FOREWORD

Lessons From Implementing the Inflation Reduction Act

A Foreword by John Podesta

By John Podesta November 17, 2026

When President Joe Biden and Vice President Kamala Harris came into office in 2021, they made a Day 1 pledge to the American people: They would heed the warnings sounded by the world's scientists that the planet was dangerously warming with dire consequences for human well-being. The Biden-Harris administration put forward a new strategy—one built on investment, innovation, job creation, high standards, and cost reduction.

The administration stopped asking what needed to be shut down to tackle the climate crisis and started asking what needed to be built—from solar panels and wind turbines to electric vehicles and battery factories to new industries such as clean hydrogen, low-carbon steel, and cement. It was working to ensure that these new industries were built here in America by American workers.

The Biden-Harris administration was determined to drive down the cost of energy to consumers by investing in new low-cost clean energy and creating hundreds of thousands of good-paying jobs. The strategy culminated in the passage of the Inflation Reduction Act (IRA), the largest investment in clean energy and climate action in world history.

The IRA set off a wave of investment that was government enabled, but private sector led. The act's clean energy tax credits sparked a boom in clean energy generation and domestic manufacturing. These investments were on track to reduce household energy costs and clean our air and water.

The law didn't just affect what we build, but how we build it. The IRA contains bonus credits for companies that pay prevailing wages and take on registered apprentices, use materials produced here in America, and locate clean energy projects in low-income communities and traditional clean energy communities. Together with the Bipartisan Infrastructure Law, the IRA spurred more than $1 trillion of new investment across the country and the creation of hundreds of thousands of jobs.

That is, until President Donald Trump reversed course, blocked investments, killed projects, laid off workers, and raised household energy prices—all in service of increasing America's dependence on fossil fuels. While some provisions of the IRA remain in effect, and individual projects continue to benefit from its long-term tax credits, the Trump administration's tragic about-face has been nothing short of disastrous for American consumers, workers, and communities.

I had the honor of serving in the White House as President Biden's point person on implementing the Inflation Reduction Act. As the attached report chronicles, the federal government moved with unprecedented speed to implement the IRA, but the report also identifies some of the most serious challenges to that implementation effort, from drafting decisions made on Capitol Hill, to overly prescriptive requirements embraced by senior and mid-level officials at federal agencies, to structural issues endemic to the federal personnel system. The report is based on 65 interviews of senior and mid-level officials and is written by some of the most effective managers charged with the implementation task. It focuses on lessons learned from implementation of the law's federal grant and loan programs and needs to be read in conjunction with the reports by the NYU Tax Law Center and by a group of administration veterans supported by the Navigation Fund who looked at the implementation of the act's tax provisions. Those tax provisions supplied the lion's share of support for new investment in the clean energy sector. Taken together, these reports are must-reads for lawmakers and agency officials who want to put the country back on the right path to reduce energy costs, cut pollution, create jobs, and make communities more secure and sustainable.

The report offers a series of excellent recommendations, but I will conclude with some personal observations from my White House experiences.

Centralized implementation. One of the Biden-Harris administration's innovations was the designation of teams at the White House—or in the case of the CHIPS and Science Act, at the Commerce Department—to manage implementation of the landmark legislation passed in the first two years of the administration. Goals, timetables, and accountability need to be established; the private sector, state, local, and tribal governments and affected communities need to be engaged; projects need to be moved forward; interagency disputes need to be resolved; Cabinet secretaries need to be encouraged to speed up or sometimes need to be told no; the need for additional personnel must be assessed and acted on; and a public communications strategy needs to be developed and implemented. That work does not happen on its own; someone has to be made responsible. In past administrations, many of these tasks fell by default to White House policy councils with relevant subject matter expertise. But most of the experience of the staff of the councils was in generating the next big idea, not managing the huge complexity of putting ideas and legislation into action. The creation of implementation teams with clear responsibility for resolving disputes among various stakeholders—both internal and external—was

essential to getting the job done and should serve as a model for future administrations seeking to deliver positive change. Future presidents will almost certainly be judged not on what they promised or passed, but what they delivered to the American people. The White House and the whole administration must be built for purpose to be judged on that delivery. The Trump administration is no exception. There is no question that senior officials, such as Deputy Chief of Staff Stephen Miller and Office of Management and Budget Director Russell Vought, are delivering on the president's priorities, such as tariffs, Immigration and Customs Enforcement detention, ballroom construction, and stripping away protections for health and safety. The president's current low approval stems not from an inability to implement his priorities, but from what he has chosen to prioritize.

Keep it simple and avoid complex, multilayered processes of delivery. The report notes some of the difficulties that were encountered by the programs designed to be implemented through the states, particularly the NEVI program to build electric vehicle charging and the rebate programs for appliances and home retrofits. In my view, the authors pull their punches on the underperformance of these programs. This was not a management problem; it was a design problem that began at the legislative stage. Federal agencies were charged with starting programs from scratch, proposing guardrails to ensure states spent the available money wisely, taking comment from the public on whether those guardrails were adequate, resolving any issues raised by those comments, receiving requests for funds from the states consistent with those guardrails, obligating the money to the states—often to offices that had no expertise in implementing similar programs—and then, in the case of the rebates, relying on consumers or contractors to have enough awareness of the program to apply for the funds. Compare that with the electric vehicle consumer credit, which was transferable to the dealer at the point of sale. A customer walks into the showroom, the dealer knows which models qualify for the credit, a quick check of income eligibility, and the customer drives out of the showroom with the credit deducted from the sticker price. It's no wonder that, before Trump and the Republicans in Congress killed it, nearly 2 million people took advantage of the 30D credit to purchase new electric vehicles, while you would need bloodhounds to find consumers who qualified for the appliance rebates. Similarly, a simple credit, 30C, available to businesses such as Walmart, hotel chains, and service stations to build charging for their customers, is likely to vastly outperform the state-implemented NEVI program. While proponents of running more programs through the states point to the fact that some—though by no means all—grant programs making awards to states have survived the illegal termination efforts spearheaded by Russ Vought, the fact remains that states vary widely in staffing, capacity, political will, and technical know-how, and diffusing responsibility considerably slows on-the-ground results. Congress needs to streamline delivery where it can, whether through easily accessible, refundable credits or more flexible legislative language that allows federal agencies to exercise maximum creativity and speed.

Starting brand-new industries from scratch requires flexibility and support from lawmakers and rulemakers. When it comes to building big, capital-intensive clean energy projects, the perfect can easily become the enemy of the good. There may be no better example of this than trying to kickstart the green hydrogen industry. Clean hydrogen can play a valuable role in decarbonizing sectors of the economy that rely on high-process heat, such as making steel and cement. But green hydrogen itself requires an enormous amount of electricity to produce, and if that electricity is produced by burning fossil fuels, there is no net benefit to the environment. Lawmakers wanted to encourage the production of green hydrogen but also wanted to ensure that the production did not induce the burning of more fossil fuels. This required complicated accounting to ensure that the hydrogen being made is using additional clean electricity that would not otherwise be used to support other uses on the grid. The administration struggled with how rigid the accounting system should be and how to phase it in. Phasing in too quickly would ensure strict environmental standards, but it would result in few projects being built. Adopting looser standards or a longer runway risked forfeiting the climate and clean air advantages of substituting green hydrogen for burning fossil fuels in industry and long-haul transportation. There is no easy or perfect answer to this tension, but my advice to future policymakers trying to build new industries from scratch such as green hydrogen and offshore wind is to give the first movers a break, starting again with less baroque legislative design to enable greater flexibility from implementing agencies. Building the know-how, the industrial process engineering and the supply chains, requires flexibility and support.

The permitting challenge and the 25/15/60 rule. One of the few issues where Republicans and Democrats seem to agree is that America got better at stopping things than building things. There is a significant debate about how to apportion blame for that problem and how to fix it. Many Democrats have embraced the "Abundance Agenda" made popular by Ezra Klein and Derek Thompson. Well before their book was published, the Biden administration's strategic focus on investing in clean energy, infrastructure, and chips and science forced us to grapple with speeding up permitting—with, as the report notes, some measurable results. Others might apply different weights, but as I thought about how to apportion effort at fixing the system, I adopted a 25/15/60 rule: 25 percent of the fix will come through legislation that cuts red tape, streamlines the review process, and eliminates outdated legal requirements; 15 percent will come from adequately staffing and investing in technology to expedite regulatory reviews; and 60 percent, the lion's share, will come from the political will of the most senior officials of the departments and agencies. Simply put, if Cabinet secretaries make permitting big projects a personal priority, permitting will speed up, roadblocks will be overcome, and projects will happen. The Biden administration tried a combination of all three. The administration embraced the need for legislative fixes and a package of permitting reforms, including the first substantial amendments to the National Environmental Policy Act (NEPA), which was passed on a bipartisan basis as part of the Fiscal Responsibility

Act of 2023. Those changes were promptly implemented through updated NEPA rules. The Inflation Reduction Act provided new resources for people and technology, which were deployed as the report notes. The most significant improvements came from the determined efforts of Cabinet secretaries to manage the process and overcome roadblocks: U.S. Energy Secretary Jennifer Granholm on transmission and offshore wind; Commerce Secretary Gina Raimondo on chip fabs; Interior Secretary Deb Haaland on solar and lithium; and Transportation Secretary Pete Buttigieg on bridges, highways, and ports. Key to that was engaging affected communities and Tribal nations early in the process and not at the end to resolve any conflicts. They were aided by the work of the statutorily created Federal Permitting Improvement Council and by the decision to task White House Deputy Chief of Staff Natalie Quillian with keeping the most important projects on track and resolving interagency disputes, of which there were many. Overall, there was significant improvement over the permitting times of the previous Trump administration, without compromising environmental integrity. As Congress concludes another round of negotiations on additional permitting reform, it would be well advised to couple targeted and strategic legislative reforms with the resources needed to carry out important reviews that have protected our air, water, and cultural heritage.

Finally, let's do unto China what it has done unto us. The central strategic goal of the Inflation Reduction Act was to spark massive investment in the industries of the future—clean energy generation and clean technology manufacturing that would spur growth, innovation, and job creation. But it had another important goal as well—to break the dependency on China for everything from critical minerals to battery components to solar cells. Through determination, manufacturing skill, and two decades of market-distorting practices, China has come to dominate virtually every part of the clean tech supply chain, despite many of the technologies originally being invented in America. China produces more than 80 percent of global manufacturing for upstream components of solar panels, including making more than 95 percent of all solar wafers in the world. Chinese battery companies have been similarly dominant, accounting for nearly 70 percent of global sales in 2025; Chinese-backed firms control 95 percent of global battery-grade graphite supplies as well. This creates both an economic security challenge and a strategic national security vulnerability. The Inflation Reduction Act contained a slew of incentives to build secure and stable supply chains in the United States and amongst its friends and allies. The private sector embraced that framework and made record-breaking investments not only in finished products such as electric vehicles and solar panels, but in virtually every part of the clean energy supply chains, from mines and critical mineral recycling to solar ingots, wafers, and cells to battery components and transformers and nacelles.

The IRA demonstrated that the United States can reinvest in its domestic clean energy manufacturing base and spur its allies and partners to do the same. However, it requires policy, patient long-term investment, and pragmatic solutions. For

instance, enabling U.S. companies to enter joint venture or licensing arrangements with Chinese firms, with appropriate and enforceable guardrails against effective control, can in fact accelerate U.S. know-how in technologies where Chinese firms have become world-class leaders. Policymakers should resist the knee-jerk political pressure to forbid any arrangement with Chinese entities, as that would in fact impede, not promote, efforts to build American capacity. China built its manufacturing prowess by inviting European and American companies to bring their expertise to China. China learned from those companies and built advanced manufacturing powerhouses. It's time we flipped that script and give American companies the chance to compete with the best equipment and know-how. That's a political challenge, but a practical necessity.

The clean energy future was, once again, being built in America, until President Trump and his administration had different ideas and a different assessment of our vulnerability. His war on clean energy combined with his decision and disastrous execution of the war with Iran has forced countries across the globe to look for alternatives to their dependency on oil and to look to China for help. It's no wonder Chinese exports of clean energy technologies have surged since March.

The bottom line: We can own the future, but first we have to commit to the race.