefit/>

¹ The U.S. Department of Energy (DOE) has developed a National Definition of a Zero Emissions Building—a building that is highly energy efficient, does not emit greenhouse gases directly from energy use, and is powered solely by clean energy. <https://www.energy.gov/eere/buildings/national-definition-zero-emissions-building>