Climate Pollution Reduction Grants

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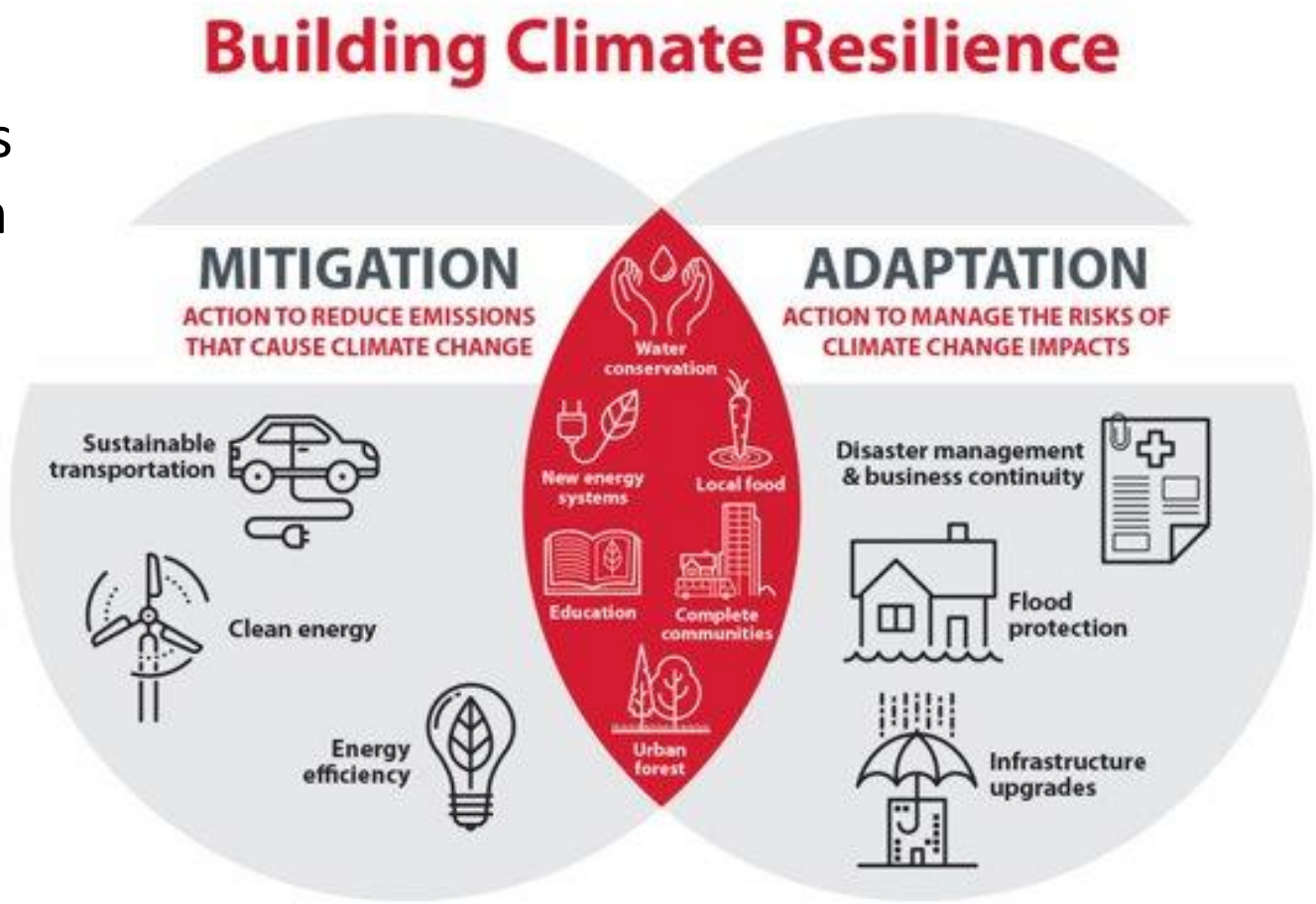
Climate Mitigation vs. Adaptation

- **<u>Climate Mitigation</u>**: Reducing emissions of and stabilizing the levels of heat-trapping greenhouse gases in the atmosphere

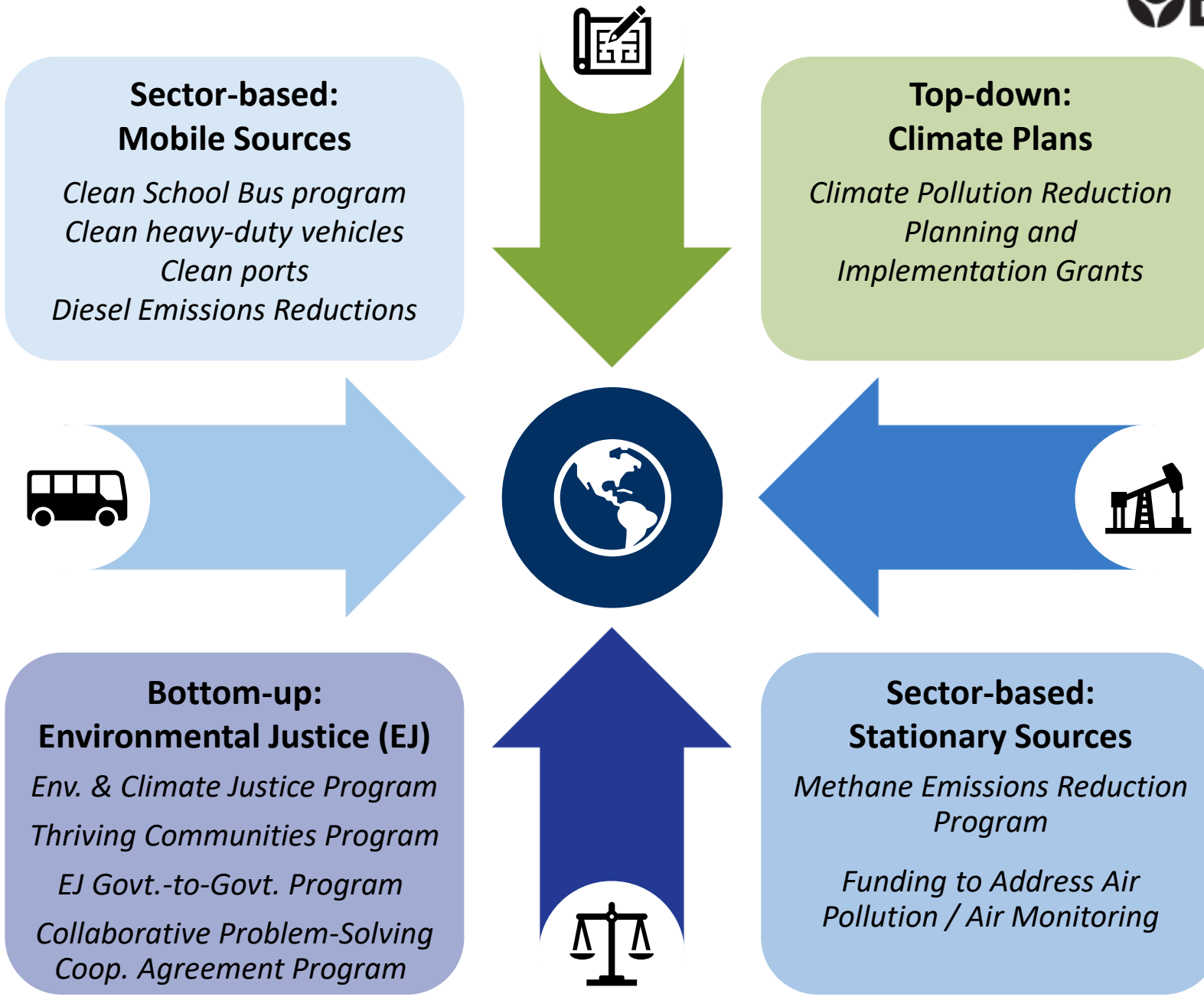
- **<u>Climate Adaptation</u>**: Adapting to climate change impacts



Inflation Reduction Act

- Signed by President Biden on August 16, 2022
- The Inflation Reduction Act (IRA) is expected to reduce U.S. emissions ~40% by 2030 while supporting disadvantaged communities and the clean energy industrial base
- Includes $41.5 billion to support new and existing programs at EPA

TACKLING CLIMATE AND AIR POLLUTION FROM MULTIPLE ANGLES

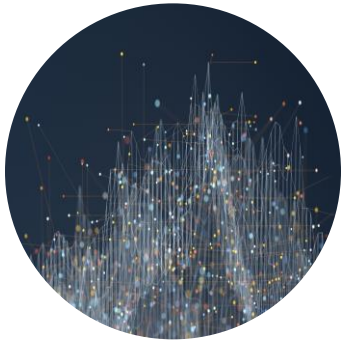


*Not exhaustive

OAR IRA PROGRAMS OF INITIAL FOCUS

Methane

Climate Pollution Reduction Grants



Monitoring

Clean HDV Vehicles

Ports

IRA Funding Coordinated by Office of Air and Radiation

Climate Pollution Reduction Grant (CPRG) Program

1. Planning grants to develop strong climate pollution reduction strategies ($250 million)

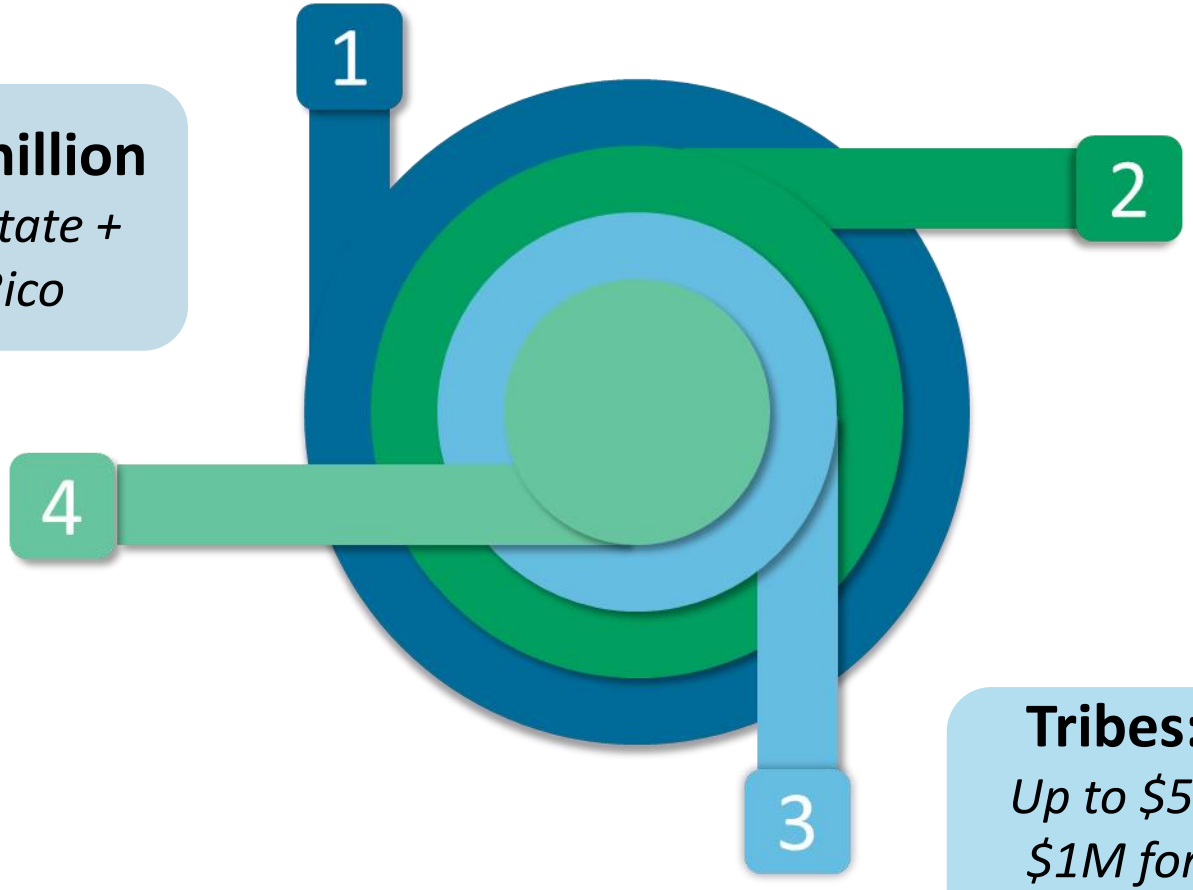
- Administered through non-competitive cooperative agreements

2. Competitive implementation grants to help put plans into action ($4.6 billion)

Planning Grant Allocations

States: $156 million
Up to $3M per state + DC + Puerto Rico

Locals: $67 million
Up to $1M each for the 67 most populous metropolitan areas



Territories: $2 million
Up to $500K each for US Virgin Islands, Guam, American Samoa, Northern Mariana Islands

Tribes: $25 million
Up to $500K per tribe or $1M for groups of 2 or more

One planning grant, three deliverables over 4 years

Priority Climate Action Plan (PCAP)

- Due **March 1, 2024**
- Near-term, implementation-ready, **priority greenhouse gas (GHG) reduction measures**
- **Prerequisite** for implementation grant

Comprehensive Climate Action Plan (CCAP)

- Due in **2025** (later for tribes and territories)
- **All sectors** / significant GHG sources and sinks
- **Near- and long-term** GHG emission reduction goals and **strategies**

Status Report

- Due in **2027** (N/A for tribes or territories)
- **Updated** analyses and plans
- **Progress and next steps** for key metrics

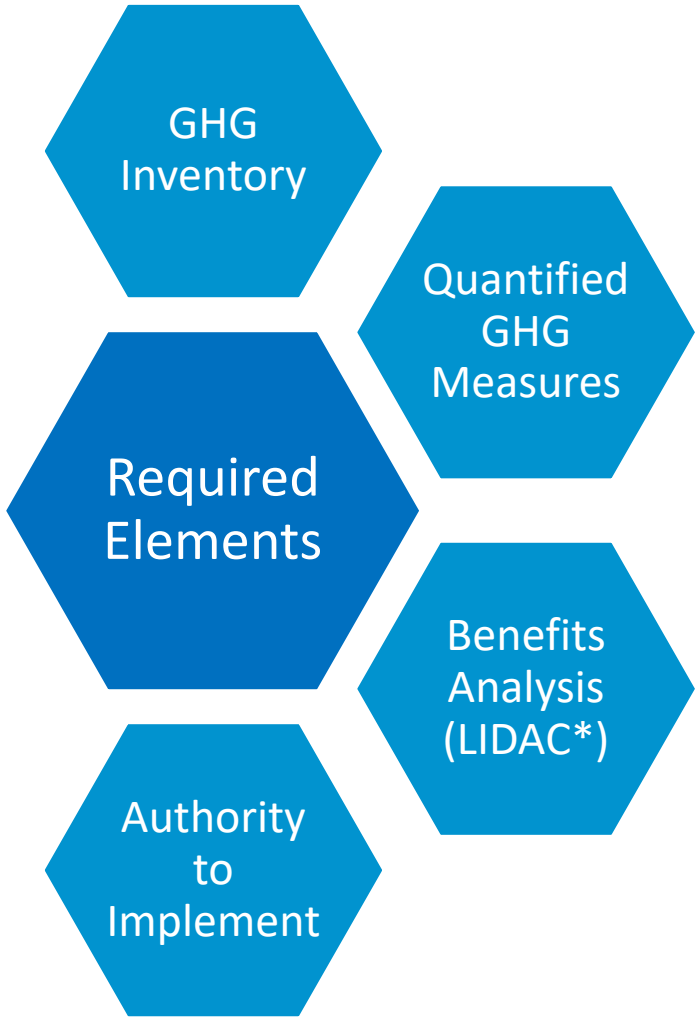
Interagency and Intergovernmental Coordination

- Lead agencies must coordinate with other appropriate agencies and offices within their own government in the development and adoption of the deliverables.
- State Requirements
  - **Collaborate** with air pollution control agencies, and 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 (e.g., municipalities, air pollution control agencies, collaborating tribes)
- Metropolitan Area Requirements
  - Climate plans should also be developed with regional coordination as much as possible

Public and Stakeholder Engagement

Lead organizations must meaningfully engage stakeholder groups and the public in the development process for the Priority and Comprehensive plans

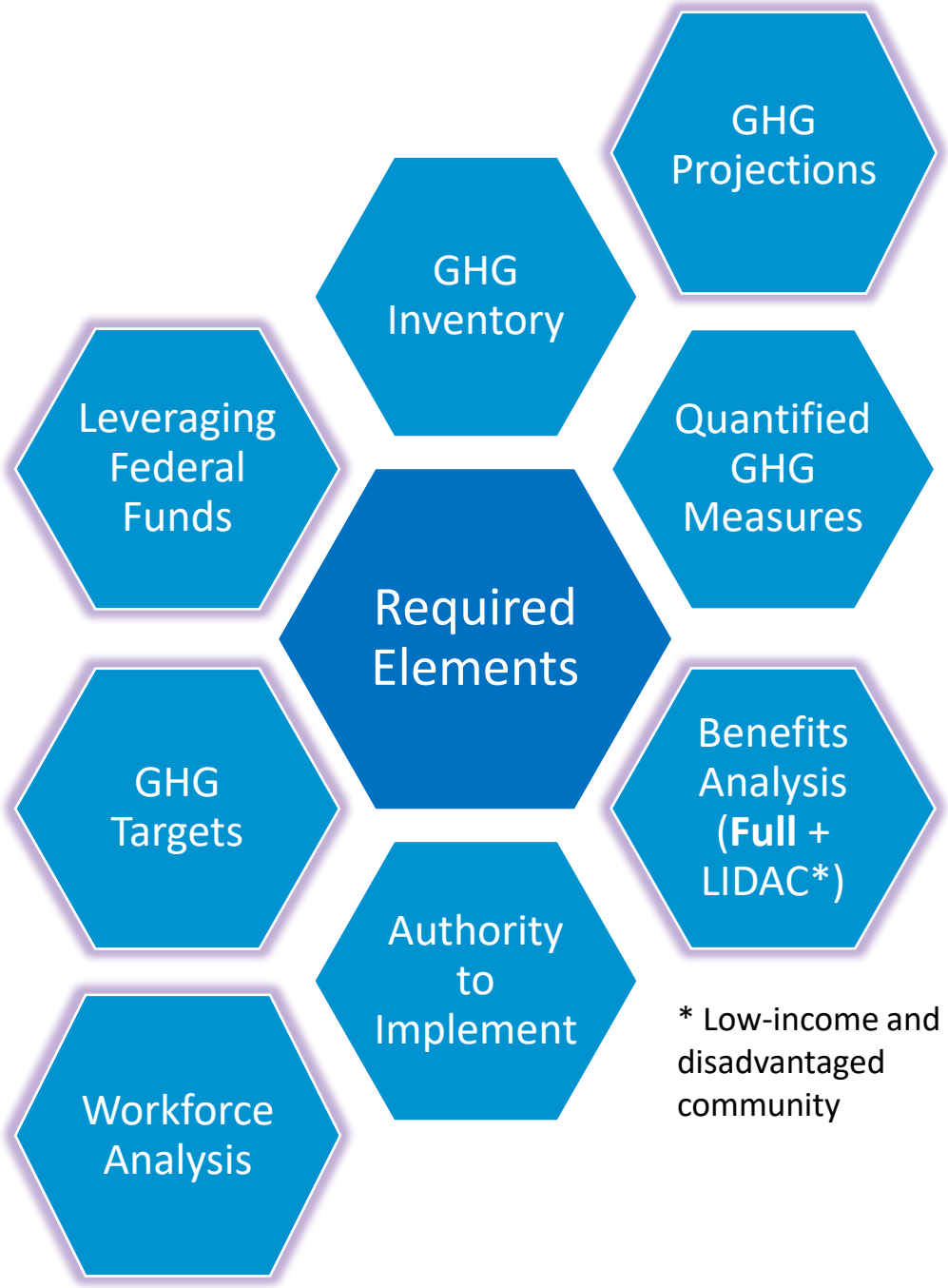
Priority Climate Action Plan



- Due March 1, 2024
- Identifies near-term action items to prepare for implementation grants
- Can focus on specific sector(s) or sources
- Limited set of requirements that set foundations for informed decisions
- May build on previous climate planning efforts

* Low-income and disadvantaged community

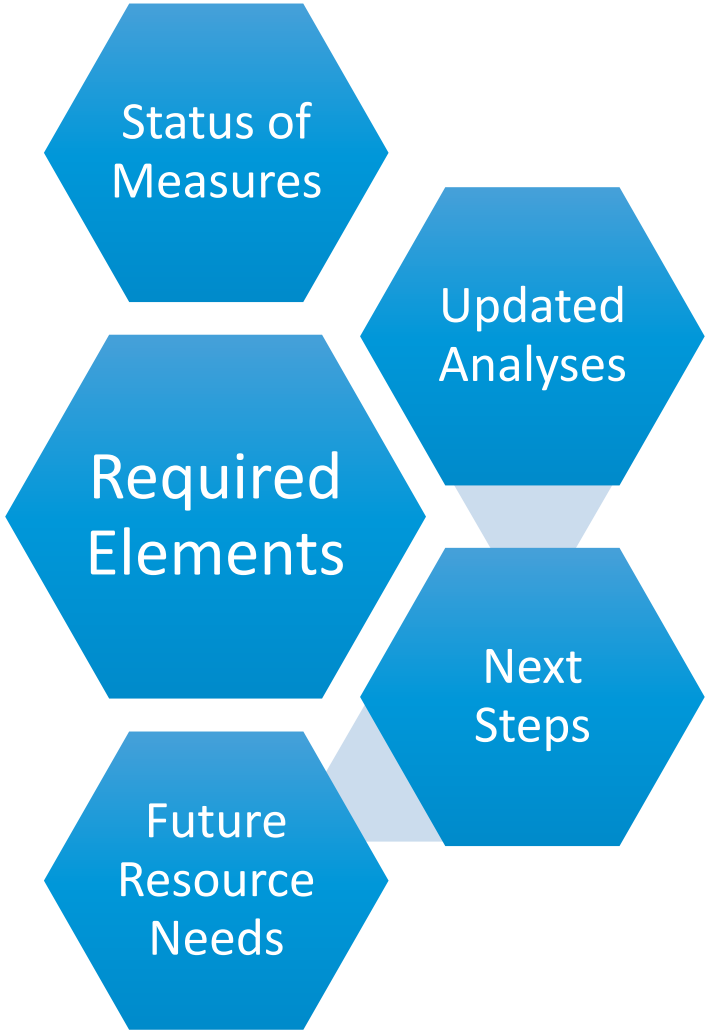
Comprehensive Climate Action Plan



* Low-income and disadvantaged community

- Due 2 years from the date of award for states and metro areas (summer 2025) and at close of grant for tribes and territories
- Covers GHG reduction measures across **all significant sources/sinks and sectors**
- Establishes near-term **and long-term** GHG emission reduction targets
- Adds additional required analyses to support robust implementation

Status Report



- Due at close of grant only for states and metropolitan areas (distinct from grant closeout report)
- Not applicable for tribes and territories
- Opportunity to update plans and analyses
- Identify progress towards implementation; next steps and resource needs to achieve GHG reduction targets

Technical Assistance

- EPA is committed to providing ongoing technical assistance to CPRG grant recipients
- Existing tools and resources are available at:

www.epa.gov/inflation-reduction-act/climate-pollution-reduction-grants#CPRG-ToolsandTechnicalResources

- Additional opportunities including webinars and training workshops will be forthcoming

Climate Innovation Teams

- Teams will focus on key topics of interest to grant recipients
- Teams will combine technical assistance with peer-to-peer learning, collaboration and mentoring
- Topics will be determined based on grant recipient needs and interests

Planning Grant Application Process

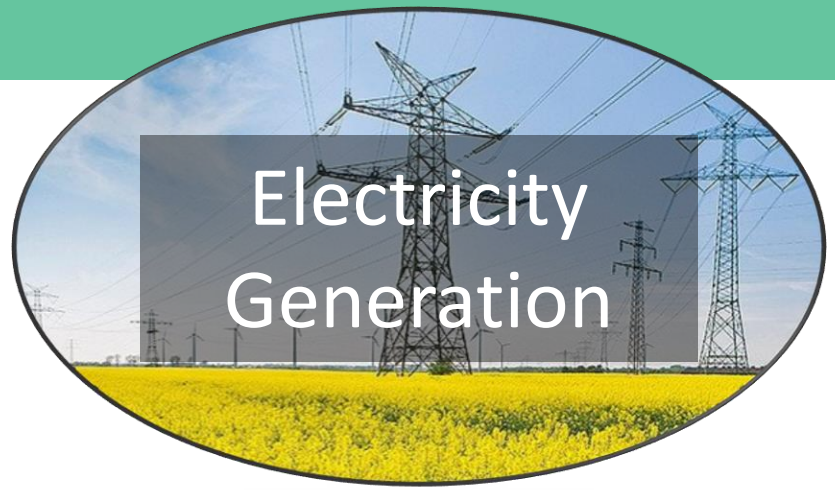
March 31, 2023	April 28, 2023	May 31, 2023	June 15, 2023	Summer 2023
State Notice of Intent to Participate (NOIP) deadline	**State** application deadline **Metro area** NOIP deadline	**Metro area** application deadline	**Tribes and territories** application deadline	Funding to **all grantees** is awarded

Looking Ahead: Implementation Grants

- Those states, territories, District of Columbia, Puerto Rico, air pollution control agencies; municipalities; Tribes; or groups of such eligible entities that are **covered by** a plan developed with funding from a planning grant awarded will be eligible
- "Covered by" includes:
  - State agencies, municipalities, air pollution control agencies, and tribes who partner on a climate plan developed with a planning grant, but did not receive direct federal funds
  - Municipalities, air pollution control agencies, and tribes seeking funding for measures identified in their state's plan for implementation at their level
- EPA encourages the design of plans that are broad and cover a variety of programs and projects that could be implemented by state, local, and Tribal partners.
- More information about eligible implementation activities and funding priorities will be available when the Notice of Funding Opportunity is published later this year

KEY SECTORS


Waste & Materials Management


Electricity Generation


Transportation


Agriculture/Natural and Working Lands


Industry


Commercial & Residential Buildings

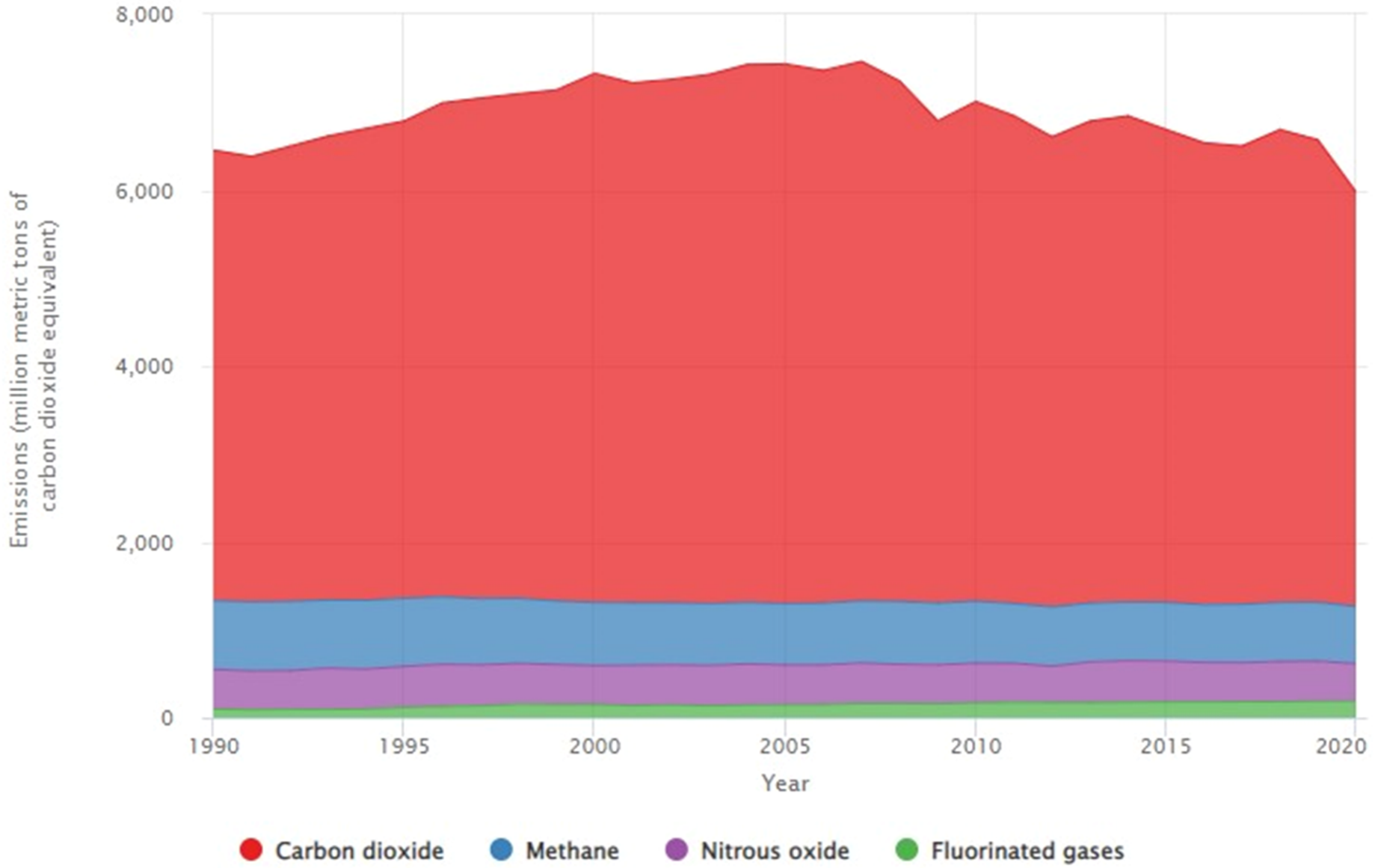
EPA Sources of GHG Emissions Information

- Inventory of U.S. GHG Emissions and Sinks
  - U.S. accounting of anthropogenic GHG sources and sinks
    - Emissions or removals that are the direct result of human activities or the result of natural processes affected by human activities
    - Examples of carbon storage "sinks" include plants, soils, wetlands and forests
    - Emissions categorized into six economic sectors (residential, commercial, industry, transportation, electric power, and agriculture)
  - Data updated annually and available at the national and state level

- GHG Reporting Program (GHGRP)
  - Complementary to the U.S. inventory
  - Tracks facility-level emissions from the largest sources of greenhouse gas emissions in the United States (approximately 8,000)

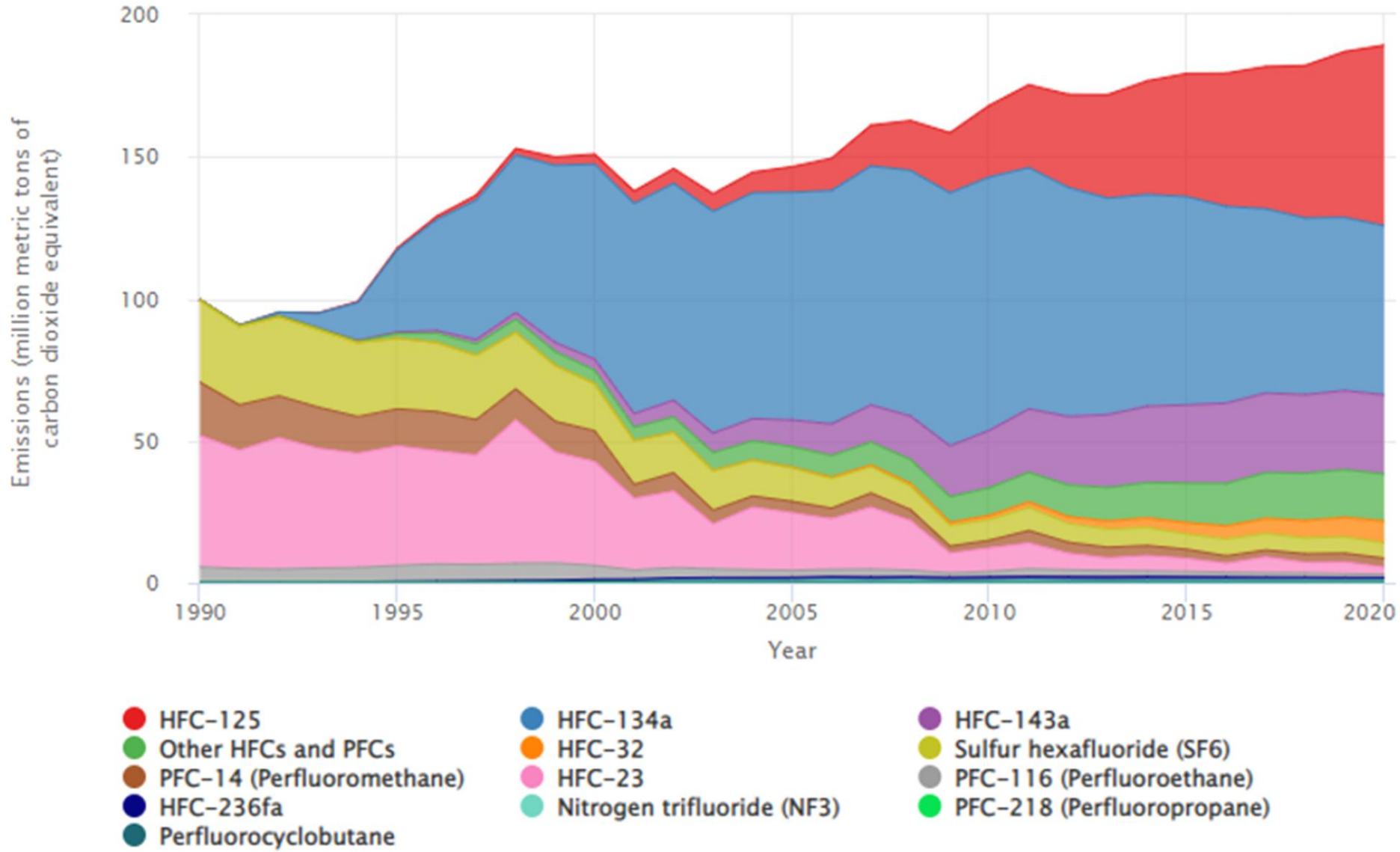
- National Emissions Inventory (NEI)
  - Provides facility-level GHG data and process-level CAP/HAP data

U.S. Greenhouse Gas Emissions by Gas, 1990–2020



Source: U.S. EPA's Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2020.
https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks

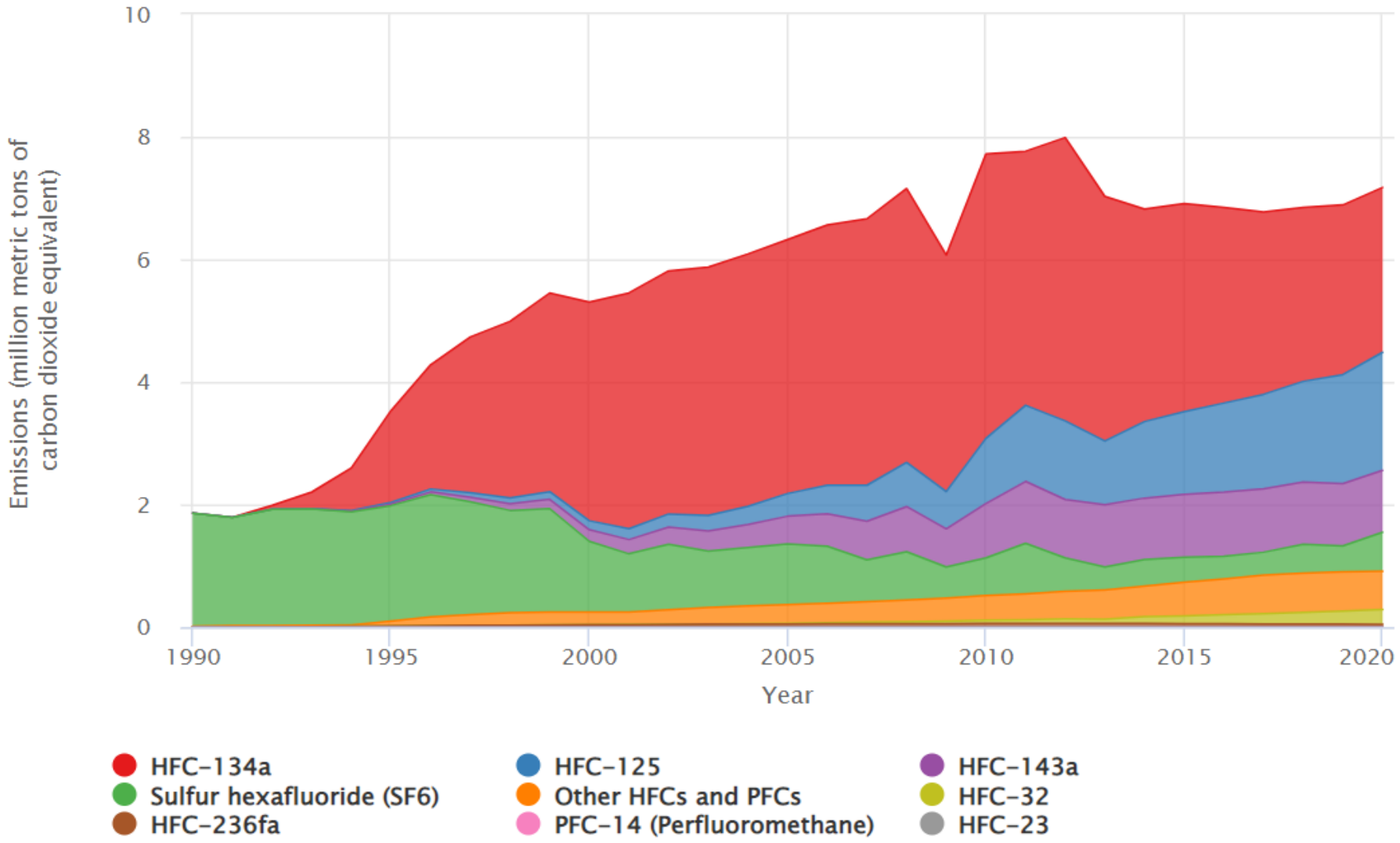
U.S. Emissions of Fluorinated Gases from Industrial Processes, by Gas, 1990–2020



Source: U.S. EPA's Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2020.
https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks

Illinois Emissions of Fluorinated Gases from Industrial Processes and Product Use, by Gas, 1990–2020

Export



Source: U.S. EPA's Inventory of U.S. Greenhouse Gas Emissions and Sinks by State: 1990–2020.
https://www.epa.gov/ghgemissions/state-ghg-emissions-and-removals

Percent change:

1990–2020

HFC-134a:

▲ 1,011,871,970.2%

HFC-125:

▲ 33,950,666.2%

HFC-143a:

▲ 10,060,581.9%

Sulfur hexafluoride (SF6):

▼ 65.7%

Other HFCs and PFCs:

▲ 6,005.1%

HFC-32:

Trend not available

HFC-236fa:

Trend not available

PFC-14 (Perfluoromethane):

Trend not available

HFC-23:

Trend not available

Total: ▲ 286.0%

2021 Climate Action Plan for the Chicago Region

Plan Element	Chicago Region
GHG Inventory	✓ **pg. 19-20** 2015 GHG inventory **/ X** does not include GHG inventory of industrial processes and product use, or agriculture, forestry, and other land use sectors
GHG Emissions Projections	✓ **pg. 22** 2010-2050 projections; **pg. 25, 29-35** sector-based projections (energy sources, buildings, transportation, water and waste, ecosystems to sequester carbon)
GHG Reduction Targets	✓ **pg. 23-25** emission reduction goals for 2030, 2040, and 2050; **pg. 29-35** sector-based targets (energy sources, buildings, transportation, water and waste, ecosystems to sequester carbon)
Quantified GHG Reduction Measures	✓ **pg. 29-35** includes equity considerations and co-benefits; **pg. 73-82** specifies strategies, amount of effort required, equity achievements, municipal roles, lead partners & resources, co-benefits
Benefits Analysis	✓ **pg. 29-35** includes equity considerations and co-benefits; **pg. 73-82** co-benefits & equity **/ X** does not contain estimates of co-pollutant reductions (e.g., PM2.5, NOx, SO2, VOCs, air toxics, etc.)
Low Income/Disadvantaged Communities Benefits Analysis	✓ **pg. 29-35** includes equity considerations; **pg. 73-82** Includes equity achievements with GHG measures/ **X** does not identify disadvantaged communities or an engagement plan
Review of Authority to Implement	**X** does not identify whether the GHG measures already have existing statutory or regulatory authority to implement at the municipal level, or whether such authority still must be obtained
Leverage/and Intersection with other Funding	**X** does not include funding opportunities to support GHG emission reduction measures and strategies identified
Workforce Planning Analysis	**X** does not include an analysis of workforce development activities that are needed to implement the GHG emission reduction measures

Other differences to note:

- Covers the Chicago Region not MSA (**Chicago–Naperville–Elgin, IL–IN–WI Metropolitan Statistical Area**)

Thank You!