

# Indiana: How Federal Clean Energy Policy Rollbacks Can Hurt the Economy and Health

Over the next decade, U.S. federal clean energy policies, including the Inflation Reduction Act (IRA), Bipartisan Infrastructure Law (BIL), and EPA regulations on power plants, were expected to deliver major economic, health, and climate benefits. However, since January 2025, the U.S. federal government has taken a wide range of steps to roll back these policies. In support of these actions, Congress is in the midst of developing and passing a budget reconciliation bill that includes a near-total repeal of the Inflation Reduction Act. Concurrently, on Wednesday, June 11, 2025, the EPA announced plans to weaken a Biden-era regulation that required power plants to slash pollutants, including toxic substances.

The Center for Global Sustainability (CGS) at the University of Maryland released a new analysis demonstrating how repealing key federal environmental and clean energy policies would negatively impact the economy and public health.

**States such as Indiana are particularly vulnerable to rollbacks.** A clean energy transition is already well underway in the state. Over the last decade, Indiana has decreased its reliance on coal for electricity from 77.7% to 47.3%. In the process, over 86,215 jobs in clean energy were created.<sup>1</sup> This immense progress, as well as future action, is threatened by the rollback of U.S. federal clean energy policies that incentivize economic growth in the state.

## The Cost of Rollbacks in Indiana

Federal clean energy policy rollbacks **cost Indiana \$5.46 billion in GDP and \$860 million in household income** in 2035 compared to under current policies. Cumulatively over the next decade, this adds up to **\$29 billion in GDP losses and \$4.81 billion in income losses.**

Indiana also sees an over **8% increase in premature deaths** attributed to PM2.5 under federal rollbacks in 2035, compared to under current policies. This translates into **118 additional deaths per year in the state by 2035.**

## Clean Energy Projects Deliver Key Benefits in Indiana

The IRA is accelerating the clean energy transition in rural health care through its direct pay provision. Margaret Mary Health (MMH) in Batesville, Indiana, is using the IRA's Investment Tax Credit for clean energy to support construction of a \$115 million replacement hospital, set to be one of the most energy-efficient hospitals in the state.<sup>2</sup> The all-electric facility is on track to open in 2026,<sup>3</sup> and includes a geothermal energy system with 200 wells that significantly reduce energy use and operating costs. IRA payments are projected to save MMH over \$2 million, helping to advance the hospital's long-term energy and sustainability goals without increasing costs.<sup>4</sup>

This project demonstrates how IRA provisions are enabling rural health centers to adopt clean, resilient energy systems that support public health, reduce emissions, and enhance service continuity in the face of climate-related disruptions.

In addition to state impacts, the report found that federal climate policy rollbacks would result in:

- **A cumulative \$1.1 trillion loss in U.S. GDP by 2035**
- **A cumulative \$160 billion drop in disposable income by 2035**
- **An additional cumulative 22,800 deaths of Americans by 2035**
- **A nearly 10% higher annual PM2.5 concentration in 2035**
- **A \$206 average annual increase in household energy costs in 2035**

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Download the report to learn more at [go.umd.edu/ImpactsofFedClimateRollbacks](https://go.umd.edu/ImpactsofFedClimateRollbacks)