INVESTING IN ARIZONA'S INFRASTRUCTURE

July 2025

ATLAS PUBLIC POLICY

$6 billion awarded through IIJA and IRA

$9 billion in private investment and **13,200 jobs** in manufacturing

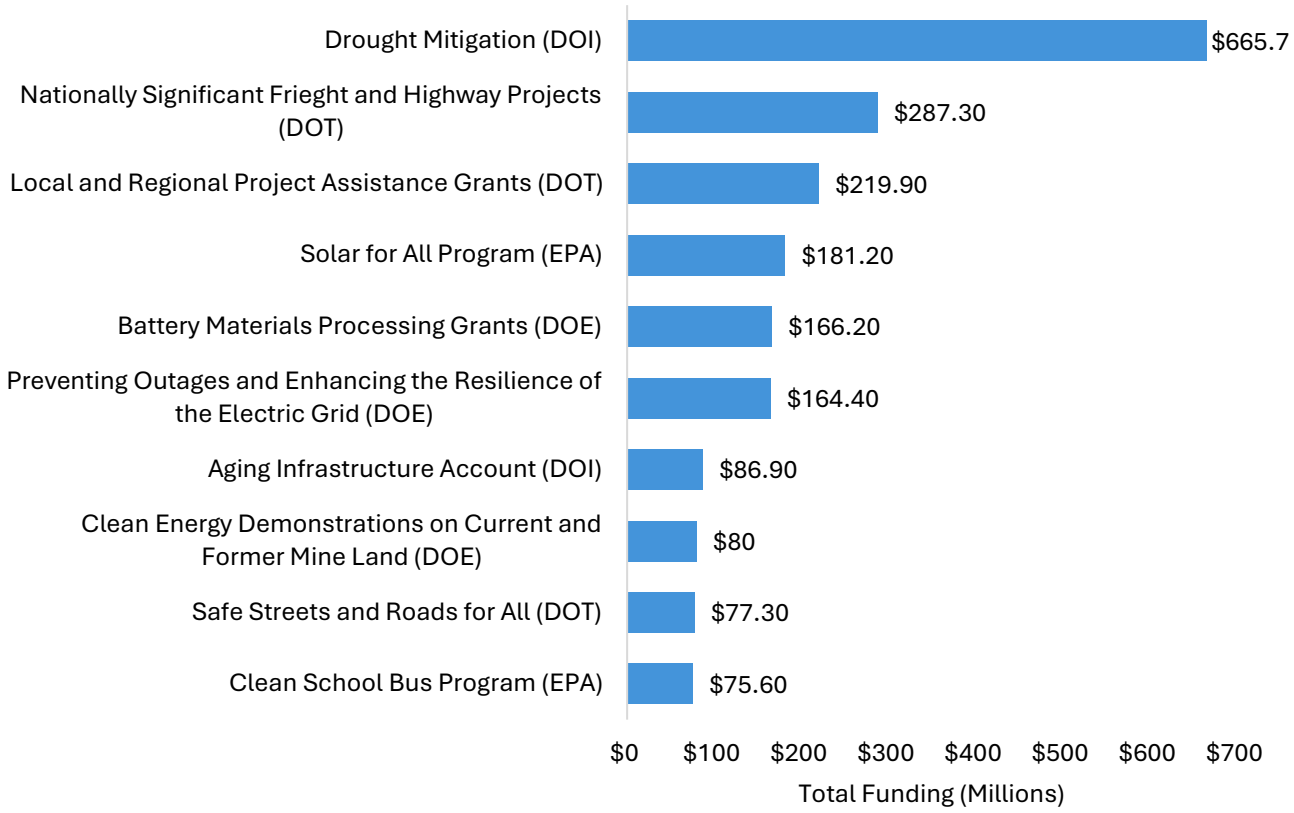
5th highest overall clean energy generation capacity

The Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) have catalyzed public and private infrastructure investment in Arizona. In total, the state has seen nearly $15 billion in federal funding and private industry investment, supporting drought mitigation, multi-modal transportation across districts and jurisdictions, and clean energy generation. The growth of Arizona's clean energy manufacturing has led to the announcement of 13,200 new jobs.

$6 Billion in Public Infrastructure Investments

Arizona has been awarded $6 billion in federal funding for climate and water projects from the IIJA and IRA, excluding loans and tax credits. Of the total, $3.54 billion has gone to 87 climate programs, $2 billion has gone toward 89 water programs, and $460 million toward 20 overlapping programs. The following 10 programs have the largest amounts of federal funding awarded in the state, reflecting key investments across critical sectors.

Figure 1: Federal Clean Energy Awards for Arizona by Program



The above figure represents federal competitive grant funding received in Arizona, divided by program. This excludes formula grant programs, loans, and tax credits received by recipients in Arizona. This includes both funding that has been awarded and proposed to be canceled, but not funding confirmed to be canceled. The figures are in millions of dollars. Data as of 6/13/2025.

Source: Climate Program Portal Outcomes Dashboard and Water Program Portal Outcomes Dashboard

Water Infrastructure Investments: Gila River Indian Community's Solar-Covered Canal Project

On December 8, 2023, the Department of the Interior announced a $5.65 million award to the Gila River Indian Community through the Inflation Reduction Act's Canal Improvement Projects program. The project intends to cover 2,782 linear feet of the Casa Blanca canal in Arizona with over 2,500 solar panels. Altogether, the panels will have a generation capacity of 1.31 megawatts, able to produce 2.26 million kilowatt-hours of electricity for the Gila River Indian Community.

The project is formulated as a five-year pilot to study the impacts of solar panel coverings over canals on evaporation loss as well as the cooling effect of the water on the efficiency and productivity of the solar panels. In this fashion, the Casa Blanca canal project represents a marriage of water and clean energy infrastructure, providing learnings for similar projects to come.

Read about this project and others on the Water Program Portal's Outcomes Dashboard.

$932 Million in Funding Is at Risk of Cancellation

We have tracked $30 million in proposed canceled funding for Arizona, according to data from the Outcomes Dashboard and as illustrated in the table below. More than half of that funding stems from the Environmental Justice Community Change Grants totaling $20 million. Additionally, two recipients – KORE Power and Kohler – have confirmed the cancellation of their funding (the former was a loan), bringing Arizona's canceled funding total to approximately $932 million.

Table 1: Canceled Grants and Loans in Arizona

Program	Agency	Tracked Canceled Amount
Environmental Justice Community Change Grants	Environmental Protection Agency	$20 million
Building Resilient Infrastructure and Communities	Department of Homeland Security	$4.4 million
Supplemental Funding for Thriving Communities Technical Assistance Centers (TCTACs)	Environmental Protection Agency	$3 million
Environmental Justice Government-to-Government	Environmental Protection Agency	$2.1 million
Environmental Justice Collaborative Problem-Solving Cooperative Agreement Program	Environmental Protection Agency	$1.4 million
Advanced Industrial Facilities Deployment Program (Kohler)	Department of Energy	$51.2 million
Advanced Technology Vehicle Manufacturing Loan Program (KORE Power)	Department of Energy	*$850 million*[1]

Proposed canceled refers to funding where termination has been declared by the Agency, but is either being litigated or not yet confirmed. Confirmed canceled is where there is agreement by all parties that a grant has been canceled. Data as of 7/7/2025.

[1] Note that Kore Power's funding is a loan.

Note: This list only includes some of the programs getting cut under the One Big Beautiful Bill, signed on July 4, 2025. See the full list of rescinded programs here.

Source: Climate Program Portal Outcomes Dashboard

13,200 Clean Energy Manufacturing Jobs Announced

Alongside the federal funding described above, private companies have announced **$9.1 billion in investment** in clean energy manufacturing in Arizona, most of which has been announced since the passage of the IIJA (73 percent) and is slated for Republican districts (98 percent). This is expected to create over **13,000 jobs,** per the Clean Economy Tracker.

The top three sectors receiving the most investment in Arizona are:

BATTERIES
$6.79 billion announced to support 5,254 jobs

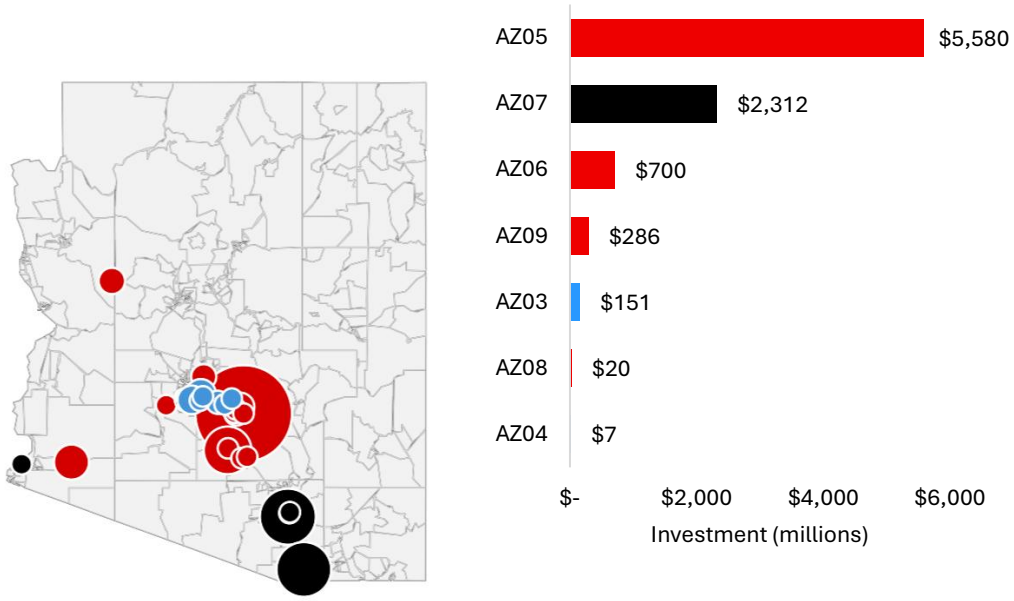
MINERALS
$1.3 billion announced to support 550 jobs

ELECTRIC VEHICLES
$730 million announced to support 6,080 jobs

Source: Announced investments and jobs sourced from the Clean Economy Tracker

The largest manufacturing facility by investment is the LG Energy Solution facility for battery production, which has a total of $5.5 billion in announced investments and 2,800 announced jobs. This is followed by the American Battery Technology Company battery facility, at $1.2 billion in investment and 1,000 jobs. Lucid Motors is also anticipated to generate 6,000 jobs with their $700 million investment in electric vehicle manufacturing. The congressional district with the highest investment, at $5.6 billion, is AZ-05, represented by Republican Andy Biggs.

Figure 2: Manufacturing Investment by Congressional District in Arizona



In the figure on the left above, dot size indicates size of investment in dollars, and color indicates the party of the Congressional Representative of the district where the facility is located (Black is unknown, generally a currently empty seat). The figure on the right reflects clean technology manufacturing investment by Congressional District in Arizona. Investments without an exact address are not included in any district totals. Data as of 6/10/2025.

Source: Clean Economy Tracker

Clean Energy Generation and Technology Deployment

As of Q1 2025, per the Energy Information Administration, Arizona has an installed nameplate generation capacity[2] of 1,235 megawatts (MW) in wind power, 5,890 MW in solar, and 2,860 MW in battery storage capacity. Taken together, this is enough to power approximately 1.8 million homes per year.[3] Additionally, Arizona has the fifth-highest overall clean energy generation capacity in the nation as of mid-2025.

SOLAR
5,890 MW
10,110 jobs

WIND
1,235 MW
1,403 Jobs

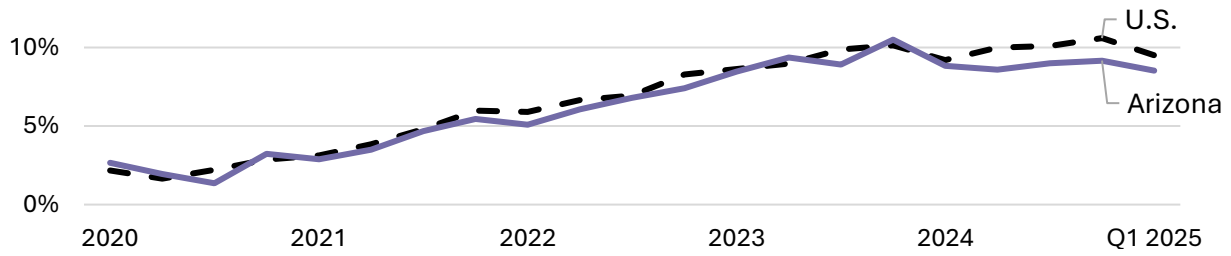
BATTERIES
2,860 MW

Source: Job counts are sourced from the USEER 2024 State Report, nameplate generation capacity is sourced from Energy Information Administration.

Electric Vehicle Adoption

Arizona has 127,993 EVs on the road, and 8.5 percent new EV sales market share as of Q1 2025, up from 2.7 percent in 2020.

Figure 3: National vs Arizona EV New Sales Market Share Over Time



The figure above represents the sales market share of new electric vehicles in the United States and in Arizona, by quarter.

Source: EV Hub

[2] Nameplate generation capacity is the maximum amount of electricity a generator can produce under specific conditions.
[3] Homes powered is estimated using the average capacity factor for each technology from the National Renewable Energy Laboratory and average energy use per home from the Energy Information Administration.

Building Electrification

Arizona does not have a statewide code, opting to give local governments the power to set codes at levels they see fit. However, if the state did implement modest efficiency codes, it could save consumers (compared to 2009 residential and 2010 commercial codes):

$120 saved per 1,000 sq ft per year for commercial buildings

$305 or 15 percent saved per year for residential buildings

Source: Department of Energy State Energy Codes