



ALERTS

EPA's Plans For Greenhouse Gas Reduction Fund Are Firming Up: Comments On Implementation Framework Due May 12

April 21, 2023

Highlights

- The EPA issued its implementation framework for the Greenhouse Gas Reduction Fund (GGRF) that includes descriptions of the three grant competitions for distribution of \$27 billion before the end of September 2024
- Comments on the implementation framework are due May 12, 2023. Public listening sessions will be conducted the weeks of April 24 and May 1, 2023
- The EPA is expected to issue the Notice of Funding Opportunity to solicit applications for one or more of the three competitions in early June 2023

The Inflation Reduction Act of 2022 (IRA) provided \$27 billion for the Greenhouse Gas Reduction Fund (GGRF) to be used through Sept. 30, 2024, for grants and loans to support clean energy investments. On April 19, 2023, the Environmental Protection Agency (EPA) [issued its implementation framework](#) for the GGRF that includes detailed descriptions of key parameters and anticipated application components

RELATED PEOPLE



Bruce White

Partner
Chicago

P 312-214-4584
F 312-759-5646
bruce.white@btlaw.com

RELATED PRACTICE AREAS

Environmental
Environmental, Social and Governance

for the three grant competitions the EPA is planning to administer under the GGRF program.

The three grant competitions are for scaling deployment of clean technologies nationally, building community clean financing capacity locally, and spurring adoption of clean distributed solar energy.

The agency is requesting written technical feedback and comments on the proposed competition descriptions by May 12, 2023 – just three weeks after release of the proposed implementation framework. The EPA will also be conducting [six public listening sessions](#) during the weeks of April 24 and May 1. The technical feedback and comments will be considered by the EPA as it prepares the Notice of Funding Opportunity (NOFO) for the competitions. The EPA intends to publish the NOFOs as early as June 2023 to request applications for each of the competitions.

Under the IRA, the EPA was supposed to [begin distributing dollars from the GGRF](#) “no later than 180 days after the enactment of the statute” in August 2022 – or before the end of February 2023. While it is good to see that plans are taking shape, the EPA has not indicated when it expects to begin actual funding of the GGRF investments.

Background

The GGRF provides \$27 billion for grants and loans to support clean energy investments:

- \$7 billion for competitive grants to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies, including distributed technologies on residential rooftops
- Nearly \$12 billion for competitive grants to eligible entities to provide financial and technical assistance to projects that reduce or avoid greenhouse gas emissions
- \$8 billion for competitive grants to eligible entities to provide financial and technical assistance to projects that reduce or avoid greenhouse gas emissions

In early January 2023, the EPA received requested [guidance and considerations](#) from the Environmental Financial Advisory Board regarding GGRF objectives, program structure; and execution, reporting, and accountability. Additionally, in response to [a formal Request for Information](#), the EPA received a large volume of responses to questions about program structure, eligible activities, strategies for maximizing private sector leverage, reporting processes on the impact of the funds, and other foundational design decisions. The agency also conducted more than a dozen roundtable and public sessions with stakeholders about implementation of the GGRF.

On Feb. 14, 2023, EPA [issued its initial guidance](#) on the design of the GGRF. That interim guidance proposed two competitions to distribute GGRF funding: a [\\$20 billion general and low-income assistance competition](#) that would award competitive grants to implement Clean Air Act Section 134(a)(2) and Section 134(a)(3), and; a [\\$7 billion zero-emissions technology fund competition](#) that would prioritize

residential and community solar projects, as well as storage technologies and upgrades related to these projects. After issuing the interim guidance, the agency conducted two additional public sessions to collect information on how to best accelerate the deployment of solar energy to low-income and disadvantaged communities.

The implementation framework was issued in response to stakeholder requests for additional information on program design, application components, and grant requirements in advance of the publication of the formal NOFOs in June 2023.

Summary of the Three GGRF Competitions

According to the EPA, there will be three competitions designed to work in tandem:

- The *\$14 billion National Clean Investment Fund* competition will fund two or three national nonprofits that will partner with private capital providers to deliver financing at scale to businesses, communities, community lenders, and others, catalyzing tens of thousands of clean technology projects to accelerate progress towards energy independence and a net-zero economic future. Grantees will provide financial products and supporting predevelopment expenditures to qualified projects, implementing Section 134(b)(1) that authorizes funding for direct investments and will provide support for deployment of qualified projects.
- The *\$6 billion Clean Communities Investment Accelerator* competition will fund two to seven hub nonprofits with the plans and capabilities to rapidly build the clean financing capacity of specific networks of public, quasi-public and nonprofit community lenders – such as community development financial institutions (including Native CDFIs), credit unions, green banks, housing finance agencies, minority depository institutions, and others – to ensure that households, small businesses, schools, and community institutions in low-income and disadvantaged communities have access to financing for cost-saving and pollution-reducing clean technology projects. Grantees will support community lenders, which in turn support deployment of qualified projects within three broad categories: distributed power generation and storage; decarbonization retrofits of existing buildings; and transportation pollution reduction.
- The *\$7 billion Solar for All* competition will provide up to 60 grants to states, tribal governments, municipalities, and nonprofits to expand the number of low-income and disadvantaged communities that are primed for investment in residential and community solar. Grantees will enable low-income and disadvantaged communities to deploy or benefit from residential rooftop and community solar photovoltaic projects, associated storage, and enabling upgrades. Grantees will use grant funds to expand existing low-income solar programs or design and deploy new Solar for All programs. Grant funds may also be used for allowable program services and administration costs, and

additional details on allowable program costs will be released with the NOFO.

The first two competitions are intended, according to the EPA, to “empower centralized national nonprofits to provide direct investments to support projects across the country, while simultaneously empowering hub nonprofits to support networks of community lenders whose capabilities and relationships will ensure the deployment of clean technology projects to low-income and disadvantaged communities.” The third competition is intended to scale low-income and disadvantaged community solar programs across the country. The implementation framework includes detailed descriptions of the application components for each of the competitions.

Next Steps

While commenters may address any and all aspects of the implementation framework by May 12, 2023, the EPA has specifically requested interested parties to include the following non-binding information in their written feedback and comments:

- Whether they intend to apply for one or more of the GGRF program competitions
- If so, which competition(s)
- The amount of funding they expect to apply for under those competition(s)

In addition to written comments, stakeholders can provide feedback on the implementation framework during [six public listening sessions](#): during the weeks of April 24 and May 1, 2023.

For more information, please contact the Barnes & Thornburg attorney with whom you work or Bruce White at 312-214-4584 or bwhite@btlaw.com.

© 2023 Barnes & Thornburg LLP. All Rights Reserved. This page, and all information on it, is proprietary and the property of Barnes & Thornburg LLP. It may not be reproduced, in any form, without the express written consent of Barnes & Thornburg LLP.

This Barnes & Thornburg LLP publication should not be construed as legal advice or legal opinion on any specific facts or circumstances. The contents are intended for general informational purposes only, and you are urged to consult your own lawyer on any specific legal questions you may have concerning your situation.