

U.S. Environmental Protection Agency Environmental Financial Advisory Board

Public Meeting Minutes

November 17, 2022

Virtual

Respectfully submitted by Edward H. Chu, EPA Designated Federal Officer
Certified as accurate by Kerry E. O'Neill, Chair, Environmental Financial Advisory Board

NOTE AND DISCLAIMER: The minutes that follow reflect a summary of remarks and conversation during the meeting. Such ideas, suggestions, and deliberations do not necessarily reflect consensus advice from the Board. Formal advice and recommendations may be found in the final advisory reports or letters prepared and transmitted to the agency following the public meetings. Moreover, the Board advises that additional information sources be consulted in cases where any concern may exist about statistics or any other information contained within the minutes.

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Purpose

The U.S. Environmental Protection Agency (EPA) Financial Advisory Board (EFAB or Board) is an advisory committee chartered under the Federal Advisory Committee Act (FACA) to provide advice and recommendations to EPA on creative approaches to funding environmental programs, projects, and activities. The purpose of the meeting was to discuss the Greenhouse Gas Reduction Fund charge.

The meeting was announced in the Federal Register (see appendix 1).

Please see appendix 2 for the agenda and appendix 3 for EFAB member names and affiliations.

Welcome, Member Roll Call, and Review of Agenda

Welcome

Edward H. Chu, EFAB Designated Federal Officer
Kerry O'Neill, EFAB Chair

Ed Chu welcomed participants and said oral public comments would not be accepted during this meeting; however, written comments could be submitted to efab@epa.gov.

Roll Call

Ashley Allen Jones, present
Courtney L. Black, present
Steven J. Bonafonte, present
Angela Montoya Bricmont, present
Matthew T. Brown, present
Stacy Brown, not present
Theodore Chapman, present
Albert Cho, not present
Janet Clements, present
Lori Collins, present
Zachary Davidson, present
Jeffrey R. Diehl, present
Sonja B. Favors, present
Phyllis R. Garcia, not present
Eric Hangen, present
Edward Henifin, not present
Barry Hersh, present
Craig Holland, present

Craig A. Hrinkevich, not present
Margot Kane, present
Thomas Karol, not present
George W. Kelly, present
Gwendolyn Keyes Fleming, not present
Cynthia Koehler, present
Colleen Kokas, present
Joanne V. Landau, present
Lawrence Lujan, present
MaryAnna H. Peavey, present
Dennis A. Randolph, present
Eric Rothstein, not present
Sanjiv Sinha, not present
William Stannard, present
Marilyn Waite, not present
David L. Wegner, not present
Gwen Yamamoto Lau, present
David Zimmer, not present

Charge Background

Alejandra Nunez | Deputy Assistant Administrator for Mobile Sources
Tim Profeta | Senior Advisor, Office of Air Quality Planning and Standards

Alejandra Nunez shared the charge background, noting the Greenhouse Gas Reduction Fund (GHGRF) is a first-of-its kind program that gives EPA until September 30, 2024, to disburse \$27 billion in competitive grants for projects that reduce GHG emissions, particularly those that impact disadvantaged communities.

She said EPA engaged stakeholders in a variety of ways, including through public listening sessions, requests for information (RFIs), and expert input from EFAB. She said the input is available on the docket. She said the final deliverable from EFAB is due December 15, 2022.

Kerry O'Neill shared that to provide feedback, EFAB approved the charge questions at the last public meeting and created three workgroups to tackle the issues of (1) Objectives; (2) Program Structure; and (3) Execution, Reporting, & Accountability.

She reminded participants that the Board is working on a very compressed timeframe of two months, so the members will not be able to host panels or take steps they typically take when more time is available. She said the workgroup products shared today are not comprehensive; in addition, the workgroups have been working independently to date, but they will coordinate in the coming weeks. She said there is another public check-in meeting on December 1, 2022, and the final products will be voted on at the December 15, 2022 public meeting.

Program Structure Workgroup

Lori Collins and **Ashley Allen Jones** | Workgroup Co-chairs

Note: The workgroup's slide deck is in appendix 4

Lori Collins said the whole committee has been engaged with considering options and alternatives. The workgroup focused on three areas: (1) eligible recipients; (2) eligible projects; and (3) the structure of funding.

Eligible Recipients

Charge Question: Who could be eligible entities and/or indirect recipients under the GHGRF? What should the thresholds for deployment be –both amount and timing –for GHGRF funding by these entities?

Lori Collins said the workgroup recognized all entities on the table, including the range of state, federally licensed, and non-profit capital deployment vehicles with reach into disadvantaged communities; specific vehicles map to priority projects and unique needs of communities. These include state infrastructure banks, green banks, housing finance agencies, minority depository institutions, nonprofit social impact funds, and others.

She shared a graphic of the overall flow of funding, beginning with the total grant, to subgrants or contracts, to pipeline development, project development, project installation and leverage for commercial capital, and finally, to operations and maintenance (O&M).

Eligible Projects

Charge Question: Beyond assembling the capital stack for a deal, what other barriers and constraints exist that could constrict the pipeline of successful projects? What program strategies are needed to respond to these barriers and constraints?

Lori Collins said the workgroup put a lot of thought into how to approach the issue of eligible projects. She shared an overview of the sectors relevant to GHG emissions, including transportation, electric power, industry, commercial and residential, and agriculture. She said there is already a lot of funding addressing GHG in the transportation sector, so the group looked at where funding gaps may be.

She shared sources of GHG emissions in the sectors named above to begin to identify potential areas for solutions. Next, they looked at who could potentially benefit from some of the solutions according by sector. For example, in the residential building sector, low- and middle-income communities could potentially benefit from electrification, rooftop solar, community solar and wind, and energy efficiency project. The workgroup focused on identifying the role of private equity in these potential projects and how GHGRF monies could fill the gaps. They identified a long list of barriers to private capital at the project, borrower, and capital provider levels (see slide 12 for details). She said that gaps are not just on the funding side, however. Other barriers include uptake; interest; prerequisites; such as repairs; and scale.

The Structure of Funding

Charge Question: *Are there any potential program design requirements that would impact the ability of recipients to use the GHGRF program funds?*

Lori Collins said that the workgroup will coordinate with the other two workgroups to bring their thinking on this issue together, but so far have identified the buckets of potential program design requirements, such as federal funding requirements, financial capacity, governance, metrics, due diligence, and others.

Charge Question: *How could EPA address these issues through program design?*

Lori Collins shared a graphic of the flow of funds from direct recipients at the national and regional level; indirect recipients in the value chain; and beneficiaries. Regarding pipeline development and project development beneficiaries, EPA can address the social, economic, and financial gaps. Project implementation and O&M beneficiaries require private capital commitments.

Charge Question: *How could recipients comply with relevant federal requirements?*

Lori Collins reported that the workgroup has not yet tackled this question.

Charge Question: *How can EPA streamline the distribution of funds so that applicable federal and state review can be accomplished in a coordinated and efficient manner?*

Lori Collins mentioned options for direct recipients could be a single entity, such as a national green bank, a few direct recipients, or many. She said public comments reflect an interest in both a single entity and multiple recipients, such as states, municipalities and tribes, and green funds, as well as a mixed approach. She said the committee is not making a recommendation to EPA, but rather is sharing the pros and cons of each.

Next Steps

She said the workgroup's next steps are to continue to receive and review public comment and other feedback, and to conduct interviews, and to have materials ready according to the established public meeting schedule.

Kerry O'Neill invited input from the Board.

Eric Hangen reinforced the issue that funding isn't the only barrier to uptake.

Bill Stannard asked for applicability of water utilities accessing GHGRF monies, which could include ratepayers as beneficiaries because of their potential savings if utilities do not have to raise their rates. Lori Collins said they generally has felt the funding would not go to utilities. Bill Stannard said GHG are emitted through the water and wastewater processes, and these pollutants could be mitigated.

Ashley Allen Jones said that, given the short timeframe, the workgroup has spent less time looking at the state/municipal/tribal bucket, and there is an opportunity to follow up with EFAB members in the water space.

Steve Bonafonte said there are many ways to be creative in the wastewater space beyond digesters.

Kerry O'Neill urged board members to send comments to workgroup members quickly.

Objectives Workgroup

Cynthia Koehler and Margot Kane | Workgroup Co-chairs

Cynthia Koehler said there is overlap with the Program Structure workgroup and they look forward to coordinating with the other GHGRF workgroups.

Cynthia Koehler said this group sought to hone in on EPA's high-level objectives and to make them more tangible.

To fund or finance projects that reduce GHG emissions and primarily benefit low-income and historically disadvantaged communities. She identified several reasons these communities may not be currently resourced. They also compiled a list of several hundred ways to define "disadvantaged communities" and are working through those definitions.

Cynthia Koehler said the workgroup identified overarching concepts. She said it will be important to acknowledge competing mandates such as leverage. Leveraging financing is key to sustainability. At the same time, prioritizing leverage could potentially conflict with the urgent need to move funds into disadvantaged communities. She said that EPA could potentially design the program to empower states, municipalities, and tribes to accomplish one of the objectives well, while ensuring that both objectives are accomplished in the aggregate.

Another overarching concept is balance equity and access with leverage goals. This could look like having different leverage requirements depending on the community's capacity to access these resources.

The third overarching concept is balancing the need for "shovel-ready" projects with capacity building goals. The rapid timeline for disbursing GHGRF money favors shovel-ready projects and could exclude those important projects that are in early development stages and could be rapidly deployed.

Charge Questions:

- *How can the GHGRF grant competition be designed so that funding is highly leveraged (i.e., each dollar of federal funding mobilizes multiple dollars of private funding)?*

- *How can the funding be used to maximize “additionality” (i.e., the extent to which funding catalyzes new projects that would not otherwise occur)?*
- *How can EPA balance the need for grants for capacity building and short-term results with financial structures that will allow capital to be recycled over time?*
- *Where (if at all) is it appropriate to impose sustainability requirements on direct or indirect beneficiaries of GHGRF funding?*

Cynthia Koehler said that the workgroup looked at providing guidance on the strength and weakness of each of the above elements by recipient and project, strong and weak fits, and more. They also considered several elements related to efficient program design, including intrinsic trade-offs between elements of program design and program objectives, and coordination around existing and future funding sources for technical assistance (TA), among others (see appendix 4 slide 22 for details).

Environmental Justice

Charge Questions:

- *What considerations should EPA take into account in defining “low-income” and/or “disadvantaged” communities in order to ensure fair access/that the funding benefits disadvantaged communities?*
- *How can EPA ensure that communities and organizations who have received little or no funds in the past receive priority consideration for funding?*
- *How could EPA identify the low-income and disadvantaged communities it should prioritize for greenhouse gas and other air pollution reduction investments?*

Cynthia Koehler said the workgroup's goal was to ensure maximum inclusivity and flexibility in the definitions, including a broad definition of the term "community" in order capture, for example, low-income pockets in larger, more affluent areas. EPA may want to adapt a flexible definition to make sure funds flow to the communities they were intended to flow to. She shared a slide that depicted the various criteria states use to define "disadvantaged community."

Charge Question: *What kinds of technical and/or financial assistance should GHGRF funding recipients provide to ensure that low-income and disadvantaged communities are able to be direct or indirect beneficiaries of GHGRF funding? Please identify supports that could help communities with project implementation.*

Regarding the question of assistance needed, the workgroup identified assistance that may be needed across phases of implementation according to recipients, project type, benefit pathway, and community issues. The workgroup also looked at how TA would vary, depending on issues such as who needs assistance, project type, and the projected benefit, such as providing workforce training if workforce development is a goal.

Margot Kane discussed the program efficiency chart, which compared the strengths and weaknesses of various design elements, as well as which projects suitability, or "fit" to achieve objectives (see appendix 4 slides 23–25). The chart also provides the examples identified to date. She emphasized that design objectives may conflict with one another, depending on the situation, so there may be trade-offs for EPA to consider.

Charge Question: Are there programs/structures at the federal or state level that could effectively complement the GHGRF? How can EPA best leverage the GHGRF to support lasting, long-term (beyond 2024) transformation of the clean energy and climate finance ecosystem, especially for disadvantaged communities, and greenhouse gas and other air pollution reductions?

Margot Kane said the workgroup has just begun to address this issue and considers where EPA can build on existing capacity and initiatives by funding initiatives that align with GHGRF goals and creates synergies.

Angela Bricmont emphasized that the committee is still grappling with the fact there are many definitions of disadvantaged communities. Referring to the chart on slide 27 (in appendix 4), she pointed out that 41% of states use median household income (MHI) as their primary criterion. In larger cities, MHI won't capture disadvantaged communities and neighborhoods. She said the next most frequent determinant is population, or size, and not any single one wouldn't exclude disadvantaged communities. Rather than recommend a single definition, the group leaned toward being as expansive as possible.

Dennis Randolph echoed the need for an expansive definition of disadvantaged community. He also spoke to the difference between the concept of shovel-ready vs rapid deployment. At the local government level, "shovel ready" means plans are ready to be bid out, but that's not the point a lot of disadvantaged communities will be at. Rapid deployment allows projects to be put together quickly because engineering can be done a lot quicker. There's a subtle but important difference between the two terms.

Eric Hangen said he appreciates the intent of the group to define disadvantaged community, but it can go too far. For example, he said the Clean Energy and Sustainability Accelerator (CESA) Act attempted to be inclusive, and when he analyzed the scope, he found that 83% of the US population would be covered. He said every clause in the legislation was well intended, but something available to 83% of the population is not meaningful targeting. Next, he encouraged the group to take the long view of what leverage is. He said one view is to look at the current capital stack today; the other view, he said, is to look at how much private investment can be generated down the road.

Courtney Black said it may be beneficial to focus on the census tract level, rather than on the receiving agency. She added that cost of living was another key indicator and that Moody's has just released new scorecard data that adjust their MHI for regional price parity indexes for states. She said housing, specifically median rent, is a better cost-of-living indicator than MHI.

Ashley Allen Jones said she appreciated the program efficiency slides (23 and 24) and said there's an important difference between a community being ready to receive funding and a funder being ready to disburse it. The conversation around that gap is key to the charge. She said it's important to think about conditions being met in relation to funding coming down the pike.

Barry Hersh said he's been through efforts to define and target low-income communities, and he would support using the best definition they can find. He asked if we are considering commercial projects or are limited to nonprofit organizations and government. He also asked about whether the workgroup prefers GHGRF monies go to project that currently do not receive other federal funding.

Margot Kane said commercial projects means projects developed by for-profit entities or are raising private funding. She said non-commercial projects refers to activities typically not funded by private

entities, such as predevelopment costs. She said the legislation is clear that recipients do not include commercial enterprises. Regarding Barry Hersh's point about funding, Margot Kane said that, so far, the workgroup does not see a problem with recipients receiving other federal funding.

Lori Collins asked if there has been any work done on creating metrics around TA. How can we measure the impact and leverage of those dollars? Cynthia Koehler said they have not coordinated with workgroup 3, and agrees it is an important question. Lori Collins agreed and said a lot of TA has been provided in the past and asked if there were data on that. Cynthia Koehler said it's a good question for EPA.

Execution, Reporting, and Accounting Workgroup

Ted Chapman and MaryAnna Peavey | Workgroup Co-chairs

Ted Chapman said the workgroup looked at identifying options for EPA that will maximize impacts while minimizing the timeline and maximize accountability while minimizing bureaucracy. He said they wanted to complement the work of the other two workgroups without being duplicative. He said the workgroup's approach is to find a balance between achieving the goal of the enabling legislation while being good stewards of taxpayer money. He said the workgroup asked whether to create new paths when there are existing programs to replicate in the government, private, and nonprofit sector. One example is the American Rescue Plan.

Charge Question: Given the tight timeline for implementation of the funds, what are key steps that EPA could take in the short- (next 180 days), medium- (next two years before funds expire in 2024), and long-term (beyond 2024)?

Ted Chapman shared the workgroup's focus on what success looks like, and he shared a timeline of their efforts to date. He said their group will not get into details but will provide their guidance as a list of options.

Charge Question: What types of requirements could EPA establish to ensure the responsible implementation and oversight of the funding?

Ted Chapman said the workgroup was mindful to avoid the sense that there is excessive bureaucracy. Low-income communities are challenged in many cases to just get on EPA's radar. The workgroup will explore what has made communities successful in the past. They will explore existing data on best practices to evaluate program effectiveness.

Charge Question: What mechanisms could eligible recipients adopt, including governance as well as other mechanisms, to ensure that their applications and subsequent implementation efforts ensure: (1) accountability to low-income and disadvantaged communities; (2) greenhouse gas emission reductions; and (3) the leveraging and recycling of the grants?

Ted Chapman said the group has also looked at who will be responsible for maintaining the feedback loop; they want to provide a lot of burden to the end recipient while endorsing consumer protections, such as qualified vendors, guarantees and warranties, etc. In addition to stewarding public money, it needs to be an effective program.

Kerry O'Neill said there is still a lot of coordination work to do between now and December 1.

Dennis Randolph said, if we're trying to address environmental justice, we need to make sure that the National Environmental Policy Act (NEPA) is a part of the process that we recommend. There are complaints from people who do not want to do NEPA that NEPA is a burden; NEPA goes hand in hand with GHG reduction. Secondly, he said the Davis–Bacon Act means more costs, but if we're going to try to direct funds to low-income communities, we want to make sure we pay those workers a fair, comparable, living wage. He said he's done projects with and without Davis–Bacon funding, and he's found that Davis–Bacon projects are better.

Kerry O'Neill asked for any additional comments from the Board on this or other workgroups. There were none.

Recap and Wrap-Up

Ed Chu | EPA Designated Federal Officer

Kerry O'Neill | EFAB Chair

Ed Chu asked if EPA clients Alejandra Nunez or Tim Profeta had any comments. Alejandra Nunez thanked the workgroups for putting so much work into the charges. She said they have been learning a lot, and many ideas are consistent with what they've heard from other stakeholders.

Kerry O'Neill said that this effort is unusual not only because it is on a fast timeline, but also because, typically, EFAB makes recommendations, whereas for these charge questions, EFAB is being asked for options with their pros and cons.

She said the workgroups will now start sharing ideas, and the next public meeting is December 1. Draft deliverables will be voted on at the public meeting on December 15.

Ed Chu asked members of the public to continue to submit their comments to efab@epa.gov.

Adjourn

Ed Chu adjourned the meeting.

Appendix 1. Federal Register Announcement



Federal Register / Vol. 87, No. 211 / Wednesday, November 2, 2022 / Notices

66175

Policy Statement. FERC-552 remains the same and no changes are needed for that collection.

By the Commission.

Issued: October 27, 2022.

Kimberly D. Bose,

Secretary.

[FR Doc. 2022-23846 Filed 11-1-22; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings

Take notice that the Commission has received the following Natural Gas Pipeline Rate and Refund Report filings:

Filings Instituting Proceedings

Docket Numbers: RP23-77-000.

Applicants: ANR Pipeline Company.

Description: § 4(d) Rate Filing;

Jackson Generation #132120-1 NCNR to be effective 11/1/2022.

Filed Date: 10/26/22.

Accession Number: 20221026-5203.

Comment Date: 5 p.m. ET 11/7/22.

Docket Numbers: RP23-78-000.

Applicants: Algonquin Gas

Transmission, LLC.

Description: § 4(d) Rate Filing;

Negotiated Rates—Amended Accelerate 510850 eff 11-01-22 to be effective 11/1/2022.

Filed Date: 10/26/22.

Accession Number: 20221026-5215.

Comment Date: 5 p.m. ET 11/7/22.

Docket Numbers: RP23-79-000.

Applicants: Transcontinental Gas

Pipe Line Company, LLC.

Description: Compliance filing;

Annual Penalty Revenue Sharing Report 2022 to be effective N/A.

Filed Date: 10/27/22.

Accession Number: 20221027-5020.

Comment Date: 5 p.m. ET 11/8/22.

Docket Numbers: RP23-80-000.

Applicants: Destin Pipeline Company,

L.L.C.

Description: Compliance filing; Destin Pipeline Annual Fuel Retention Adjustment to be effective N/A.

Filed Date: 10/27/22.

Accession Number: 20221027-5037.

Comment Date: 5 p.m. ET 11/8/22.

Docket Numbers: RP23-81-000.

Applicants: Carolina Gas

Transmission, LLC.

Description: § 4(d) Rate Filing; CGT—October 27, 2022 Administrative Change to be effective 12/1/2022.

Filed Date: 10/27/22.

Accession Number: 20221027-5043.

Comment Date: 5 p.m. ET 11/8/22.

Any person desiring to intervene or protest in any of the above proceedings must file in accordance with Rules 211 and 214 of the Commission's Regulations (18 CFR 385.211 and 385.214) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding.

The filings are accessible in the Commission's eLibrary system (<https://elibrary.ferc.gov/idmws/search/fercsearch.asp>) by querying the docket number.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: <http://www.ferc.gov/docs-filing/efiling/filing-req.pdf>. For other information, call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Dated: October 27, 2022.

Debbie-Anne A. Reese,

Deputy Secretary.

[FR Doc. 2022-23841 Filed 11-1-22; 8:45 am]

BILLING CODE 6717-01-P

ENVIRONMENTAL PROTECTION AGENCY

[FRL-10382-01-OW]

Notice of Public Environmental Financial Advisory Board Virtual Meetings

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of public meetings.

SUMMARY: The United States Environmental Protection Agency (EPA) announces three public meetings of the Environmental Financial Advisory Board (EFAB). The meetings will be conducted in a virtual format via webcast. The purpose of the meetings will be for the EFAB to provide workgroup updates and work products for the Greenhouse Gas Reduction Fund charge. Written public comments may be provided in advance. No oral public comments will be accepted during the meetings. Please see the **SUPPLEMENTARY INFORMATION** section for further details.

DATES: The meetings will be held on:

1. November 17, 2022, from 1 p.m. to 3 p.m. Eastern Time;
2. December 1, 2022, from 1 p.m. to 3 p.m. Eastern Time; and
3. December 15, 2022, from 1 p.m. to 5 p.m. Eastern Time.

ADDRESSES: The meetings will be conducted in a virtual format via webcast only. Information to access the

webcast will be provided upon registration in advance of each meeting.

FOR FURTHER INFORMATION CONTACT: Any member of the public who wants information about the meetings may contact Tara Johnson via telephone/voicemail at (202) 564-6186 or email to efab@epa.gov. General information concerning the EFAB is available at <https://www.epa.gov/waterfinancecenter/efab>.

SUPPLEMENTARY INFORMATION:

Background: The EFAB is an EPA advisory committee chartered under the Federal Advisory Committee Act (FACA), 5 U.S.C. App. 2, to provide advice and recommendations to EPA on innovative approaches to funding environmental programs, projects, and activities. Administrative support for the EFAB is provided by the Water Infrastructure and Resiliency Finance Center within EPA's Office of Water. Pursuant to FACA and EPA policy, notice is hereby given that the EFAB will hold three public meetings via webcast for the following purpose: Provide workgroup updates and work products for the Board's Greenhouse Gas Reduction Fund charge.

Registration for the Meeting: To register for the meeting, please visit <https://www.epa.gov/waterfinancecenter/efab#meeting>. Interested persons who wish to attend the meeting via webcast must register by November 14, 2022 (for the November 17, 2022, meeting), November 28, 2022 (for the December 1, 2022, meeting), and December 12, 2022 (for the December 15, 2022, meeting). Pre-registration is strongly encouraged.

Availability of Meeting Materials:

Meeting materials, including the meeting agenda and briefing materials, will be available on EPA's website at <https://www.epa.gov/waterfinancecenter/efab>.

Procedures for Providing Public Input: Public comment for consideration by EPA's federal advisory committees has a different purpose from public comment provided to EPA program offices. Therefore, the process for submitting comments to a federal advisory committee is different from the process used to submit comments to an EPA program office. Federal advisory committees provide independent advice to EPA. Members of the public may submit comments on matters being considered by the EFAB for consideration as the Board develops its advice and recommendations to EPA.

Written Statements: Written statements should be received by November 10, 2022 (for the November 17, 2022, meeting), November 25, 2022

(for the December 1, 2022, meeting), and December 8, 2022 (for the December 15, 2022, meeting), so that the information can be made available to the EFAB for its consideration prior to the meeting. Written statements should be sent via email to efab@epa.gov. Members of the public should be aware that their personal contact information, if included in any written comments, may be posted to the EFAB website. Copyrighted material will not be posted without explicit permission of the copyright holder.

Accessibility: For information on access or services for individuals with disabilities or to request accommodations for a disability, please register for the meeting and list any special requirements or accommodations needed on the registration form at least 10 business days prior to the meeting to allow as much time as possible to process your request.

Andrew D. Sawyers,
Director, Office of Wastewater Management,
Office of Water.

[FR Doc. 2022-23796 Filed 11-1-22; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

[EPA-HQ-OPPT-2022-0835; FRL-10293-01]

Webinar and Opportunity To Submit Applications for the Assessment of Environmental Performance Standards and Ecolabels for Potential Inclusion in EPA's Recommendations for Federal Purchasing

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA) is expanding the Recommendations of Specifications, Standards and Ecolabels for Federal Purchasing (Recommendations) and is seeking managers of standards development organizations, ecolabel programs, and associated conformity assessment bodies to apply for potential assessment and inclusion in the Recommendations. Interested applicants should electronically submit responses to the scoping questions. Those considering applying are invited to attend a webinar hosted by the EPA's Environmentally Preferable Purchasing (EPP) Program to learn more and ask questions about the assessment process. Once all applications are received, EPA will issue an estimated timeline for full

assessments against Sections I through IV of the Framework for the Assessment of Environmental Performance Standards and Ecolabels for Federal Purchasing (Framework). The number of full assessments that EPA can perform will depend on the number of applicants and available resources.

DATES:

Webinar: The Webinar will be held virtually on November 15, 2022, from 1:00 p.m. to 2:30 p.m. EDT. You must register online at https://www.zoomgov.com/webinar/register/WN_gXXfTIpBS9CLgEQWQHsNKQ in order to receive the webcast meeting link and audio teleconference information. EPA encourages timely registration, but you can register at any time before and up to the start of the meeting. Once you register, you will promptly receive an email with the necessary webcast meeting information.

Applications: On or before January 1, 2023, interested parties must electronically submit by email to epp@epa.gov responses to the scoping questions found at: <https://www.epa.gov/greenerproducts/framework-assessment-environmental-performance-standards-and-ecolabels-federal>. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute.

Special accommodations: Requests for special accommodations for the Webinar should be submitted on or before November 7, 2022, to allow EPA time to process the requests. For information on access or services for individuals with disabilities, and to request accommodation for a disability, please contact Jenna Larkin, listed under **FOR FURTHER INFORMATION CONTACT**.

ADDRESSES: EPA has established a docket for this action under docket identification (ID) number EPA-HQ-OPPT-2022-0835 that is available online at <https://www.regulations.gov>. Additional instructions on visiting the docket, along with more information about dockets generally, is available at <https://www.epa.gov/dockets>.

FOR FURTHER INFORMATION CONTACT: Jenna Larkin, Environmental Protection Specialist, Environmentally Preferable Purchasing Program (7409M), Office of Chemical Safety and Pollution Prevention, Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460-0001; telephone number: (202) 564-3395; email address: larkin.jenna@epa.gov.

SUPPLEMENTARY INFORMATION:

I. Executive Summary

A. Does this action apply to me?

This is directed to the public in general. This notice may be of specific interest to persons who represent standards development organizations, ecolabel programs, and associated conformity assessment bodies that manage product or service environmental performance standards and/or ecolabels that could be considered for use in United States federal sustainable procurement efforts.

B. What action is the Agency taking?

EPA is expanding the Recommendations of Specifications, Standards and Ecolabels for Federal Purchasing. Interested applicants must submit their responses to the scoping questions electronically to epp@epa.gov by January 1, 2023. The scoping questions can be found in the docket or at <https://www.epa.gov/greenerproducts/framework-assessment-environmental-performance-standards-and-ecolabels-federal>.

C. What is the Agency's authority for taking this action?

This effort directly supports the implementation of several Executive Orders and statutes.

Executive Order 14008, entitled "Tackling the Climate Crisis at Home and Abroad" (86 FR 7619, February 1, 2021), directs the Federal government to lead by example and leverage its buying power to "catalyze private sector investment into, and accelerate the advancement of America's industrial capacity to supply domestic clean energy, buildings, vehicles, and other necessary products and materials". The expansion of the Recommendations will help to spur this market demand for more sustainable products and services.

Standards and ecolabels included in the Recommendations will also help to meet Executive Order 14030, entitled "Climate-Related Financial Risk" (86 FR 27967, May 20, 2021), which directs the Federal Acquisition Regulatory (FAR) Council to consider amending the FAR to ensure that major procurements minimize the risk of climate change.

The implementing instructions for Executive Order 14057, entitled "Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability" (86 FR 70935, December 13, 2021), directs EPA to consider expanding the Recommendations to facilitate net-zero emissions procurement and other related sustainable purchasing goals. In addition, it directs federal purchasers to prioritize products and services that address multiple environmental

Appendix 2. Agenda

U.S. Environmental Protection Agency
Environmental Financial Advisory Board

[Public Meeting](#)
Virtual Platform

November 17, 2022
1:00-3:00 pm Eastern Time

1:00 pm	WELCOME, MEMBER ROLL CALL, AND REVIEW OF AGENDA <ul style="list-style-type: none"> Edward H. Chu – EFAB Designated Federal Officer Kerry O’Neill – EFAB Chair
1:05 pm	CHARGE BACKGROUND <ul style="list-style-type: none"> Edward H. Chu – EFAB Designated Federal Officer Kerry O’Neill – EFAB Chair
1:15 pm	PROGRAM STRUCTURE WORKGROUP <ul style="list-style-type: none"> Lori Collins and Ashley Allen Jones – Workgroup Co-chairs
2:00 pm	OBJECTIVES WORKGROUP <ul style="list-style-type: none"> Cynthia Koehler and Margot Kane – Workgroup Co-chairs
2:25 pm	EXECUTION, REPORTING, AND ACCOUNTING WORKGROUP <ul style="list-style-type: none"> Ted Chapman and MaryAnna Peavey – Workgroup Co-chairs
2:50 pm	RECAP AND WRAP-UP <ul style="list-style-type: none"> Edward H. Chu – EFAB Designated Federal Officer Kerry O’Neill – EFAB Chair
3:00 pm	ADJOURN

Appendix 3. EFAB Members

Ed Chu, Designated Federal Officer Tara Johnson, Alternate Designated Federal Officer

NAME	AFFILIATION	LOCATION	PERSPECTIVE REPRESENTED	CURRENT TERM	ORIGINAL APPOINTMENT DATE
Kerry O’Neill, EFAB Chair	Chief Executive Officer, Inclusive Prosperity Capital, Inc.	Stamford, Connecticut (EPA Region 1)	Environmental/ Non-governmental Organization	July 20, 2021– June 15, 2023	July 28, 2020
Ashley Allen Jones	Founder and Chief Executive Officer, i2 Capital	Washington, District of Columbia (EPA Region 3)	Business – Financial Services	June 21, 2022 – June 15, 2024	July 28, 2020
Courtney L. Black	Deputy Finance Director, City of Kent	Kent, Washington (EPA Region 10)	State/Local Government	June 21, 2022 – June 15, 2025	June 21, 2022
Steven J. Bonafonte	Assistant District Counsel, The Metropolitan District of Hartford	Hartford, Connecticut (EPA Region 1)	Legal	June 21, 2022 – June 15, 2024	July 28, 2020
Angela Montoya Bricmont	Chief Finance Officer, Denver Water	Denver, Colorado (EPA Region 8)	State/Local Government	June 21, 2022 – June 15, 2024	July 28, 2020
Matthew T. Brown	Chief Financial Officer and EVP, Finance and Procurement, District of Columbia Water and Sewer Authority	Washington, District of Columbia (EPA Region 3)	State/Local Government	June 21, 2022 – June 15, 2025	June 21, 2022
Stacy Brown	President and Chief Executive Officer, Freberg Environmental, Inc.	Denver, Colorado (EPA Region 8)	Business – Financial Services	June 21, 2022 – June 15, 2024	July 28, 2020
Theodore Chapman	Investment Banking Analyst, Hilltop Securities, Inc.	Dallas, Texas (EPA Region 6)	Business – Financial Services	July 28, 2020 – June 15, 2023	September 25, 2017
Albert Cho	Senior Vice President, Chief Strategy and Digital Officer, Xylem, Inc.	Washington, District of Columbia (EPA Region 3)	Business – Industry	June 21, 2022 – June 15, 2025	June 21, 2022
Janet Clements	President and Founder, One Water Econ	Loveland, Colorado (EPA Region 8)	Business – Industry	June 21, 2022 – June 15, 2025	June 21, 2022
Lori Collins	Owner and Principal, Collins Climate Consulting	Charlotte, North Carolina (EPA Region 4)	Business – Industry	June 21, 2022 – June 15, 2025	June 21, 2022

NAME	AFFILIATION	LOCATION	PERSPECTIVE REPRESENTED	CURRENT TERM	ORIGINAL APPOINTMENT DATE
Zachary Davidson	Director of Underwriting, Ecosystem Investment Partners	Baltimore, Maryland (EPA Region 3)	Business – Financial Services	June 21, 2022 – June 15, 2024	July 28, 2020
Jeffrey R. Diehl	Chief Executive Officer, Rhode Island Infrastructure Bank	Providence, Rhode Island (EPA Region 1)	State/Local Government	June 21, 2022 – June 15, 2024	July 28, 2020
Sonja B. Favors	Industrial Hazardous Waste Branch Chief, Alabama Department on Environmental Management	Montgomery, Alabama (EPA Region 4)	State/Local Government	June 21, 2022 – June 15, 2024	July 28, 2020
Phyllis R. Garcia	Treasurer, San Antonio Water System	San Antonio, Texas (EPA Region 6)	State/Local Government	June 21, 2022 – June 15, 2024	July 28, 2020
Eric Hangen	Senior Research Fellow, Center for Impact Finance, Carsey School of Public Policy, University of New Hampshire	Danby, Vermont (EPA Region 1)	Academic	June 21, 2022 – June 15, 2025	June 21, 2022
Edward Henifin	General Manager (retired), Hampton Roads Sanitation District	Virginia Beach, Virginia (EPA Region 3)	State/Local Government	July 28, 2020 – June 15, 2023	June 15, 2018
Barry Hersh	Clinical Professor and MSRED Chair, School of Professional Studies, New York University	New York, New York (EPA Region 2)	Academic	June 21, 2022 – June 15, 2025	June 21, 2022
Craig Holland	Senior Director of Urban Investments, The Nature Conservancy	Arlington, Virginia (EPA Region 3)	Environmental/ Non-governmental Organization	July 28, 2020 – June 15, 2023	September 25, 2017
Craig A. Hrinkevich	Public Finance Team – New Jersey Managing Director, Robert W. Baird & Company, Inc.	Red Bank, New Jersey (EPA Region 2)	Business – Financial Services	June 21, 2022 – June 15, 2024	July 28, 2020
Margot Kane	Chief Investment Officer, Spring Point Partners LLC	Philadelphia, Pennsylvania (EPA Region 3)	Business – Financial Services	June 21, 2022 – June 15, 2024	July 28, 2020
Thomas Karol	General Counsel Federal, National Association of Mutual Insurance Companies	Washington, District of Columbia (EPA Region 3)	Legal	June 21, 2022 – June 15, 2025	June 21, 2022
George W. Kelly	Global Client Strategy Officer, Earth Recovery	Denver, Colorado (EPA Region 8)	Business – Financial Services	June 21, 2022 – June 15, 2024	July 28, 2020

NAME	AFFILIATION	LOCATION	PERSPECTIVE REPRESENTED	CURRENT TERM	ORIGINAL APPOINTMENT DATE
	Partners				
Gwendolyn Keyes Fleming	Partner, DLA Piper LLP	Washington, District of Columbia (EPA Region 3)	Legal	June 21, 2022 – June 15, 2025	June 21, 2022
Cynthia Koehler	Executive Director, WaterNow Alliance	San Francisco, California (EPA Region 9)	Environmental/ Non-governmental Organization	June 21, 2022 – June 15, 2024	July 28, 2020
Colleen Kokas	Executive Vice President, Environmental Liability Transfer, Inc.	Lahaska, Pennsylvania (EPA Region 3)	Business – Industry	June 21, 2022 – June 15, 2024	July 28, 2020
Joanne V. Landau	President and Chief Investment Officer, Kurtsam Realty Corp.	Croton-on-Hudson, New York (EPA Region 2)	Business – Industry	June 21, 2022 – June 15, 2025	June 21, 2022
Lawrence Lujan	Executive Director, Taos Public Utility Service	Taos, New Mexico (EPA Region 6)	Tribal Government	June 21, 2022 – June 15, 2025	June 21, 2022
MaryAnna H. Peavey	Grants and Loans Bureau Supervisory, Idaho Department of Environmental Quality	Boise, Idaho (EPA Region 10)	State/Local Government	June 21, 2022 – June 15, 2024	July 28, 2020
Dennis A. Randolph	City Traffic Engineer, City of Kalamazoo Public Services Department	Kalamazoo, Michigan (EPA Region 5)	State/Local Government	June 21, 2022 – June 15, 2024	July 28, 2020
Eric Rothstein	Principal, Galardi Rothstein Group	Montreat, North Carolina (EPA Region 4)	Business – Financial Services	July 28, 2020 – June 15, 2023	September 25, 2017
Sanjiv Sinha	Chief Sustainability Officer, Environmental Consulting & Technology, Inc.	Ann Arbor, Michigan (EPA Region 5)	Business – Industry	June 21, 2022 – June 15, 2025	June 21, 2022
William Stannard	Chairman of the Board, RAFTELIS	Kansas City, Missouri (EPA Region 7)	Business – Financial Services	July 28, 2020 – June 15, 2023	June 15, 2018
Marilyn Waite	Managing Director, Climate Finance Fund	Washington, District of Columbia (EPA Region 3)	Business – Financial Services	June 21, 2022 – June 15, 2025	June 21, 2022

NAME	AFFILIATION	LOCATION	PERSPECTIVE REPRESENTED	CURRENT TERM	ORIGINAL APPOINTMENT DATE
David L. Wegner	Senior Consultant on Water, Climate Change, and Asset Risk Assessment, Water Science and Technology Board, National Academy of Sciences	Tucson, Arizona (EPA Region 9)	Business – Industry	June 21, 2022 – June 15, 2025	June 21, 2022
Gwen Yamamoto Lau	Executive Director, Hawaii Green Infrastructure Authority	Honolulu, Hawaii (EPA Region 9)	State/Local Government	June 21, 2022 – June 15, 2025	June 21, 2022
David Zimmer	Executive Director, New Jersey Infrastructure Bank	Lawrenceville, New Jersey (EPA Region 2)	State/Local Government	July 28, 2020 – June 15, 2023	June 15, 2018

Appendix 4. Slide Presentations

**EPA Environmental Financial Advisory Board
GHGRF Charge**

**Public Meeting
November 17, 2022**

What is EFAB?

EFAB is a Federal Advisory Committee, an independent advisory body chartered under the Federal Advisory Committee Act (FACA) with members representing various constituencies

- All meetings are open to the public
- All materials are available online via EPA's website

For more information on EFAB, visit:
<https://www.epa.gov/waterfinancecenter/efab>

Charge Background & Summary

Section 60103 of the Inflation Reduction Act of 2022 – Amended the Clean Air Act to create a new program: the Greenhouse Gas Reduction Fund (GHGRF)

- This first-of-its-kind program will provide competitive grants to mobilize financing and leverage private capital for clean energy and climate projects that reduce greenhouse gas emissions – with an emphasis on projects that benefit low-income and disadvantaged communities

The GHGRF provides \$27 billion to EPA for expenditure until September 30, 2024. This includes:

- \$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; and
- \$8 billion for competitive grants to eligible entities to provide financial and technical assistance to projects that reduce or avoid greenhouse gas emissions in low-income and disadvantaged communities

EPA launched a coordinated stakeholder engagement strategy to help shape the implementation of the GHGRF and ensure economic and environmental benefits are realized by all Americans.

- Public Listening Sessions – November 1 and November 9, 2022; recordings available online
- Request for Information – Public comment period open until December 5, 2022
- [Solicitation of Expert Input from EFAB](#)
 - EPA presented and EFAB approved a set of formal charge questions on October 19, 2022
 - Final charge deliverable(s) to EPA on December 15, 2022

For more information on the GHGRF at EPA, visit:
<https://www.epa.gov/inflation-reduction-act/greenhouse-gas-reduction-fund>

Charge Status

EFAB created 3 workgroups for 3 categories of charge questions:

1. Objectives
2. Program Structure
3. Execution, Reporting, & Accountability

Workgroup Progress

- Given the extremely compressed timeline of this charge (2 months vs. 1-2 years), workgroups have drawn on their own expertise and that of their constituent networks, reviewing public comments and other readily available literature
- Materials shared today are in no way meant to be exhaustive; they represent deliberations up to this point
- Workgroups have been working independently
 - Workgroup integration and coordination hasn't happened yet
 - Overlapping themes will be addressed leading up to December 15, 2022

Today – Check in with full EFAB, review workgroup progress to date, and solicit feedback

Upcoming charge schedule

- December 1, 2022 – EFAB Public Meeting to check in and review workgroup progress
- December 15, 2022 – EFAB Public Meeting to present the final charge deliverable(s) and vote on its approval

Program Structure Workgroup

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GHGRF Charge – Program Structure

Workgroup Overview

- Eligible Recipients
- Eligible Projects
 - Types of Projects/Sectors/Market Segments
 - Barriers, Gaps to Fill, and Strategies
 - Beneficiaries/Low-Income Communities
- Structure of Funding
 - Design Requirements
 - Compliance and Streamlining

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GHGRF Charge – Program Structure

Eligible Recipients

Charge Question II.a.i: Who could be eligible entities and/or indirect recipients under the GHGRF? What should the thresholds for deployment be – both amount and timing – for GHGRF funding by these entities? Please provide references regarding the total capital deployed by these entities into clean energy and climate projects

- Range of state, federally licensed, and non-profit capital deployment vehicles with reach into disadvantaged communities; specific vehicles map to priority projects and unique needs of communities



Note: EFAB is still considering questions around thresholds for deployment and total capital deployed by these entities

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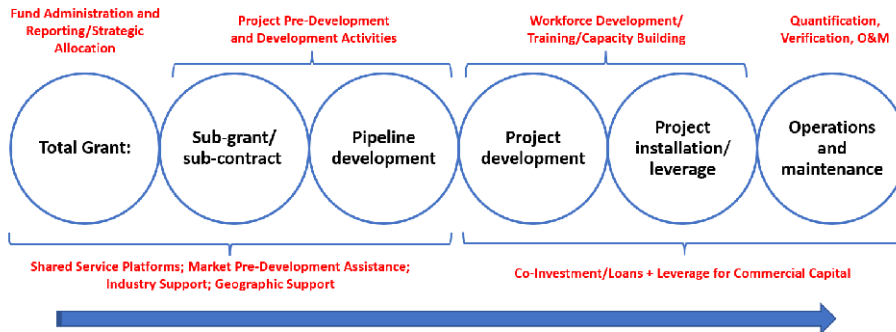
GHGRF Charge – Program Structure

Eligible Recipients

Charge Question II.a.ii: What eligible entities and/or indirect recipients would best enable funds to reach disadvantaged communities? What are their challenges and opportunities and how can EPA maximize the use of these channels?

- Capacity to leverage private sector capital to expand the reach of the program will be an important consideration

Strategic Allocation of Capital Along Value-Chain of Activities



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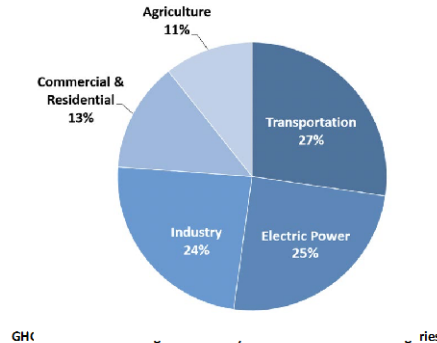
GHGRF Charge – Program Structure

Eligible Projects – Types of Projects/Sectors/Market Segments

Charge Question II.b.i: What types of projects/sectors/market segments could EPA prioritize for funding through the eligible recipients?

- To frame what types of projects could be considered, need to understand where the problem is. How can it be solved? Who will benefit? For example, assess the largest sources, sectors, locations of GHG emissions to inform consideration

Where is the problem?



[Source: EPA Inventory of U.S. GHG Emissions and Sinks (see Figures ES-13 and Tables ES-5 and ES-6)]

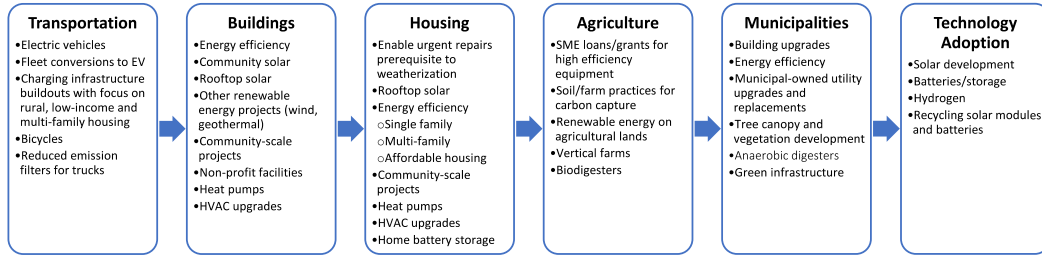
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GHGRF Charge – Program Structure

Eligible Projects – Types of Projects/Sectors/Market Segments*

Charge Question II.b.i: What types of projects/sectors/market segments could EPA prioritize for funding through the eligible recipients?

- How can the problem be solved? Considerations may include project size, market gaps, GHG reduction capacity, scalability, community reach and access, etc. List below includes representative examples (not comprehensive)



How can the problem be solved?

*To be integrated with GHGRF Charge Workgroup 1 (Objectives)

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GHGRF Charge – Program Structure

Eligible Projects – Types of Projects/Sectors/Market Segments

Charge Question II.b.i: What types of projects/sectors/market segments could EPA prioritize for funding through the eligible recipients?

➤ Who will benefit from solving the problem? List below includes representative examples (not comprehensive)

Sector	Use Case (examples)	Beneficiary (examples)
Buildings – Residential	Energy efficiency	LMI
	Community solar/wind	LMI
	Rooftop solar	LMI
	Electrification – cooking/heat	Tribal
Buildings – Commercial	Energy efficiency upgrades	Nursing homes/churches/small business
	HVAC upgrades	Health centers, small business
	Renewables	All the above
Industry	Fleet conversions	LMI communities exposed
Transportation	Charging infrastructure	Rural communities
		Multi-family housing
		Tribal

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GHGRF Charge – Program Structure

Charge Question II.b.ii.2: Researching and collecting relevant case studies
Charge Question II.b.iii: Researching deal-level economics for various use-cases

Eligible Projects – Barriers, Gaps to Fill, and Strategies

Charge Question II.b.ii.1: What are the barriers to private sector capital?

Charge Question II.b.ii.3: What project-level gaps could the GHGRF fill for each type of project? What form could capital take to fill these gaps?

Please provide references that analyze the deal-level economics for the various types of projects, including whether and how these may vary by geography

Barriers to Private Capital (II.b.ii.1)	Gaps GHGRF Could Fill (II.b.ii.3)	Forms of Capital
<p>Project Level:</p> <ul style="list-style-type: none"> Underwriting risk (payback period, return on investment, revenue vs. cost) Ability to demonstrate energy savings Technical expertise Fragmentation Lack of track record Quality control Tenor (long-term) Operations & Maintenance Pre-requisites (e.g., repairs) Project development/supply chain Scale (e.g., C-PACE) On-bill financing resistance (utility) Administrative resistance (PACE) <p>Borrower Level:</p> <ul style="list-style-type: none"> Credit risk Ability to repay Uptake Adoption Split incentives (tenant/owner) <p>Capital provider:</p> <ul style="list-style-type: none"> Balance sheet equity Lack of loan servicing platform Lack of shared services (e.g., IT, insurance) Lack of credit enhancements Lack of climate impact reporting infrastructure 	<ul style="list-style-type: none"> Technical assistance including [cost savings analysis, education, adoption requirements, etc.] Pre-condition assistance including [grants for home repairs enabling weatherization] Market development assistance including [information campaigns, available incentives, community programs] Funding collaboration development including [local funding campaigns, community wide pools, etc.] Balance sheet equity Credit enhancements: Loan loss reserves, interest rate buy-downs, guarantees Technical assistance 	<ul style="list-style-type: none"> Clean energy loans – single family, multi-family, commercial Energy efficiency loans Revolving loan funds EV auto loans Unsecured loans Blended finance Equipment and appliance loans (e.g., HVAC, energy efficient appliances) C-PACE loans (Commercial Property Assessed Clean Energy loans) Tariff on-bill repayment loans Pay-for-performance contracting mechanisms Green mortgages Small business loans

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GHGRF Charge – Program Structure

Eligible Projects – Barriers, Gaps to Fill, and Strategies

Charge Question II.b.ii.4: Beyond assembling the capital stack for a deal, what other barriers and constraints exist that could constrict the pipeline of successful projects? What program strategies are needed to respond to these barriers and constraints?

➤ Barriers, examples, and strategies listed below are representative examples (not comprehensive)

Barrier	Project Examples	Strategies
Uptake – See LBNL study on driving demand for home improvements	Home improvements	Community-level programs
Interest – Commercial building owner	Energy efficiency, renewable energy, HVAC upgrades, C-PACE	Demonstrated interest, commitment or pipeline before funding program established
Prerequisites	<ul style="list-style-type: none"> • Home needs basic repairs (e.g., new roof) before energy efficiency upgrades would be viable • Commercial building needs basic energy efficiency upgrades before solar would be viable 	Coordination with State Energy Offices/SEP
Scale – Aggregate impact	Fleet conversions	Systemic programs, collaboration with government agencies

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GHGRF Charge – Program Structure

Structure of Funding – Design Requirements*

Charge Question II.c.i: Are there any potential program design requirements that would impact the ability of recipients to use the GHGRF program funds?

Potential Program Design Requirements
Federal funding requirements
Financial capacity
Governance
Metrics/reporting
Due diligence
Grants/debt/equity/credit enhancements
Collective action systemic change
Sector expertise
Technology
Other requirements to maximize reach (community) and impact (GHG reductions)

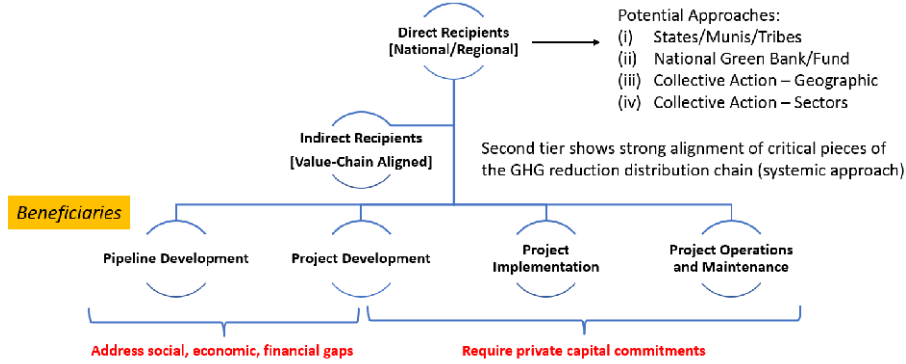
**To be integrated with Workgroups 1 (Objectives) and 3 (Execution, Reporting, and Accountability)*

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GHGRF Charge – Program Structure

Structure of Funding – Design Requirements

Charge Question II.c.i: How could EPA address these issues through program design?



EPA has an opportunity to create program structures that address barriers and directly support scaled deployment across defined value chains, with emphasis on filling gaps that currently inhibit expansion and benefits to low-income communities

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GHGRF Charge – Program Structure

Structure of Funding – Compliance and Streamlining

Charge Question II.c.i: How could recipients comply with relevant federal requirements?

- EFAB workgroup is reviewing relevant Federal requirements

Charge Question II.c.i: How can EPA streamline the distribution of funds so that applicable federal and state review can be accomplished in a coordinated and efficient manner?

- Evaluating pros and cons of a range of potential options
- Options include potentially one, few, or many direct recipients:
 - Single Entity/National Green Bank
 - Multiple potential recipients
 1. States/Municipalities/Tribes
 2. Green Funds
 3. Collective Action – Geographic
 4. Collective Action – Sectors
 - Mixed approach (combo of above)
 - Other possibilities under review

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GHGRF Charge – Program Structure

Next Steps

- Consider all feedback and input
- Interviews
- Review public comments
- 12/1/22 – Board meeting and update
- 12/15/22 – Board meeting and final charge deliverable(s)

THANK YOU

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Objectives Workgroup

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GHGRF Charge – Objectives

Workgroup Overview

Provide considerations around the GHGRF's primary purpose:

- To fund and/or finance projects intended to reduce GHG emissions that are not being resourced today, particularly those in low-income and historically disadvantaged communities, because:
 - There is a lack of requisite capital at reasonable costs;
 - Priority areas for reducing GHGs (e.g., buildings, transportation, industry, agriculture) may not readily lend themselves to existing funding structures in priority communities;
 - There is a lack of technical and human capacity to prepare grant applications; and
 - There is a lack of start-up “capital” (e.g., technical assistance and planning grants).

Focused on two areas:

- Program Efficiency
 - Design Elements
 - Complementary Programs and Structures
- Environmental Justice / Definition of “Low-Income and Disadvantaged Communities”
 - Definition and Support Considerations
 - Technical and Financial Assistance

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GHGRF Charge – Objectives

Overarching Concepts

Acknowledge competing mandates

- Leveraging financing and ensuring GHGRF funds flow to disadvantaged communities will not always lead to prioritizing the same types of projects or community support
- EPA has flexibility to design the GHGRF to empower states, municipalities, tribes and eligible entities to select solutions that accomplish one or another objective well, while ensuring performance of both in the aggregate. For example, EPA could:
 - Enable project selection that:
 - Prioritizes GHG reduction projects that provide direct benefits to disadvantaged communities, but that will not necessarily leverage private capital (e.g., capacity building; workforce development; reduction of localized pollution)
 - Enhances funding additionality and recycling that may not provide immediate benefits to disadvantaged communities but that are likely to provide funding sustainability for GHG reduction programs for the longer term (beyond 2024)
 - Establish performance metrics demonstrating that selected projects in the aggregate accomplish overarching objectives

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GHGRF Charge – Objectives

Overarching Concepts

Balance equity and access with leverage goals

- Seek higher levels of financing leverage for projects in communities with greater capacity and access to resources
- Lower leverage requirements for projects requiring some subsidization, associated with less resourced communities
- No leverage requirements for grant funded projects primarily intended to provide various benefits/TA to disadvantaged communities

Balance need for “shovel-ready” projects with capacity building goals

- Goal is rapid deployment
- Conventional meaning of 'shovel ready' projects (e.g., designed, engineered, permitted) is only one path to achieving this goal and could exclude projects that could/should be supported by one or more of the GHGRF streams

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GHGRF Charge – Objectives

Program Efficiency – Design Elements

Charge Question 1.b.i:

- *How can the GHGRF grant competition be designed so that funding is highly leveraged (i.e., each dollar of federal funding mobilizes multiple dollars of private funding)?*
- *How can the funding be used to maximize “additionality” (i.e., the extent to which funding catalyzes new projects that would not otherwise occur)?*
- *How can EPA balance the need for grants for capacity building and short-term results with financial structures that will allow capital to be recycled over time?*
- *Where (if at all) is it appropriate to impose sustainability requirements on direct or indirect beneficiaries of GHGRF funding?*

Providing guidance in terms of:

- Strengths and weaknesses of each of the above elements by sample recipients/project type
- Strong fits and weak fits of each element by recipient/project type
- Specific examples/case studies of where each element has been successful or not in comparable funding programs
- Considerations and potential trade-offs regarding equitable access to funding, capacity building, and an efficiency emphasis

Additional considerations related to efficiency elements in program design, including:

- Intrinsic trade-offs between elements of program design and program objectives
- Coordination around existing and future TA funding sources
- Possibility to piggyback upon existing direct-to-consumer funding programs, e.g., tariff on-bill financing via utilities
- Risk of compromising other supports, particularly at the low-income household level (e.g., benefits cliffs)
- Indicators of success

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GHGRF Charge – Objectives

Program Efficiency – Design Elements

Design Element	Strengths/Weaknesses	Strong/Weak Fits	Recipient Examples
<p>Leverage: The ability of a recipient or project to evidence additional private sector funding sources</p>	<p>Strengths</p> <ul style="list-style-type: none"> • Crowds in additional dollars from other sources • Enables larger projects • Stretches taxpayer resources further • Can provide risk mitigation for private capital <p>Weaknesses</p> <ul style="list-style-type: none"> • Burdensome from a structuring and transaction cost standpoint • May increase cost of capital • Less workable in smaller projects 	<p>Strong Fits</p> <ul style="list-style-type: none"> • Large asset-backed projects • Subordinate tranches in structured funds • Nonprofit and commercial projects • Residential solar leases <p>Weak Fits</p> <ul style="list-style-type: none"> • Smaller community-based organizations • Smaller municipalities • Matching TA dollars • Non-commercial project costs (e.g., predevelopment) 	<ul style="list-style-type: none"> • Green Banks • CDFIs • Infrastructure Authorities/EDAs
<p>Additionality: Demonstrating the essential contribution of the GHGRF to getting the project done; "but for this funding..."</p>	<p>Strengths</p> <ul style="list-style-type: none"> • Enables attribution to leaders, organizations on successful projects • May enable projects in disinvested/overlooked communities <p>Weaknesses</p> <ul style="list-style-type: none"> • Challenging to measure and easy to critique • May complicate decision-making around eligible projects • Doesn't always collaborate well with other funding sources 	<p>Strong Fits</p> <ul style="list-style-type: none"> • Where capital has historically not been invested • Where funding is clearly taking "de-risking" role for private capital • Planning and predevelopment funding <p>Weak Fits</p> <ul style="list-style-type: none"> • Industrial/large scale projects • Loss-sharing guarantees • Pari passu funding structures • Senior debt 	<ul style="list-style-type: none"> • Michigan Saves (1:30x) • SSBCI requires minimum 1:1x • On-bill financing • C-PACE

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GHGRF Charge – Objectives

Program Efficiency – Design Elements

Design Element	Strengths/Weaknesses	Strong/Weak Fits	Recipient Examples
<p>Capital Recycling: The ability of recipients to recycle/re-deploy the funding provided over time</p>	<p>Strengths</p> <ul style="list-style-type: none"> • Bolsters financial sustainability of recipients for the long-term • Ensures long-term impacts after program funding window is closed • Builds intermediary capacity • Enables strong leverage opportunities <p>Weaknesses</p> <ul style="list-style-type: none"> • Desire to recoup capital reduces risk tolerance of funds • Incentives for recipients may be at odds with purpose – e.g., funds may be used for reserves or liquidity vs. deployment • Ability to recycle capital within reporting period may be limited by long-term project finance cycles, which are common in energy (20 years) 	<p>Strong Fits</p> <ul style="list-style-type: none"> • Financial intermediaries who are lenders <p>Weak Fits</p> <ul style="list-style-type: none"> • Equity investments (because of both illiquidity and risk) • Start-up capital • Technical assistance • Projects without material cash payout over 10+ years 	<ul style="list-style-type: none"> • Credit Union secondary shares • CDFI FA awards • CDBG programs • Green Banks
<p>Short-Term Capacity Building: Use of funds is predominantly to hire expertise/staff to improve communities' ability to plan and execute GHG reduction projects</p>	<p>Strengths</p> <ul style="list-style-type: none"> • Evident and persistent demand for capacity building support, especially in low-income and disadvantaged communities • High demand for in-community, long-term human capacity • Can increase uptake/demand for financial assistance/pipeline projects <p>Weaknesses</p> <ul style="list-style-type: none"> • Once money is allocated, limited future funding sources • Short funding period incentivizes use of consultants vs. full-time hires • No Leverage/recycling ability • Overlooked communities may be unaware of funding opportunities and lack grant application bandwidth 	<p>Strong Fits</p> <ul style="list-style-type: none"> • In communities with coordinated access to long-term TA funding • When paired with green workforce development to increase local skilled workforce • For short-term trainings around grant applications, reporting, and compliance • Planning uses for GHG projects <p>Weak Fits</p> <ul style="list-style-type: none"> • Not as well suited to project-specific funding 	<ul style="list-style-type: none"> • Smaller/rural municipalities • CBOs such as local CDCs and neighborhood assistance orgs • Existing community-focused TA providers with ability to expand with GHG reduction focus
<p>Long-Term Sustainability:</p>	<p>TBD</p>	<p>TBD</p>	<p>TBD</p>

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GHGRF Charge – Objectives

Program Efficiency – Complementary Programs and Structures

Charge Question 1.b.ii:

- *Are there programs/structures at the federal or state level that could effectively complement the GHGRF?*
- *How can EPA best leverage the GHGRF to support lasting, long-term (beyond 2024) transformation of the clean energy and climate finance ecosystem, especially for disadvantaged communities, and greenhouse gas and other air pollution reductions?*

Considerations include:

- Where the EPA can "piggyback" on existing capacity and pull examples from existing/established federal programs and initiatives (e.g., Justice40)
 - Highlight existing programs that tie into GHG objectives and reductions and deliver synergistic solutions (e.g., National Community Solar Partnership, DOE Energy Efficiency Revolving Loan Fund)
- Using federal collaboration to coordinate financial assistance
- Presently researching characteristics of funding programs that have been effectively leveraged with other funding sources

GHGRF Charge – Objectives

Environmental Justice / Definition of “Low-Income and Disadvantaged Communities” – Definition and Support Considerations

Charge Question 1.a.i: What considerations should EPA take into account in defining “low-income” and/or “disadvantaged” communities in order to ensure fair access/that the funding benefits disadvantaged communities?

Charge Question 1.a.ii:

- *How can EPA ensure that communities and organizations who have received little or no funds in the past receive priority consideration for funding?*
- *How could EPA identify the low-income and disadvantaged communities it should prioritize for greenhouse gas and other air pollution reduction investments?*

Provide maximum inclusivity and flexibility to ensure any and all disadvantaged households and communities are eligible for GHGRF funds

- Broad definition of "community" – To include neighborhoods within larger cities, areas with substantial exposure to health risks related to GHG emissions, and rural locales lacking critical infrastructure, while maintaining a minimum level of standardization across states and territories.
 - Adopt the "Disadvantaged Communities" locations or definitions consistent with state statute(s)
 - Use the definitions of disadvantaged communities, households and organizations consistent with other Federal programs (e.g., HUD area median income low and moderate-income thresholds; SBA size standards; ASDWA environmental justice tool); and
 - If a specific state statute does not exist or direct/indirect recipients do not incorporate other federal definitions, mapping tools (e.g., EPA EJSCREEN) could be used

GHGRF Charge – Objectives

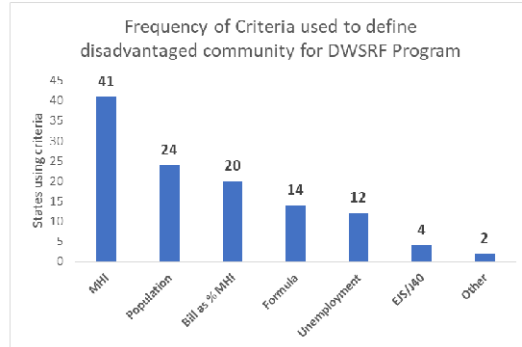
Environmental Justice / Definition of “Low-Income and Disadvantaged Communities” – Definition and Support Considerations

Example – All states have criteria and definition of “disadvantaged community” for purposes of DWSRF

- Majority incorporate Median Household Income (MHI)
- Nearly half use population as a criteria

Average MHI and population could exclude disadvantaged neighborhoods in larger cities or cities with income disparities

Flexible definition would reach more low-income and disadvantaged communities



Source: Tally compiled from Association of State Drinking Water Administrators' website summarizing state definitions of disadvantaged communities for DWSRF: <https://www.asdwa.org/environmental-justice/>

GHGRF Charge – Objectives

Environmental Justice / Definition of “Low-Income and Disadvantaged Communities” – Technical and Financial Assistance*

Charge Question 1.a.iii: What kinds of technical and/or financial assistance should GHGRF funding recipients provide to ensure that low-income and disadvantaged communities are able to be direct or indirect beneficiaries of GHGRF funding? Please identify supports that could help communities with project implementation.

- Type of assistance will vary across phases of implementation and based on:
 - Eligible recipients
 - Project types
 - Benefit pathways
 - Issues faced by community
- Third parties to coordinate across communities and departments and create capacity to develop, apply, fund, and implement projects, for example:
 - AmeriCorps
 - State extension programs
 - Silver Jackets (USACE)
 - Engineers Without Borders
 - Senior design projects at accredited university engineering programs

*To be integrated with GHGRF Charge Workgroup 2 (Program Structure)

GHGRF Charge – Objectives

Environmental Justice / Definition of “Low-Income and Disadvantaged Communities” – Technical and Financial Assistance

Technical assistance will vary depending on several factors, including:

- Who needs assistance (e.g., project developers, communities, local government entities, households)?
- Project type (e.g., buildings, industry, power sector, transportation)
- What are the benefits being achieved (e.g., if local workforce development is the goal, technical assistance might include workforce training, small business development, etc.)

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Execution, Reporting, and Accountability Workgroup

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GHGRF Charge – Execution, Reporting, and Accountability

Workgroup Overview

- Recap of Tasks/Scope
- Approach
- Planned Deliverable
- Progress To Date

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GHGRF Charge – Execution, Reporting, and Accountability

Recap of Tasks/Scope

- EFAB options for consideration will include:
 - How to meet key deadlines
 - Short-term – The 180-day requirement
 - Medium-term – Next two years before funds expire in 2024
 - Long-term – Beyond 2024
 - Responsible implementation and oversight of funding
 - Metrics for success – from application to post-implementation
- Scope of this workgroup will include ongoing communication with Workgroups 1 (Objectives) and 2 (Program Structure) to synchronize, not duplicate, feedback

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GHGRF Charge – Execution, Reporting, and Accountability

Approach

- Maintain balance between achieving the goal of the enabling legislation while being good stewards of taxpayer money
 - Get funds deployed to qualifying eligible recipients
 - Don't create bureaucracy that could lead to delays or a chilling effect deterring eligible recipients from even applying
 - Thorough due diligence
 - How to reach legislation goals and ambitions?



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GHGRF Charge – Execution, Reporting, and Accountability

Approach

- Pick and choose from existing federal, state, and local governmental as well as NGO programs
 - Use existing programs as examples (preferred)
 - Replicate that which has already proven successful
 - Identify and apply lessons learned from other programs

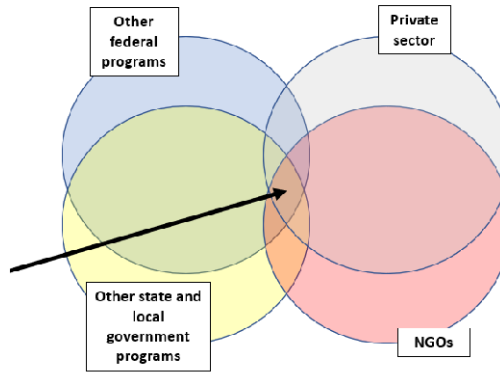


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GHGRF Charge – Execution, Reporting, and Accountability

Planned Deliverable

- Each team member is using what is already in their wheelhouse
 - Leveraging contacts
 - Reviewing literature and research
 - Soliciting expert opinions
 - Encouraging public comment
- Workgroup deliverable to EPA will be where these overlap
- Deliverable = list of options with identified pros and cons



GHGRF Charge – Execution, Reporting, and Accountability

Progress To Date

Charge Question III.a – Given the tight timeline for implementation of the funds, what are key steps that EPA could take in the short- (next 180 days), medium- (next two years before funds expire in 2024), and long-term (beyond 2024)?

Possible Avenues to Meet Key Statutory Deadlines:

- Now through 2/12/23
 - Accept public comment – Now through 12/5/22
 - Accept EFAB work product – 12/15/22
 - Identify metrics for success and award priorities
 - Publish NOFO and accept applications – TBD
 - Announce Initial Awards – TBD
- 2/13/23 to 9/30/24
 - Implementation milestones, including fund expenditure
 - Deployment metrics and impact reporting
 - \$26,970,000,000 awarded to direct recipients by 9/30/24
- 10/1/24 to 9/30/31
 - Ensure funds are appropriately and sustainably expended
 - Evaluate program metrics

GHGRF Charge – Execution, Reporting, and Accountability

Progress To Date

Charge Question III.b – What types of requirements could EPA establish to ensure the responsible implementation and oversight of the funding?

- Reference other federal programs in place to reduce obstacles to assisting and deploying funds into low-income and disadvantaged communities
- Explore existing federal templates and best practices that are used to evaluate program effectiveness

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GHGRF Charge – Execution, Reporting, and Accountability

Progress To Date

Charge Question III.c – What mechanisms could eligible recipients adopt, including governance as well as other mechanisms, to ensure that their applications and subsequent implementation efforts ensure: (1) accountability to low-income and disadvantaged communities; (2) greenhouse gas emission reductions; and (3) the leveraging and recycling of the grants?

- Figuring out how to measure success, from application to post-implementation...
 - TBD – Build upon program metrics being defined by Workgroups 1 (Objectives) and 2 (Program Structure) to establish goals
 - Incorporate appropriate consumer protections
 - Ensure grantees and sub-grantees are accountable to the communities they serve

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