

IRA Programs to Reduce Embodied Carbon of Construction Materials Program update March 2024

Inflation Reduction Act (Section 60116) - Provision re Low Carbon Construction Materials –

“...identify and label construction materials and products that have substantially lower embodied GHG...based on

- 1) EPDs
- 2) Determinations by State agencies, as verified by US EPA

EPA Label Program (IRA section 60116) – This is the umbrella program for IRA-authorized low carbon construction materials. It is the program addressing Product Category Rules (PCR), Environmental Product Declarations (EPD), Global Warming Potential (GWP), and labelling. It is the program that will ultimately set the standard for leveraging federal funds. These are the 3 elements and their implementation timelines:

Phase	What	Timeline (from Feb. 2024)
I – Data Quality Improvement	PCRs & EPD	6-12 months (Aug. '24 - Feb.'25)
II - Threshold Setting	GWP	4-8 months (Dec. '24 – April '25)
III – Certifying and Labeling Materials and Products	Labeling	4-6 months (April '25 - June'25)

So far, EPA has released its approach to the overall label program and its program for updating criteria for PCRs. Different products may move through the process at different speeds. CalCIMA provided comments. A summary of the labelling program, EPD requirements, and draft PCR criteria are attached.*

Grant Program for Lower Embodied Carbon Construction Materials (IRA section 60112) – This provides \$250 million in grants for organizations to develop EPD financial assistance programs and research. All the national associations--NAPA, NRMCA, and NSSGA--have applied for grants, with CalCIMA support.

Application Period	Award Announcements	Money Available
Sept. 2023 – Jan. 2024	April 2024	Aug. 2024

FHWA Low-Carbon Transportation Materials Grant Program (IRA Section 60506) - \$2 billion in grants for state and local agencies to implement programs to incentivize low carbon materials. States can use the money to develop specifications and develop programs to use low carbon materials.

Application Period	Award Announcements	Money Available
March 25 – June 10, 2024	Sept. 2024	Obligation through Sept. 2026; expenditure through 2031

General Services Administration (GSA) Pilot Program (IRA Section 60503) – A \$2.15 billion program for GSA to conduct pilot projects using low carbon materials on 150 projects. This program requires EPD submittal and sets global warming potential for concrete and asphalt.

Duration	Status	Result
Different aspects starting Dec. 2022 and updates in May and Nov. 2023	Complete in Nov. 2023, but contracts continue	Data will help inform US EPA's labeling program, including GWP levels.

***Background on Labeling Program**

Phase I – Data Quality Improvement – This portion of the labeling program pertains to improving PCRs and EPDs.

For PCRs, these are among criteria that will need to be met for products to be eligible for the labeling program. (note: comments on draft PCR criteria due April 5).

- Allow Type III, 3rd-party verified, product specific EPDs from a single plant.
- Disclose the recycled content in the product.
- EPDs that use secondary data for more than 30% have to identify the data source.
- Data sets for materials produced outside the U.S.
- Facility-specified data for upstream processes that contribute 50% or more to the GWP
- Standards for industry-wide benchmarks

For EPDs, they must:

- Follow EPA's PCR criteria.
- Be Type III, 3rd party-verified, product-specific from a single plant
- Be publicly available and on an EPA data forum.

Once the PCRs are qualified and there are sufficient EPDs, a product can move onto phase II.

Phase II – Threshold Setting

- EPA will set the GWP threshold based on EPDs, as well as input from FHWA and GSA. (note: EPA is working with concrete and asphalt organizations to see if their industry-wide benchmark programs can be substituted for using EPDs, but no decision has been reached).
- Thresholds will likely be set similar to EPA's current interim guidance where there is a top 20%, a top 40%, and above average levels.
- Once GWP levels are set, they may be used to specify or identify low carbon materials.

Phase III – Certifying and Labeling Materials and Products

- Create a way to identify, specify, list, and purchase low carbon materials, based on the 20%, 40%, above average tiered system.