

Louisiana: 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 Louisiana are particularly vulnerable to rollbacks. In recent years, to support industrial and economic growth, Louisiana has taken strides to develop clean hydrogen clusters throughout the state. The emerging clean hydrogen sector leverages existing infrastructure in Louisiana, such as its robust port system, and works to create jobs, increase educational opportunities, and protect the environment.¹ This 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 while accelerating the energy transition.

The Cost of Rollbacks in Louisiana

Federal clean energy policy rollbacks **cost Louisiana \$4.4 billion in GDP and \$572 million in household income in 2035** compared to under current policies. Cumulatively over the next decade, this adds up to **\$23.3 billion in GDP losses and \$3.25 billion in income losses.**

Louisiana also sees a **2% increase in premature deaths** attributed to PM2.5 under federal rollbacks in 2035, compared to under current policies.

Clean Energy Projects Deliver Key Benefits in Louisiana²

Louisiana's clean hydrogen economy has been significantly propelled by the IRA, which created the Section 45V tax credit, a critical incentive supporting billions in investments by companies like CF Industries, Air Products, and Plug Power.³ This credit has enabled 46 hydrogen and ammonia-related projects across the state, many of which are focused on reducing emissions in communities burdened by industrial pollution. However, the rollback of IRA tax credits would put these multibillion-dollar projects at risk. Without federal support, the economic viability of Louisiana's hydrogen industry could be severely undermined.

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