

January 18, 2023

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U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Mail Code 1101A
Washington, DC 20460
Re: Docket EPA-HQ-OAR-2022-0873, Climate Pollution Reduction Grants

Dear Colleagues:

We write on behalf of the National Association of Clean Air Agencies (NACAA) to offer considerations and recommendations in response to six Requests for Information (RFIs) issued by EPA on November 9, 2022 regarding the deployment of funds and implementation of programs related to the Inflation Reduction Act (IRA), which was signed by President Joe Biden in August 2022.¹ NACAA is the national, non-partisan, non-profit association of 157 air pollution control agencies in 40 states, including 117 local air agencies, the District of Columbia and five territories. The air quality professionals in our member agencies have vast experience dedicated to improving air quality in the U.S. These comments are based upon that experience. The views expressed in these comments do not represent the positions of every state and local air pollution control agency in the country.

EPA's RFIs address the following six areas of the IRA:

- Climate Pollution Reduction Grants (Section 60114)
- Transportation Programs (Sections 60101, 60102)
- Methane Emissions Reduction Program (Section 60113)
- Funding to Address Air Pollution (Sections 60105, 60106)
- Funding for Implementation of American Innovation and Manufacturing Act (Section 60109)
- Low Emissions Electricity Program & GHG Corporate Reporting (Sections 60107, 60111)

In this letter, we offer some general comments that apply to all of the RFIs and to IRA implementation, building upon our October 5, 2022 letter² to

¹ The enrolled bill is available online at <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>.

² This letter is available online at: https://www.4cleanair.org/wp-content/uploads/NACAA-IRA-letter-to-EPA-10_5_22-1.pdf

Administrator Regan articulating themes that EPA should consider as it advances programs to implement the IRA. We also offer some comments that are more specifically responsive to the RFIs related to IRA Section 60114, the Climate Pollution Reduction Grants enumerated in the IRA.

In addition to these comments, NACAA urges EPA to prioritize and value the comments that will be submitted by our individual member agencies. Many of the questions posed require location- and context-specific answers that an association of 157 agencies spanning every region of the country can offer. Moreover, the technical and policy expertise of the agencies is a phenomenal resource that EPA would be wise to take advantage of. The Clean Air Act (CAA) places the responsibility for implementing the federal air pollution program squarely on state and local clean air agencies. We have decades of experience in working and communicating with interagency workgroups, regulated sources and community groups in the implementation of clean air programs that address greenhouse gas emissions and advance environmentally just outcomes.

We urge EPA to consider the direct and indirect effects of its implementation of IRA programs on its state and local co-regulators. Our implementation of the CAA is an enormous undertaking that calls for monitoring, issuing permits, planning, developing strategies for reducing emissions, enforcing requirements, engaging with and educating the public, training staff and a host of other activities. More and more, these agencies are tasked with new and high-priority responsibilities to reduce air pollution, address environmental justice, and tackle climate change. As we have communicated to EPA for years, our agencies are stretched to their limits to accomplish the existing portfolio of work with the available federal funding support. Capitalizing on the once-in-a-generation opportunities afforded by the IRA cannot be accomplished if its funding resources are not implemented skillfully and in a manner that maximizes the state-local-federal relationship. As EPA explores the most effective ways to advance Congress's aims for the IRA, we hope you will take into account the following considerations and recommendations from NACAA.

What are the most promising greenhouse gas (GHG) planning and reduction opportunities that could be catalyzed by the Climate Pollution Reduction grants?

Our agencies are ready and able to lead this work. Using the IRA funding to expand our agencies' staff and resources, EPA should leverage our agencies' existing capacity rather than having to create new institutional expertise to effectively implement programs that reduce emissions. For example, for planning and implementation efforts funded under the Climate Pollution Reduction grants, every state and local clean air agency has the needed experience to develop these plans through the decades of working to produce air pollution State Implementation Plans. In addition, thirty-three states and hundreds of cities and counties across the country have developed climate action plans that include GHG emissions reduction targets and detail actions to meet those goals, including resilience strategies, clean energy targets, and outcomes that benefit health, society, and prosperity. The individual characteristics of the economy, resource base, and political structure provide different opportunities at the state and local level for addressing climate change, and EPA should leverage the unique strengths of our

agencies, while recognizing that undertaking new planning and grant programs may require greater staffing and some new skills in state and local clean air agencies.

EPA should provide as much of the IRA funding as is administratively feasible to clean air agencies – named in the statute by Congress - directly through grants or other mechanisms. We have decades of experience in the planning and implementation of programs that address air pollution, and many jurisdictions have also developed plans and programs to reduce greenhouse gas emissions and advance environmentally just outcomes. EPA will miss opportunities for durable and impactful investments in decarbonization and emissions reductions if it focuses on one agency recipient type or program type, and local agencies offer unique strengths and possibilities for these programs. To reach all of these agencies, EPA should also make a special effort to reach out to smaller clean air agencies that may not use Section 103 and 105 funds to implement the Clean Air Act.

How can the needs of underserved communities be integrated into the design of this program?

NACAA agencies have years of experience with program implementation that engages communities effectively and have been leaders in advancing environmental justice and the engagement of communities that disproportionately bear the burdens of pollution. Still, years of flat funding have taken their toll and all clean air agencies will benefit from funding that makes improved integration of the voices of these communities into program design and implementation, such as incorporating EJ screen and other analytical tools that enable engagement, consultation and extension of protection from pollution for overburdened communities. This may include new roles and skills within our agencies (such as health education and community engagement), co-creative engagement processes that center disproportionately impacted communities in planning and program implementation, or reimbursing community representatives or community based organizations for the work, expertise, and time they share during their involvement.

How can planning and implementation funding make the greatest impact?

As noted above, EPA should use the funds to expand and leverage our agencies' extensive experience rather than having to create new capacity to effectively implement programs that reduce emissions. For example, for planning and implementation efforts funded under the Climate Pollution Reduction grants, every state and local clean air agency has extensive capacity to develop these plans through the decades of working to produce air pollution State Implementation Plans. Agencies that have not yet developed climate plans have the existing institutional infrastructure to develop one and there are many opportunities for sharing lessons learned and peer-to-peer technical assistance including opportunities for cross-border or cross-jurisdiction sharing of resources and efforts and support for regional approaches. EPA should, therefore, rely on clean air agencies as a prime agent of the planning and implementation grants. EPA should consider that implementation of the plans will require a long-term coordinated approach. States that have taken early action to reduce carbon emissions should receive consideration for planning and funding and EPA should consider lessons learned and effective strategies from these states.

EPA should be strategic as it invests these funds, focusing on not only GHG benefits, but also capitalizing on the opportunity to address criteria pollutants, air toxics, emerging contaminants, and other issues. Conditions will vary on the ground and state and local agencies have the ability to identify what works best, and where.

Program design should reflect flexibility to meet the needs of diverse agency sizes, types, needs and geographies. In addition, planning is informative but can be made less relevant with the passage of time; EPA should enable milestones and midpoint reviews internally and with grantees to assure currency of impact. This flexibility and diversification should also apply to the grantee types. In addition to states and tribes, EPA should support city, county, and local programs as well. As NACAA stated in its October 5, 2022 letter the Administrator Regan, “diversification is the only free lunch in economics”.

EPA should avoid overuse of matching fund requirements with these grants. In practice, state and local agencies are so fiscally strained that a requirement of additional matching funds may create a barrier to acceptance of the funding by many agencies and frustrate the desired accomplishments of the IRA. Matches can also impose difficult barriers when dealing with legislative calendars, particularly for short application periods. However, as discussed later in this letter, EPA should also explicitly enable (but not require) recipients to leverage other resources and funding to advance outcomes and goals.

Associations like NACAA can help coordinate between agencies and coordinate between our members and EPA, and we stand ready to assist.

What technical assistance would be most helpful to eligible entities?

During the application phase, EPA should note that small agencies may have much to offer these programs but may be overwhelmed to the extent that application may be a burden that they cannot shoulder without assistance. EPA should make any application as straightforward as possible, using templates and providing technical assistance, and offering feedback opportunities prior to submittal. EPA may wish to set aside specific technical assistance for smaller stakeholders like local agencies. If agencies can take advantage of multiple programs, they will, so where possible, EPA should use common applications and formats for multiple programs.

The increased activity spurred by IRA-funded programs may have permit and compliance aspects for local and state clean air agencies that are likely not considered in their current fee and funding structures and may not themselves see additional funding resources from the IRA. Where EPA can offer technical assistance and flexibilities to alleviate these burdens (for example, communicating expectations, offering training and consistent guidance, providing reasonable flexibilities for reporting and review where appropriate, and other steps) it would help alleviate the additional pressure on these agencies.

EPA should develop not only technical assistance that serves state and local agencies, but technical assistance toward which these agencies can route requests for technical support from the private sector, communities, non-governmental organizations, and other applicants, recipients, and beneficiaries of the IRA funds. The agency should use this opportunity to tie

workforce development to strengthening institutional capacity at state and local agencies, as well as with stakeholders, small business, and in particular for community and environmental justice advocates.

During implementation of the grants, the most valuable analysis would be that which empowers our agencies' decision-making. EPA should make sure that where technical assistance is broadly offered, such as factsheets, webcasts, and other resources, that these resources are clear and consistent regionally. Ongoing technical assistance to communities and stakeholders affected by (and benefitting from) the decisions would be valuable.

How can EPA facilitate coordination and leveraging of other available funding and planning efforts?

The primary method is through continued meaningful coordination with our agencies, as well as offering adequate response times for response. EPA should also be clear about encouraging recipients to leverage other resources and funding.

During the application, planning, and implementation phases of these grants, EPA should offer a central point of information, technical assistance, and contacts at the agency for not only implementing entities but for affected stakeholders as well.

EPA should also avoid reinventing the wheel with plans. As stated, state and local agencies have plans and planning institutional infrastructure that can and should be leveraged. Where an existing plan can be updated, EPA should support that approach; where plans cover some but not all sectors, a “deeper dive” approach for those sectors would make a better, well-rounded implementation pathway. Where multiple levels of government are engaged and applying for funding, EPA should accept and encourage references to other plans in applications. For instance, local or tribal agencies should be allowed to leverage and making reference to actions in state plans, rather than developing duplicative actions of their own.

What internal capacity challenges are faced regarding the development and implementation of GHG reduction plans?

As previously noted, the primary funding need across all agencies is staffing and expertise. Many state and local air agencies are at or near crisis levels for the staff resources available to protect public health, improve air quality, and reduce emissions. Funding from the IRA for local and state agencies must allow us to address our workforce needs by hiring staff and addressing institutional support, and not simply be constrained to equipment or technology procurement. There are limits to the extent to which additional technology will compel emission reductions. Recent emphasis on funding tools and technologies has enabled us to have better visualization of problems we already knew existed. Now, funding must pivot towards the analysis, engagement, implementation, and compliance assurance functions that actually yield reductions and air quality improvements. Not only will these actions require staff with varied expertise, they will also require supportive institutional infrastructure that will enable these agencies to be successful. Furthermore, the skill set that will be most effective at advancing protections for disproportionately impacted communities may be new to some agencies, such as

online engagement and health education. These new roles need to be funded with new money, such as these IRA-funded grants.

Many of the proposals for funding include grants to support the installation of advanced pollution control systems at stationary sources regulated by the Clean Air Act. EPA should support agency activities necessary for the timely implementation of these grants. In practice, this means EPA should provide resources to state and local agencies for the development of construction and operating permits for improved infrastructure at permitted sources, as well as resources to support agencies' compliance assistance programs that ensure safe and effective operation of the advanced control technology.

Timing must also reflect calendars outside of our control, but that are set by elected leaders and legislatures, and by budget cycles. Frequent, flexible, meaningful coordination between the agency and the implementing entities will enable programs to be developed that meet the timeframes and conditions in each area.

Finally, new programs will need new resources. Actions being considered and taken by EPA under the IRA (such as new grant programs, especially those designed to serve disadvantaged communities) will require additional agency staffing and resources. EPA should also consider the impacts on existing state and local agency activities such as planning, permitting, monitoring, and enforcement, as well as managing new technology deployment and incentive programs, performing public education, and interacting with communities to advance the protection of clean air for all. Another challenge to consider is that implementation of effective climate policies may require new authority under state law, and achieving that consistency and alignment presents a challenge. Even while goals align, differing technical and reporting details could lead to additional implementation costs.

What metrics should this program use?

EPA should link the implementation to the development of plans, but as the program moves from planning to implementation phases, EPA should avoid being overly tied to the specifics of the planning outcomes, preserving the flexibility to implement new technologies and approaches, adapt to current conditions, and accommodate innovation. However, EPA should clearly define metrics up-front, to drive program performance toward the agency's goals of climate action, clean air, and equity, among others. EPA should be clear in its articulation not only of emission reduction metrics, but also for other areas it seeks information about in this RFI, including for topics like workforce development, job creation, coordination among agencies, and civil rights compliance.

In the application process, rigid scoring systems and metrics for the implementation of these programs will be challenging, not only because of the variety of reduction opportunities but also differences in how protection from different pollutants is valued. Some agencies may have a premium for addressing nonattainment issues; others may find greater co-benefit dealing with air toxics. Some communities may warrant additional protection depending on their pollution burden. Even among GHGs, there will be a variety of opportunities. Rather than EPA determining the most important protections, the agency should promote flexibility for applicants to define and prioritize their benefits. State and local agencies will know!

This is a rare and extraordinary opportunity to address GHG reductions. However, EPA should also keep in mind that state or local restrictions in some jurisdictions may affect the ways in which agencies can design programs that yield climate pollution reduction benefits. The legislative text of IRA directs EPA to offer grants to recipients in every state, and where these restrictions exist, EPA should consider programs that deliver significant and well-articulated GHG reductions even when presented to target other pollutants as a primary concern.

How should EPA facilitate cooperation and coordination within and across tribal, local, regional, and state agencies?

NACAA recognizes the importance of interagency coordination and emphasizes that this is helpful to encourage between state, local, and federal agencies, and other entities. In addition to whatever structures EPA implements, associations like NACAA already facilitate this coordination through our committees and interactions, as well as by communicating with our sister environmental agency association. NACAA can help coordinate between agencies and bridge contact between our members and EPA, and NACAA ready, willing, and able to do so. EPA should allow flexibility in the use of funds so that as funded efforts evolve and grow, it can be sub awarded to other recipient types, such as community stakeholders, academics, or others whose expertise and perspective may be key to advancing success. Funding should also explicitly enable (but not require) recipients to leverage other resources and funding to advance outcomes and goals. EPA should also make its communications and guidance clear, consistent, and simple. If possible, EPA should consider using a standardized or central point of information and contact (with multiple media methods like phone and email) for agencies to work with. Websites and other communications resources should be kept updated and current and be easily accessible.

How should EPA encourage grantees to support high quality jobs and adhere to best practices for labor standards?

EPA must offer clear and consistent guidance with explicit flexibility for areas with varied opportunities and constraints. Where invited, EPA should also take the opportunity to develop capacity through workforce programs at clean air agencies, which meet these criteria as well.

To facilitate alignment with legal, regulatory, or voluntary obligations faced by state, local and tribal governments, EPA should acknowledge federal actions in applications for grants, and request information from the applicant on these state and local actions, authorities, and programs.


What timing will affect climate action plan completion?

In exploring this issue with NACAA members it is clear that planning needs sufficient time to be well done, with experienced agencies responding that a plan would take 12-18 months at a minimum, and a more engaged, collaborative approach may take more time (for example, New York's Climate Scoping Plan was adopted three years after the passage of its Climate

Protection Law in 2019). However, the timing needed is driven by a wide variety of external forces, including other regulatory and budgetary timelines, as well as development of state energy or transportation plans. EPA will determine appropriate timeframes by asking the grantees to identify what is possible. Frequent, flexible, meaningful coordination between the agency and the implementing entities will enable programs to be developed quickly that meet the timeframes and conditions in each area. The timing for completing these plans and moving through implementation is extremely short. EPA should prioritize “shovel ready programs” internally to advance work in state, local, and other jurisdictions, by using existing grant vehicles or those that can be stood up quickly.

Thank you for considering these recommendations. In terms of the national budget, the amount allocated for federal grants to state and local air quality agencies is relatively small. Yet the return on investment is among the highest, when the benefits of protecting public health and the environment are weighed against the serious threats posed by air pollution, environmental injustice and climate change. We are eager to work closely with EPA to leverage the opportunities afforded by the IRA and we look forward to robust continued engagement and tremendous success together. Please do not hesitate to contact Miles Keogh (mkeogh@4cleanair.org) of NACAA, or either of us, if you need additional information.

Sincerely,



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