

EPN Comments in Response to EPA's Request for Information: Climate Pollution Reduction Grants

Docket No.: EPA-OAR-2022-0873

January 18, 2023

The Environmental Protection Network (EPN) applauds the U.S. Environmental Protection Agency (EPA) for requesting stakeholder input as the agency develops a new Climate Pollution Reduction (CPR) Grants program. In addition to the comments below, EPN is pleased to offer our ongoing support in any way that our volunteers can be of help to EPA and stakeholders in meeting the goals of the program.

About EPN

EPN enhances the capacity of environmental agencies and the communities they serve in order to meet urgent public health and environmental challenges, including environmental justice, climate change, air and water pollution, toxic substances, hazardous waste, and more. EPN especially focuses on providing pro bono support to communities that are disproportionately impacted by toxic pollution as they strive to navigate government regulations, tools, data, and funding.

EPN deploys the non-partisan expertise of more than 550 former EPA staff who volunteer their unique perspectives as former regulators, scientists, permit issuers, and grant providers with decades of historical knowledge and subject matter expertise. EPN's professional staff and expert volunteers connect with local communities, NGOs, the media, and public officials throughout all of EPA's ten regions.

Summary of EPN's Recommendations

- (1) Planning grants should maximize a **cooperative federalism approach to climate change** and be made available to all states and Tribes ready and willing to work toward shared climate goals.
- (2) In allocating implementation grants, EPA should look first where the need is greatest and **"follow the pollution"** to pursue the greatest climate and environmental justice benefits.
- (3) EPA should develop and maintain a **new state greenhouse gas emission tracking system** that provides timely data to the public and encourages, but does not depend on, state-managed inventories.
- (4) EPA should use the \$142.5 million available to fund EPA's essential administrative responsibilities in carrying out the program, including, importantly: **developing model plans** and other useful planning tools for states, Tribes, and local governments, as well as supporting EPA regions to work with states, Tribes, and local governments to reduce climate pollution.

A Brief Summary of EPA's CPR Grants Program

Under the Inflation Reduction Act, EPA received \$5 billion to implement a new Clean Air Act program: "Greenhouse Gas Air Pollution Plans and Implementation Grants," also called "Climate Pollution Reduction (CPR) Grants." This multi-year funding consists of:

- \$250 million for planning grants
- \$4.6 billion for climate implementation grants
- \$142.5 million for funding EPA's essential administrative responsibilities in carrying out the program

As summed up by EPA in its Request for Information (RFI), the funding is intended “to assist states, air pollution control agencies, Tribes and local governments to develop and implement strong climate pollution reduction strategies. These eligible entities can apply for planning grants and then apply for grants to implement those plans.”

Recommendation #1

Planning grants should maximize a cooperative federalism approach to climate change and be made available to all states and Tribes ready and willing to work toward shared climate goals.

The backbone of America's environmental protection is its system of cooperative federalism between states, Tribes, and federal agencies. Since EPA's formation, the federal-state-Tribal relationship has been a critical part of each strand of the agency's DNA, guiding key functions such as regulations, grants, enforcement, and information disclosure.

There is broad, bipartisan engagement among states and Tribes for EPA's important role within the cooperative federalism model. This support is a major theme, for example, of the bipartisan 2017 *Cooperative Federalism 2.0* report by The Environmental Council of the states (ECOS)¹

“Initially, when states first began to implement programs delegated to them in the 1970s and 1980s, many state programs benefitted not only from federal funding, but also from significant U.S. EPA oversight. Over the last 45 years, states have become the primary implementers of these environmental statutes, such that today, states have assumed more than 96 percent of the delegable authorities under federal law.”

Even in an era of sometimes intense disagreements about regulations, there is always room for cooperation between EPA and states and Tribes. Consider the tangible progress and benefits delivered to communities and businesses year after year, decade after decade, as states, Tribes, and EPA have worked together to deploy federal funding and provide clean drinking water, clean up contaminated sites, reduce air pollution, and more.

Historically, the cooperative federalism model has been applied in every major area of EPA's work, with one notable exception: the lack of adequate federal resources to support states and Tribes to cooperatively tackle climate change.²

The CPR Grants program therefore represents a pivotal opportunity to reimagine the roles of the federal government, states, and Tribes on climate change and propel cooperation that delivers significant economic, environmental, and health benefits to communities throughout the nation.

¹ The Environmental Council of the states (ECOS), “[Cooperative Federalism 2.0: Achieving and Maintaining a Clean Environment and Protecting Public Health](#),” June 2017.

² See: Profeta, Tim, and Symons, Jeremy, “[Federal Grants to states: Opportunities for Climate Change Assessment, Planning, Programs, and Information Exchange](#),” Duke University Nicholas Institute for Environmental Policy Solutions, June 2020.

The potential benefits of this opportunity are significant. By gaining access to these federal resources, states, Tribes and local governments can provide regional economic and job growth in clean energy sectors, diversify energy portfolios to protect consumers from global energy swings, and protect the health of local communities, especially those overburdened by the legacy of toxic pollution.

The national benefits are also compelling. Attaining the U.S. goals of net-zero emissions before mid-century (and cutting emissions in half or more by 2030) requires a nationwide approach that leaves no state behind. Today, there is an unhealthy imbalance across the nation. Many states have widely different levels of climate planning and action. Increasing the capacity of all states to effectively plan and take action to reduce emissions will deliver nationwide benefits and be essential to achieving national goals.

The most important ingredient of a successful grants program will be cooperation that encourages the federal government, states, and Tribes to row in the same direction, following a shared commitment to strong plans that cut climate pollution and grow state/Tribal economies.³ By aligning climate planning, EPA and states can also shine a brighter light on the road ahead so businesses and government agencies alike can better understand the government context of their investment decisions, ensuring investments are creating economic and environmental benefits rather than working at cross purposes.⁴

To fully implement a cooperative federalist approach to climate change, EPA regions should work actively and rapidly to build collaborative, results-oriented relationships with all willing states and Tribes to implement the CPR Grants program. The \$250 million of planning resources should be utilized for capacity building, planning, and implementation of greenhouse gas reduction strategies in all states and Tribes that are ready to pursue shared goals, especially in terms of strong, timely reductions in greenhouse gas emissions.

EPA should move quickly to begin disbursing state planning grants early in 2023, while leaving room for ongoing engagement with states that lack capacity to rapidly engage in grant applications. EPA should create multiple tracks that allow applicants that don't currently have climate plans extra flexibility and time to develop these plans, but also speeds grant delivery to other applicants that can build on prior work and are ready to go. EPA should also allow grant dollars to be partially re-deployed by applicants to third parties that can help them develop plans and engage stakeholders.

EPA should deploy a transparent, point-based system for planning grant applications. EPA should award points to states, Tribes and local governments (including air pollution control agencies) based on how well they meets requirements in key areas, including:

- clear, measurable greenhouse gas reduction goals and operational plans
- clear, measurable environmental justice goals and operational plan

³ We agree with EPA's characterization in the RFI that funds should be used to "develop and implement **strong**, climate pollution reduction strategies" (emphasis added).

⁴ "With proper planning, states can help steer investments to ensure that economic and environmental goals go hand-in-hand, rather than sending critical public investment dollars in different directions." Source: Profeta and Symons, *ibid*.

- ability to ensure proper administration and accountability of grant dollars
- clear plans to thoroughly engage stakeholders, such as community-based organizations that serve disadvantaged communities

EPA may not have sufficient funds to meet all planning grant applications that meet EPA's criteria. In prioritizing planning funds, EPA should first prioritize getting some amount of funding to all states, Tribes, and air pollution control agencies that meet EPA's criteria. In allocating remaining planning funds to local governments that have met EPA's criteria, the agency should prioritize localities in regions where the need is great (see Recommendation #2) and where states and Tribes fail to step up with their own planning that meets EPA's criteria.

Recommendation #2

In allocating implementation grants, EPA should look first where the need is greatest and “follow the pollution” to pursue the greatest climate and environmental justice benefits.

As with any undertaking, EPA should look first where the environmental and public health problems are most acute. In implementing the CPR Grants, we recommend that EPA “follow the pollution” to pursue the greatest climate and environmental justice benefits. This includes prioritizing regions and sectors where greenhouse gas emissions are highest and reductions are most needed, as well as prioritizing projects that benefit underserved communities that suffer from a cumulative legacy of toxic pollution.

An effective nationwide strategy to reduce climate pollution cannot be based on an oversimplification that every ton of emissions reductions matters equally. Even though the climatic impact of any given amount of a greenhouse gas is the same regardless of its source, the emission of those greenhouse gasses is merely the last link in a long chain of complex factors that have unequal impacts on the shape and direction of America's emissions pathway. An effective nationwide strategy must look deeper at where the pollution is heaviest today and where it is trending for the future, all within the context of the environmental goals.

This principle of contextualizing climate impacts beyond simple spreadsheet calculations of greenhouse gasses is embodied in [CEQ's interim NEPA guidance](#) to assist agencies in analyzing climate change impacts, noting that assessments must “*place emissions in relevant context, including how they relate to climate action commitments and goals.*” While the climate grants program does not fall under this guidance, the principle still applies.

The United States' goals for cutting greenhouse gas emissions are clear. In 2021, President Biden, after consultation with states, local and Tribal government, and in accord with The Paris Agreement, [set a measurable goal](#) for reducing greenhouse gas emissions this decade:

“After a careful process involving analysis and consultation across the United states federal government and with leaders in state, local, and tribal governments, the United states is setting an economy-wide target of reducing its net greenhouse gas emissions by 50-52 percent below 2005 levels in 2030.”

Congress later passed the Inflation Reduction Act and provided EPA with CPR Grants resources to help states, Tribes, and municipalities implement “programs, policies, measures, and projects that will achieve or facilitate the reduction of greenhouse gas air pollution.”

The question that EPA must address, therefore, is how to best allocate the \$4.6 billion in implementation grants in the most effective manner to help the U.S. cut its nationwide goal of cutting emissions by half or more by 2030.

EPA faces somewhat of a paradox as it looks at the geographic distribution of emissions across the country, as well as at the state of climate planning among states. A number of states have previously developed climate plans and policies that, to their credit, position them as potentially highly-effective partners to leverage additional support to cut emissions. Specifically, 22 states have developed greenhouse gas reduction plans (or passed comprehensive climate laws) within the past five years, or currently have plans/updates under development.⁵

However, the bulk of emissions in the nation today, and looking forward, are located in states that do not yet have an operational plan to reduce greenhouse gas emissions. Many of these 28 states have never attempted to write such a plan, and now need to build any such effort from scratch to participate in the CPR Grants program.

As shown in the following graphs, 58 percent of U.S. greenhouse gas emissions in 2022 are estimated to be from the 28 states that do not have a climate plan today.⁶ These states' share of emissions are projected to increase to 61 percent by 2030, according to Rhodium Group's central reference case (which includes the effects of the Inflation Reduction Act). Looking backward, about 53 percent of U.S. emission reductions since 2005 have occurred in the states that lack modern climate plans.

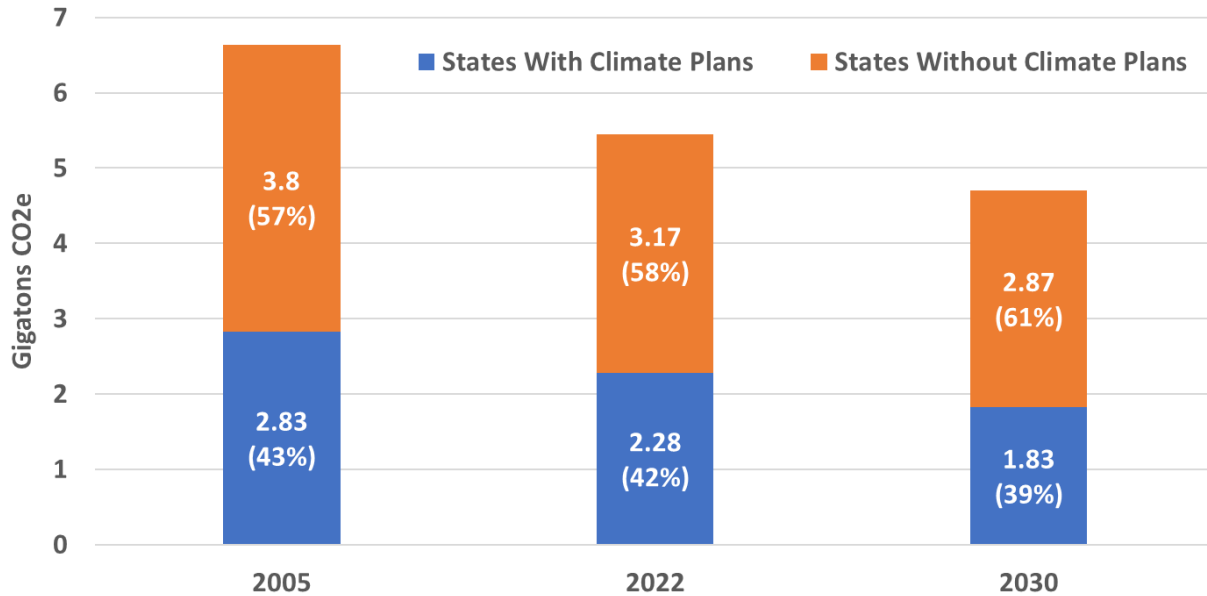
Clearly, emissions trajectories within states that have not yet demonstrated leadership on climate plans and policies will play a pivotal role in determining whether or not the United States is successful in meeting its climate commitments. The CPR Grants program is an important opportunity to encourage states, Tribes, and municipalities in these areas to engage in meaningful planning that aligns with the United states' nationwide emission reduction goals.

⁵ For purposes of this analysis, we identified states with climate plans as the 22 states that have finalized/updated climate (emissions) plans within the past five years, or have updates well underway, and/or have enacted comprehensive climate laws: California, Colorado, Connecticut, Delaware, Illinois, Louisiana, Massachusetts, Maryland, Maine, Michigan, Minnesota, Montana, North Carolina, New Jersey, New Mexico, Nevada, New York, Oregon, Pennsylvania, Vermont, Washington, Wisconsin

⁶ Source: EPN calculations based on data contained in the [Rhodium Group's Climate Deck](#) as of January 11, 2023 (central emissions scenario).

US Net Greenhouse Gas Emissions

Comparison of States That Have Climate Plans with States That Do Not
Data Source: Compiled by Environmental Protection Network based on emissions data from Climate Deck, Rhodium Group, Central Emissions Scenario, 1/11/2022)



"States With Climate Plans" includes 22 states that have finalized/updated climate (emissions) plans within the past 5 years, or have updates underway, and/or have enacted comprehensive climate laws: California, Colorado, Connecticut, Delaware, Illinois, Louisiana, Massachusetts, Maryland, Maine, Michigan, Minnesota, Montana, North Carolina, New Jersey, New Mexico, Nevada, New York, Oregon, Pennsylvania, Vermont, Washington, Wisconsin

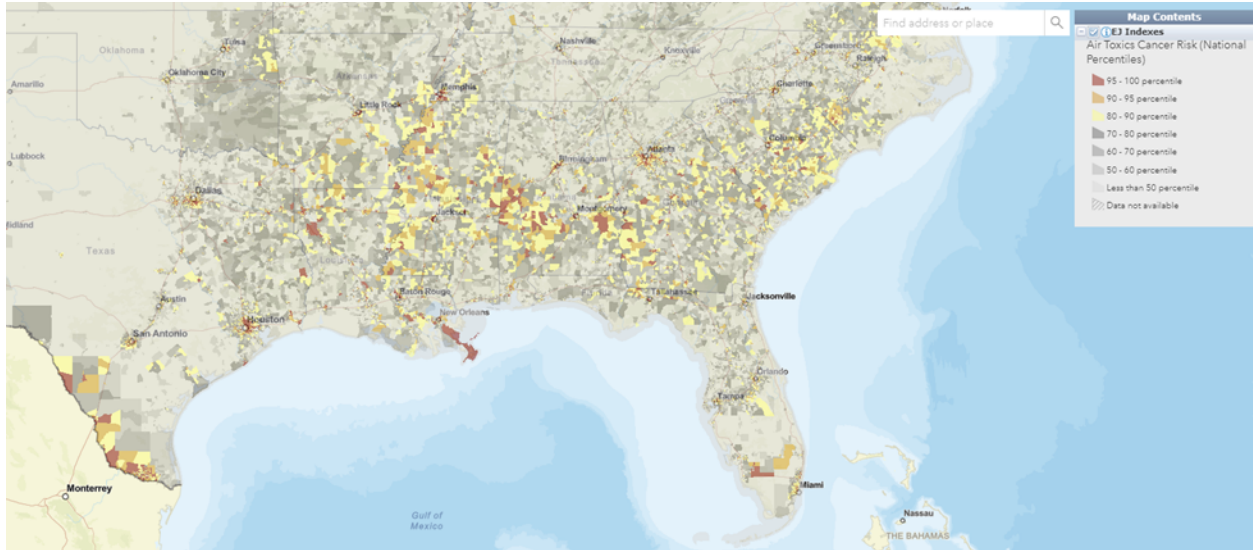
In addition to looking through the lens of greenhouse gas emissions, environmental justice is a key component of a “follow the pollution” principle.

Consistent with President Biden’s Justice40 initiative, Administrator Reagan has [directed](#) EPA to:

“consider and prioritize direct and indirect benefits to underserved communities in the development of requests for grant applications and in making grant award decisions, to the extent allowed by law.”

We encourage EPA to use EJScreen, EPA’s environmental justice screening and mapping tool, to consider the states, Tribes, and municipalities where grants could deliver multiple benefits, including reducing greenhouse gasses, alleviating the cumulative burden of toxic pollution, and creating good-paying jobs.

Through the screening tool lens, it is clear (and not surprising) that there is significant overlap between where climate pollution is heaviest and where toxic burdens are also highest. Once again, this points to the importance of not leaving any geographic region behind. See for example the highest areas of Air Toxics, shown below (source: [EJScreen](#)).



EPN also encourages EPA to allocate sufficient resources to support Tribes in participating in this grant program, recognizing Tribe’s significant need for support as well as EPA’s historic and important responsibilities toward and relationships with Tribes.

As EPA “follows the pollution” and works with states, EPA will have to balance the following two competing risks throughout this process:

- On the one hand, an overly passive approach by EPA risks steering most grant resources toward the states that are already leading on climate and therefore most ready to apply for grants and demonstrate benefits. A regional imbalance in distributing funds could run counter to the principle of going where the environmental problem is most acute, and it also might undermine the prospects for bipartisan support for the program from states and Congress.
- On the other hand, an overly aspirational approach by the agency to fund states, Tribes, or local governments that are reluctant to embrace the ultimate goals of the program (timely and strong greenhouse gas reductions) or fail to develop truly effective plans entails a different set of risks. EPA might waste resources that could be put to a better use with more willing partners.

Recommendation #3

EPA should develop and maintain a new state greenhouse gas emission tracking system that provides timely data to the public and encourages but does not depend on state-managed inventories.

Imagine implementing state drinking water grants without having reliable and timely data on state drinking water quality. And yet, today, there is no reliable source of state-level greenhouse gas emissions data in the U.S.. EPA's "arm's length" approach to state inventories has left the country in the dark on a critical set of environmental indicators. Continuation of existing practices would undermine the CPR Grants program and other national climate efforts.

EPA should deploy a portion of the administrative funds from the CPR Grants program to develop and maintain a new state greenhouse gas emission tracking system that provides timely, public data.

EPA should develop this state emissions tracking system for the following reasons:

- (1) EPA will need reliable and timely data to administer the CPR Grants program, ensure grant accountability, and otherwise meet its climate responsibilities.
- (2) States, tribes and local governments need reliable and timely data to be effective partners in reducing greenhouse gas emissions, including utilizing and tracking the impact of CPR grants.
- (3) The public, the federal government, local governments, and stakeholders need timely and reliable state-level emissions data to evaluate state and national progress in achieving climate change goals and to adopt and adapt effective climate plans over time.

In short, the U.S. will not have a truly effective state-federal partnership in tackling climate change when it doesn't have the data to assess progress across the entire nation.

We commend those states that have developed their own inventories, and we encourage all states to develop detailed inventories. We also commend EPA for developing tools to help states with inventories.

We encourage EPA to rethink its model and act now as the seeds of a new federal-state relationship on climate planning are being developed. EPA should not rely on states to supply the public with state emissions data. This approach has failed to provide comprehensive, timely, reliable, and nationwide data. States themselves rely mostly on federal data sources available to EPA.

One possible approach would be for EPA to continue to encourage and support states in maintaining detailed inventories, but EPA adopts more real-time data tracking for the public that draws from the U.S Energy Information Administration's extensive and timely energy data.

A key factor for EPA to consider is to avoid the long delays in producing the official U.S. Greenhouse Gas Emissions Inventory, which lags 1-2 years behind actual emissions. Unlike the official U.S. inventory, which must follow a rigid set of requirements and has long production times, a new EPA state emissions tracking system can be more nimble, providing draft data closer to real time. EPA can then fill in missing pieces and update data as they become available.

Recommendation #4

EPA should use the \$142.5 million available to fund EPA's essential administrative responsibilities in carrying out the program.

EPA should take the opportunity provided by the CPR Grants program to devote staff and budget to creating a helpful set of tools for states, Tribes, and local governments to reduce climate pollution and meet the goals of the program.

EPA's should solicit input from stakeholders, especially states, Tribes, and local governments, to identify the most helpful tools. At a minimum, EPA should develop model plans and other CPR planning tools. EPA can also highlight high-quality and innovative grant applications for the benefit of other potential grant recipients.