



INFLATION REDUCTION ACT & OTHER CLIMATE FUNDING

August 2023

Alison Riley, EPA Region 3

IRA OVERVIEW

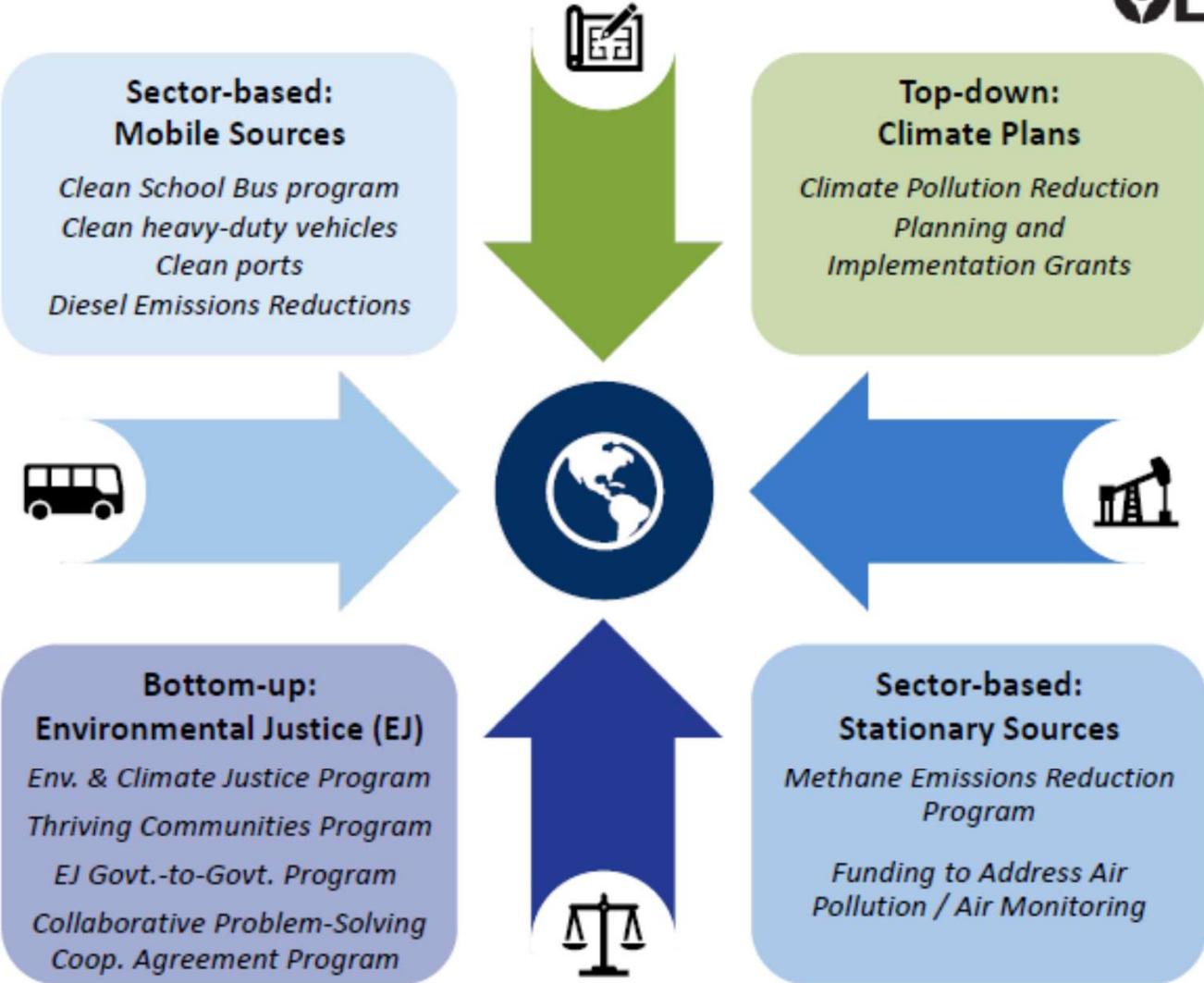
- The Inflation Reduction Act (IRA) makes historic investments in climate action that are expected to reduce U.S. emissions ~40% by 2030 while supporting disadvantaged communities and the clean energy industrial base.
- IRA investments will drive significant emissions reductions over the next decade while also laying the groundwork for long-term decarbonization of hard-to-abate sectors.
- EPA will play a major role in delivering these programs. The Agency received \$41.5 billion in appropriated funds and expects to receive an additional \$11.7 billion in future revenue from reinstating the Superfund Tax on oil and gas production. Funds from methane waste emissions charges will go to the general Treasury.

EPA & IRA

\$41.5 billion in appropriated funds, supporting 24 new and existing programs, including:

- \$27 billion to the **Greenhouse Gas Reduction Fund** to spur state and local government investment in distributed energy and other clean technologies
- \$5 billion for **Climate Pollution Reduction Grants** at the state, local, and Tribal level to develop and implement plans to reduce greenhouse gas emissions
- \$3 billion in **Environmental and Climate Justice Block Grants** to fund community-based nonprofit organizations
- \$3 billion in **Grants to Reduce Air Pollution at Ports** to purchase & install zero-emission technology and develop climate action plans
- \$1.55 billion for the **Methane Emissions Reduction Program** to Fund grants and technical assistance to accelerate emissions reduction from petroleum and natural gas systems
- \$1 billion for **Clean Heavy-Duty Vehicles** to provide grants, rebates, and contract support to replace heavy duty vehicles with zero emission alternatives

TACKLING CLIMATE AND AIR POLLUTION FROM MULTIPLE ANGLES



GUIDING PRINCIPLES

- Maximize benefits –public health and climate benefits
- Prioritize environmental justice
- Harmonize management structures, regulations, funding and grants
- Engage inclusively with stakeholders
- Support and build on EPA regions' strengths
- Safeguard financial integrity

Climate Pollution Reduction Grants



Priority Climate Action Plan (PCAP)

- Near-term, implementation-ready, **priority GHG reduction measures**
- Can be **sector-specific**
- Can draw from **existing climate plan**
- **Prerequisite** for implementation grant
- Due early **2024**



Comprehensive Climate Action Plan (CCAP)

- **All sectors** / significant GHG sources and sinks
- **Near- and long-term** GHG emission reduction goals and **strategies** to achieve those goals
- Due in **2025** (2027 for Tribes)



Status Update

- **Progress** against key metrics (e.g., emissions, J40 communities, air quality)
- 5-10 years **budget and resource projection**
- Due in **2027** (N/A for Tribes)



Implementation grant applications will build on specific measures identified in the PCAP; any eligible entity may apply for an implementation grant as long as they are associated with a priority measure identified in a PCAP

CLEAN HEAVY-DUTY VEHICLES

Replacement grants and rebates, eligible contracts to states, municipalities, tribes, nonprofits

- \$600,000,000 for any location
 - \$400,000,000 for nonattainment areas
 - 3 percent for administrative costs
- Timeline: program must begin within 180 days
- Up to 100 percent of costs for
 - Incremental costs of ZEV replacements
 - ZEV infrastructure
 - Training for ZEV maintenance
- \$60 million for Diesel Emissions Reduction Act Funding for goods movements in low-income and disadvantaged communities

PORTS

- \$2,250,000,000 for any location (until September 30, 2027)
- \$750,000,000 for nonattainment areas (until September 30, 2027)
 - to purchase or install zero-emission port equipment or technology
 - planning or permitting in connection with the purchase or installation of such zero-emission port equipment or technology
 - to develop qualified climate action plans.

Eligible recipients:

- Port authorities
- State, regional, local, or Tribal agencies that has jurisdiction over a port authority or a port
- Air pollution control agencies
- Certain private entities including nonprofit organizations

GHG Reduction Fund

Overview of the Greenhouse Gas Reduction Fund competition structure

	 National Clean Investment Fund	 Clean Communities Investment Accelerator	 Solar for All
Competition description	<p>Fund national nonprofit financing entities to create national clean financing institutions capable of partnering with the private sector to provide accessible, affordable financing for tens of thousands of clean technology projects nationwide</p>	<p>Fund hub nonprofits to provide funding and technical assistance to specific networks of community lenders, financing clean technology projects in low-income and disadvantaged communities while simultaneously building the capacity of community lenders that serve those communities</p>	<p>Fund states, territories, Tribal governments, municipalities & nonprofits to develop long-lasting programs that enable low-income & disadvantaged communities to deploy and benefit from distributed residential solar</p>
Grantees	2-3 national nonprofit financing entities	2-7 hub nonprofits	Up to 60 government and nonprofit financing grantees
Funding amount	\$14 billion	\$6 billion	\$7 billion
Deadline to apply	October 12, 2023	October 12, 2023	September 26, 2023



Contact Info:

Region 3 Contacts:

Mark Wejrowski, wejrowski.mark@epa.gov, 215-814-3241

Alison Riley, riley.alison@epa.gov, 215-814-2095

PROGRAM PLANNING

- Identifying existing program structures and interconnections to move quickly where we can
- Thoughtfully developing new programs informed by analysis and stakeholder engagement
- Considering innovative implementation strategies for increased efficiency and maximum effect
- Prioritizing early and significant pollution reductions

MONITORING & OTHER AIR POLLUTION REDUCTION

- \$117,500,000 for Fenceline Air Monitoring and Screening Air Monitoring.
- \$ 50,000,000 for Multipollutant Monitoring Stations
- \$3,000,000 for Air Quality Sensors in Low-income and Disadvantaged Communities
- \$15,000,000 for Emissions From Wood Heaters
- \$20,000,000 for Methane Monitoring
- \$25,000,000 for Clean Air Act Grants
- \$45,000,000 for Other Activities
- \$5,000,000 for Greenhouse Gas and Zero-emission Standards for Mobile Sources

SCHOOLS

- \$37,500,000 to address air pollution and schools
- \$12,500,000 in Technical Assistance

LOW EMISSIONS ELECTRICITY PROGRAM

- \$17,000,000 for consumer-related education and partnerships
- \$17,000,000 for education, technical assistance, and partnerships within low-income and disadvantaged communities
- \$17,000,000 for industry-related outreach and, technical assistance, including through and partnerships
- \$17,000,000 for outreach and technical assistance to, and partnerships with, State, Tribal, and local governments, including through partnerships,
- \$1,000,000 to assess reductions in greenhouse gas emissions that result from changes in domestic electricity generation
- \$18,000,000 to carry out this section to ensure that reductions in greenhouse gas emissions from domestic electricity generation and use are achieved
- 2 percent for the administrative costs

FUNDING FOR SECTION 211(O) OF THE CLEAN AIR ACT

- a) \$5,000,000 for Test and Protocol Development
- b) \$10,000,000 for new grants to industry and other related activities to support investments in advanced biofuels

MANUFACTURING & TECHNOLOGY

- \$20,000,000 FOR IMPLEMENTATION OF THE AMERICAN INNOVATION AND MANUFACTURING ACT. (a) IMPLEMENTATION AND COMPLIANCE TOOLS.— \$3,500,000,
- \$15,000,000 for COMPETITIVE GRANTS
- 5% for administrative costs

FUNDING FOR ENFORCEMENT TECHNOLOGY AND PUBLIC INFORMATION

- \$18,000,000 for Compliance Monitoring
- \$ 3,000,000 for Communications With ICIS
- \$4,000,000 for Inspection Software

GHG REPORTING, REDUCTION & PRODUCT ASSISTANCE

- \$5,000,000 for GHG Corporate Reporting
- \$250,000,000 for Environmental Product Declaration Assistance
- \$850,000,000 for Methane Emissions Reduction Program, Methane Emissions and Waste Reduction Incentive program for Petroleum and Natural Gas Assistance Systems

OIL & GAS CHARGING

- **NONPRODUCTION PETROLEUM AND NATURAL GAS SYSTEMS** — collect the charge on the reported metric tons of methane emissions that exceed 0.05 percent of the natural gas sent to sale
- **NATURAL GAS TRANSMISSION** — collect the charge on the reported metric tons of methane emissions that exceed 0.11 percent of the natural gas sent to sale

FUNDING RESOURCES

- [EPA CPRG List](https://www.epa.gov/inflation-reductionact/select-federal-bipartisan-infrastructure-law-and-inflation-reduction-act) A table of programs found in the Bipartisan Infrastructure Law (Infrastructure and Investment Jobs Act) and the Inflation Reduction Act with total available funds of over \$500,000,000 and for which Climate Pollution Reduction Grant (CPRG) applicants may be eligible. <https://www.epa.gov/inflation-reductionact/select-federal-bipartisan-infrastructure-law-and-inflation-reduction-act>
- [DOE Funding & Financing](https://www.energy.gov/scep/office-state-and-community-energy-programs) A table of Department of Energy public sector funding & technical assistance programs covering \$97 billion in funding from the Bipartisan Infrastructure Law and the Inflation Reduction Act. <https://www.energy.gov/scep/office-state-and-community-energy-programs>
- [DOT Navigator](https://www.transportation.gov/dot-navigator/) A new Department of Transportation (DOT) resource to help communities understand the best ways to apply for grants, and to plan for and deliver transformative infrastructure projects and services. <https://www.transportation.gov/dot-navigator/>
- [Energy Communities Funding Clearinghouse](https://energycommunities.gov/funding-opportunities/all-funding/) A searchable database of Bipartisan Infrastructure Law and the Inflation Reduction Act provisions that describes the direction and amount of future funding opportunities relevant to energy communities. Many resources are available to other communities in addition to energy communities. (Updated approximately quarterly or when significant new information is available.) <https://energycommunities.gov/funding-opportunities/all-funding/>

ADDITIONAL RESOURCES

- Inflation Reduction Act: [whitehouse.gov/build/guidebook/](https://www.whitehouse.gov/build/guidebook/)
- Infrastructure Investment and Jobs Act: [whitehouse.gov/wp-content/uploads/2022/12/Inflation-Reduction-Act-Guidebook.pdf](https://www.whitehouse.gov/wp-content/uploads/2022/12/Inflation-Reduction-Act-Guidebook.pdf)
- Identifying and Applying for Grants
 - EPA Grants Office: training and resources on applying for grants: epa.gov/grants
 - Grants.gov: clearinghouse for federal grant opportunities, includes training

Note: Applicants must have active Sam.gov and grants.gov accounts!