



Oregon

Tina Kotek, Governor

January 17, 2023

Sent via electronic submittal

Environmental Protection Agency

Subject: Response to Request for Information re: Climate Pollution Reduction Grants

Attention: Docket ID No. EPA-HQ-OAR-2022-0873

The Oregon Departments of Environmental Quality (ODEQ) and Energy (ODOE) are providing comments in response to EPA's Request for Information regarding the Climate Pollution Reduction Grants, Sec. 60114 of the Inflation Reduction Act of 2022.

Our comments are focused on suggestions for how EPA can administer at least a portion of the \$5 billion of this program in a manner that ensures these monies are disbursed expediently and efficiently. Specifically, our agencies suggest that EPA leverage states' existing climate plans and programs such that these valuable federal funds leverage the considerable efforts and expenses some states have already undertaken to develop strategies and adopt programs to curtail our greenhouse gas emissions.

In adopting the IRA, Congress signaled several important ambitions. In regard to portions of the Act pertaining to climate and GHG mitigation, such as Sec. 60114, these include both GHG emission reductions, and that the federal funds allotted for those reductions be spent in a manner that achieves those reductions quickly, efficiently, and equitably.

Delaying distribution of these funds could undermine those goals. If EPA first focuses on allotting the \$250 million for grants to states to develop GHG mitigation plans, and as a consequence holds off on administering any of the \$4.75 billion in funds for actual program investments and realization of GHG reductions, that could delay those emission reductions and their environmental and community benefits.

As such, our agencies urge EPA to consider allowing states that have already invested considerable effort in developing GHG mitigation plans, and particularly those that have adopted programs aligned with those plans, to access the \$4.75 billion without first having to go through a grant application process to receive federal funds for planning, expend those funds to develop plans that may largely already exist, and only then apply for funds to implement such plans.

Oregon has invested substantial state funds and efforts to develop programs and plans for mitigating our state's contribution to global climate change. These plans include identification of a suite of programs and measures to reduce our GHG emissions and to do so efficiently and equitably to the benefit of our diverse communities.

For example, the Oregon Global Warming Commission, staffed by ODOE, has recently completed an analysis demonstrating that the state is on track to meet its 2035 greenhouse gas reduction goal if the recently adopted programs and regulations are implemented and operate as planned. Federal resources, through the Climate Pollution Reduction Fund, could help provide the resources these programs need to be successful in achieving Oregon's GHG reduction targets. The Commission is now developing further plans for how the state can accelerate our targets and achieve deep GHG reductions by 2035 in line with what the latest science says are needed globally to avert the worst effects of anthropogenic climate change.

Oregon is not alone in this regard – many states have undertaken similar efforts. Our states' existing planning efforts offer an advanced starting position for EPA in administering the Climate Pollution Reduction Grants. By leveraging states' existing GHG mitigation planning efforts, EPA can begin to administer the \$4.75 billion almost immediately and show progress and success at expending federal funds as Congress intended: reducing GHG emissions quickly, efficiently, and equitably in projects and programs that states have identified as yielding high value to our unique landscapes, economies, and communities.

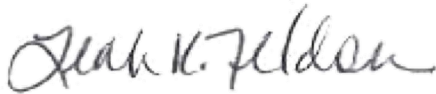
EPA should not only consider using state's existing plans as starting points for the \$4.75 billion, but should also look to existing state programs already in place to reduce GHG emissions. Again, Oregon like many states, has taken the lead at developing and implementing programs with many of the same goals in the IRA, such as reducing GHG emissions in ways that are of the most benefit to environmental justice communities. In these instances, states have already invested the upfront costs and effort to design the programs and develop the software, contracts, and other implementation machinery needed to expend public investments to reduce GHG emissions. In these cases, states offer EPA "shovel-ready" mechanisms to stack federal funds with state funds in programs that are already proven and operational and represent opportunities for EPA to expend portions of the \$4.75 billion quickly and efficiently.

For example, the Oregon Legislature adopted the Oregon Clean Vehicle Rebate Program in 2017, allotting up to \$12 million each year. This program offers rebates to Oregonians purchasing electric vehicles in order to address Oregon's (and the nation's) largest sector of GHG emissions: transportation. The program includes additional rebates for low- and moderate-income households to better enable them to benefit from a clean energy transition. It took several years and considerable administrative costs for ODEQ to develop this program to the point it is at today: a highly functioning, efficient method of administering state funds in ways that most effectively incentivize Oregonians to purchase EVs in place of internal combustion engine vehicles. In fact, this program is now so effective at incentivizing Oregonians to purchase EVs, that ODEQ has convened stakeholders to discuss options for keeping the program viable, including the possibility of lowering the rebate amount or pausing the program due to diminished funds.

Similarly, in 2019, the Oregon legislature adopted the Oregon Solar and Storage Rebate Program to help lower the up-front costs for Oregonians of installing solar and paired storage systems. The program requires that 25% of the funds be allocated to Oregonians with low and moderate incomes. ODOE has run this program, which is currently oversubscribed, successfully for four years, and will need additional funding to be able to continue providing rebates to consumers. These are examples of state developed/funded programs that could readily make efficient use of additional federal funds.

Those federal funds could go directly, immediately, and entirely to vehicle rebate and rooftop solar and storage incentives without having to fund the considerable effort that went into developing the state program.

Fortunately, Oregon is not unique in this situation. Many states have developed plans for how our jurisdictions can effectively and comprehensively address our GHG emissions, and then acted to implement state programs according to those plans. ODEQ and ODOE suggest that EPA leverage those state efforts and expenses in order to begin spending the \$4.75 billion quickly and efficiently, without making all applicants first go through a process to receive federal funds to re-develop plans.



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