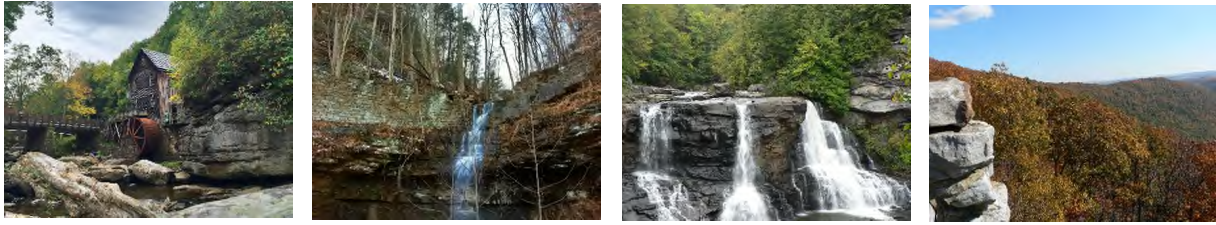


# Climate Pollution Reduction Grant Program

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Laura Crowder  
Director, Division of Air Quality  
Public Energy Authority Meeting  
July 26, 2023



1

# Climate Pollution Reduction Grant Program

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- **Phase 1:** Non-competitive planning grants to develop climate pollution reduction strategies (\$250 million)
  - WV \$3 Million over 4 years
- **Phase 2:** Competitive implementation grants to help put plans into action (\$4.6 billion)
  - WV – Competitive



2

## One planning grant, three deliverables over 4 years

### Priority Climate Action Plan (PCAP)

- Due **March 1, 2024**
- Near-term, implementation ready, priority GHG reduction measures
- Prerequisite for implementation grant funding

### Comprehensive Climate Action Plan (CCAP)

- Due in 2025
- All sectors/significant GHG sources and sinks
- Near- and long-term GHG emission reduction goals and strategies

### Status Report

- Due in 2027
- Updated analyses and plan
- Progress and next steps



3

## Eligible Activities under the Planning Grant

- Projects that are directly related to the development, updating or evaluation of plans to reduce GHG emissions and/or enhance carbon sinks. In general, may be used for:
  - Staffing and contractual costs necessary to develop the PCAP, CCAP and Status Report
  - Planning and implementing meetings, workshops, and convenings to foster collaboration among and between levels of government, the public, and key stakeholders
  - Outreach and education for stakeholders and members of the public
  - Subawards to academic institutions, non-profits, etc.
  - Modeling and analytical costs
  - Studies, assessments, data collection, etc.
  - Evaluation and metrics-tracking activities
  - Training and staff capacity-building costs
  - Supplies
  - Incidental costs, including travel and indirect costs



4

## WV DEP

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- WV DEP is the lead agency on the Planning Grant
- Working with
  - West Virginia University
  - Marshall University
  - In-2-Market (non-profit)
- To develop an all of the above energy strategy
- Will actively engage other agencies and municipalities to identify GHG reduction measures for inclusion in the PCAP



5

## Eligible Entities

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- States
- Air Pollution Control Agencies
- Municipalities
  - City, town, borough, county, parish, district, or other body created by or pursuant to state law
  - A group of municipalities, such as a council of governments, may be considered an eligible entity
- Tribes
- Groups of one or more of these entities



6

## Interagency and Intergovernmental Coordination

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- Lead agencies must coordinate with agencies with responsibilities in different program areas, such as
  - Environmental protection, energy, utilities, transportation, housing, waste management and land use planning
- State Requirements
  - Collaborate with municipalities within the state to develop the PCAP and over the duration of the grant
  - Identify and include priority measures in the state PCAP that can be implemented by collaborating entities



7

## Example GHG Reduction Measures

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- Energy Efficiency
- Renewable Energy
- Supply Chain
- Waste Reduction and Diversion Strategies
- Reduce Methane Emissions
- Increase Fuel Efficiency in Transportation and Logistics



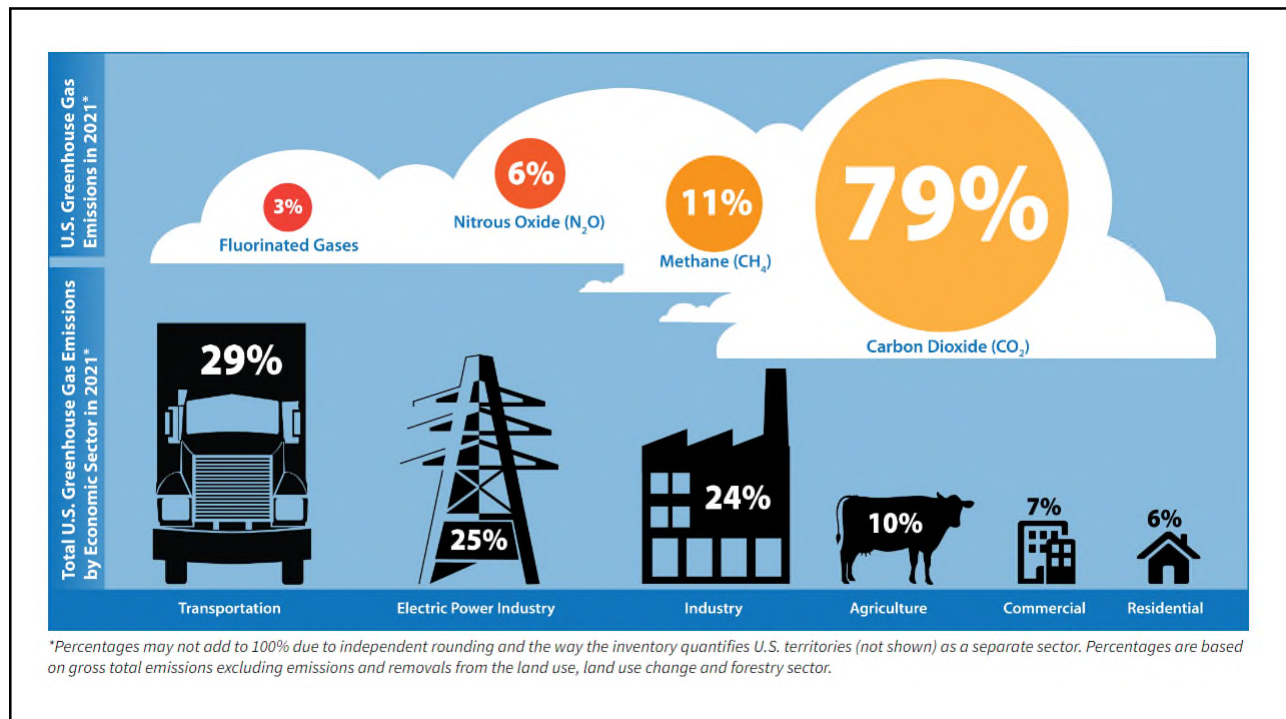
8

## Planning Grant Deliverable Requirements

Plan Element	PCAP	CCAP	Status Report
GHG Inventory	Required	Required	Update Encouraged
GHG Emissions Projections	Not Required	Required	Update Encouraged
GHG Reduction Targets	Not Required	Required	Not Required
Quantified GHG Reduction Measures	Required (Priority measures only)	Required	Status and Updates Required
Benefits Analysis	Encouraged	Required	Required
Low Income/Disadvantaged Community Benefits Analysis	Required	Required	Required
Review of Authority to Implement	Required	Required	Update Required
Intersection with Other Funding Availability	Encouraged	Required	Required
Workforce Planning Analysis	Encouraged	Required	Required
Next Steps/Future Budget Staffing Needs	Not Required	Not Required	Required

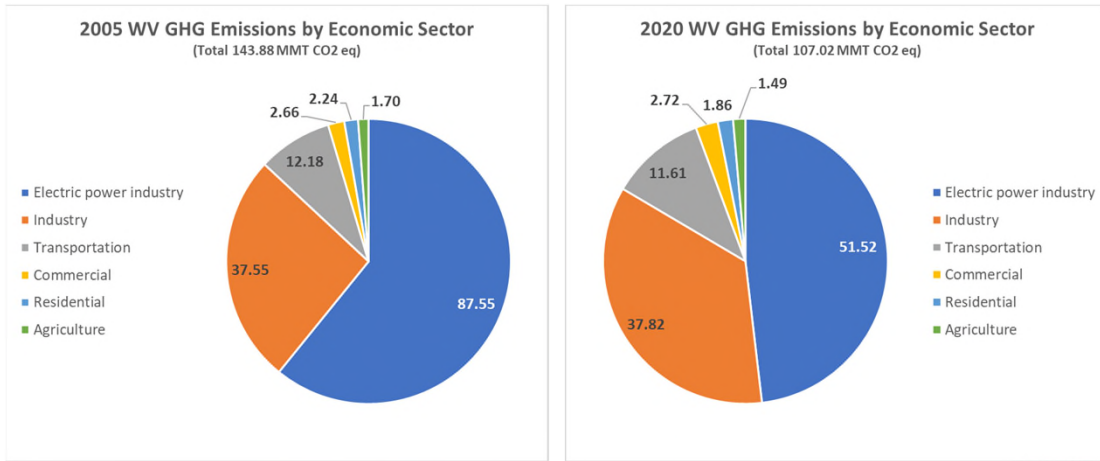


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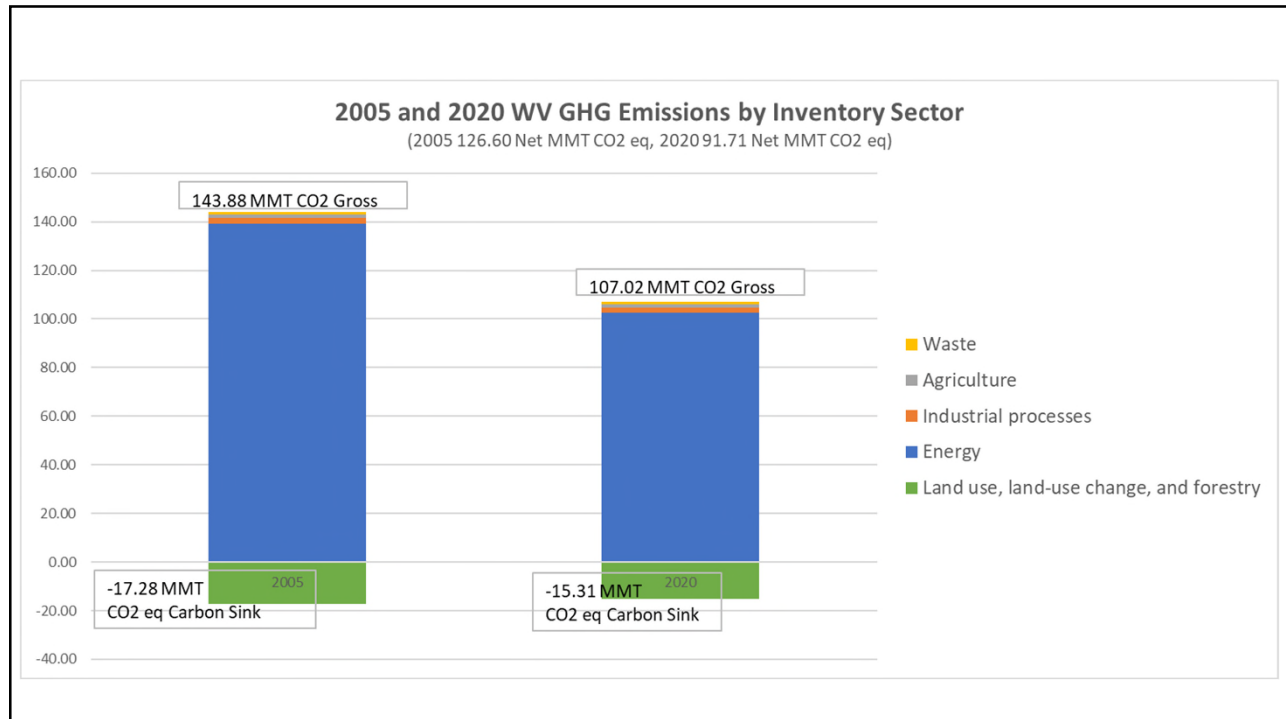
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## Comparison of 2005 and 2020 GHG Emissions



% Change from 2005: Electric power Industry -41%, Industry 1%, Transportation -5%, Commercial 2%, Residential -17%, Agriculture -13%, Total -26%

11



12



## Quantified GHG Reduction Measures

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- Selection of measures should be based on the GHG emissions information and focus on achieving the most significant GHG reductions possible, while considering other relevant planning goals.
- Measures may include those that reduce GHG emissions and/or enhance carbon sinks.
- The rationale for selection may include other factors, such as reduction of co-pollutants, benefits to low-income/disadvantaged communities, cost-effectiveness, or other economic factors.
- Projected emissions reductions should be quantified to the extent possible.



13

## Benefits Analysis

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- Assess benefits of GHG reduction measures across the state
- Include base year estimates of co-pollutants and anticipated co-pollutant reductions as measures are implemented.
- Encouraged but not required in PCAP, Required in CCAP
  - Analysis of air quality improvements
  - Improved health outcomes
  - Economic benefits
  - Increased climate resilience
  - Other environmental benefits



14

## Low Income/Disadvantaged Community Benefits (LIDAC) Analysis

- The authorizing statute specifies implementation grant applications include information on the extent of GHG reductions for low-income and disadvantaged communities.
- Examples of community benefits include:
  - Co-pollutant emission reductions
  - Increased climate resilience
  - Improved access to services and amenities
  - Jobs created and workforce development
  - Decreased energy costs due to efficiency improvements



15

## Climate Action Plans and Co-Pollutants

- Many processes that emit GHGs also emit a wide range of other air pollutants (co-pollutants), such as NO<sub>x</sub>, SO<sub>2</sub>, PM<sub>2.5</sub>, CO, VOCs, and air toxics.
- The environmental benefits from co-pollutant emissions reductions are immediate, tangible, and predominantly local.
- GHG reduction measures can lead to decreases in co-pollutants.
  - For example, a reduction in local fossil fuel combustion will lead to both reduced GHG and co-pollutant emissions.
- GHG reduction measures may lead to unintended increases in co-pollutants.
  - For example, an increase in electricity usage may reduce GHG emissions in total, reduce co-pollutant emissions where the electricity is consumed, but increase co-pollutant emissions where the electricity is generated (e.g., increased EV deployment).

U.S. Environmental Protection Agency

16



## Implementation Grants

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- EPA expects to hold 2 competitions for Implementation Grants – total \$4.6 Billion
  - A general competition (states and municipalities), and a competition for tribes and territories
- Eligible entities and measures included in an applicable PCAP will be eligible to apply for implementation funding
- EPA anticipates awarding individual grants between \$2 million and \$500 million, with funding tiers allowing comparably sized projects to compete against one another.
  - For the competition for tribes and territories, EPA anticipates awarding individual grants ranging between \$1 million to \$25 million.
- EPA anticipates announcing final details and issuing Notices of Funding Opportunities in September 2023
- Applications for the General Implementation Grant will likely be due on or around April 1, 2024



17

## Intersection with Other Funding Availability

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### PCAP

- Encouraged: Analysis of additional funding opportunities beyond the CPRG program to support GHG emission reduction measures and strategies

### CCAP

- Must identify other funding programs available or that have been secured from federal, state, local and private sources that could be leveraged to pursue the objectives of the CCAP



18

## Tackling Climate Pollution (<https://www.epa.gov/inflation-reduction-act/tackling-climate-pollution>)

- Climate Pollution Reduction Grants - \$5 Billion
- Methane Emissions Reduction Program - \$1.55 Billion
- Environmental Product Declaration Assistance - \$250 Million
- Labeling for Substantially Lower Carbon Construction Materials - \$100 Million
- Low Emissions Electricity Program - \$87 Million
- Permitting and Approvals - \$40 Million
- The American Innovation and Manufacturing (AIM) Act Implementation - \$38.5 Million
- Methane Emissions Monitoring - \$20 Million
- Renewable Fuel Standards (RFS) Program - \$15 Million
- Greenhouse Gas Corporate Reporting Program - \$5 Million
- Supporting State GHG and Zero-Emission Transportation Standards - \$5 Million



19

## Greenhouse Gas Reduction Fund (<https://www.epa.gov/greenhouse-gas-reduction-fund>)

- \$27 Billion investment
  - **National Clean Investment Fund - \$14 Billion** - grants to 2–3 national nonprofit clean financing institutions capable of partnering with the private sector to provide accessible, affordable financing for tens of thousands of clean technology projects across the country (**Applications due 10/12/23**)
  - **Clean Communities Investment Accelerator - \$6 Billion** - grants to 2–7 hub nonprofits that will, in turn, deliver funding and technical assistance to build the clean financing capacity of local community lenders working in low-income and disadvantaged communities—so that underinvested communities have the capital they need to deploy clean technology projects (**Applications due 10/12/23**)
  - **Solar for All - \$7 Billion** - up to 60 grants to states, territories, Tribal governments, municipalities, and nonprofits to expand the number of low-income and disadvantaged communities primed for residential solar investment (**Notice of Intent for states due 7/31/23**)



20

# Questions?

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