

EPA's Implementation Framework for the Greenhouse Gas Reduction Fund

President Biden's Inflation Reduction Act authorized the U.S. Environmental Protection Agency (EPA) to implement the Greenhouse Gas Reduction Fund (GGRF), a historic \$27 billion investment to combat the climate crisis by mobilizing financing and private capital for greenhouse gas- and air pollution-reducing projects in communities across the country. This bold investment will improve health outcomes and deliver lower energy costs for Americans while ensuring our country's economic competitiveness and energy independence.

This implementation framework builds on the [initial guidance](#) EPA released in February of this year and includes detailed descriptions of key parameters and anticipated application components for the grant competitions that EPA expects to administer under the GGRF program. This framework also provides a summary of the statutory language authorizing the GGRF, a summary of GGRF stakeholder engagement to date, initial guidance on the applicability of certain federal grant requirements to this program, and a resource guide for prospective applicants. This implementation framework responds to stakeholder requests for additional information on program design, application components, and grant requirements in advance of the publication of the formal Notices of Funding Opportunities (NOFOs), which are expected as early as June 2023.

EPA welcomes written technical feedback and comments on the attached competition descriptions. Interested parties may send their written feedback and comments to ggrf@epa.gov by May 12, 2023, at 11:59pm ET. To further advance inclusivity and transparency, EPA will convene six public listening sessions on this implementation framework over the coming weeks. Listening session details can be found on the [GGRF website](#).

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EXECUTIVE SUMMARY

Greenhouse Gas Reduction Fund Competition Summary

EPA intends to deploy the GGRF program funding to mobilize private investment while delivering tangible benefits—including lower electricity bills, high-quality jobs, and reduced air pollution—in low-income and disadvantaged communities across our country. Through the GGRF program, EPA intends to create three competitions that target the GGRF investment strategically—scaling deployment of clean technologies nationally, building community clean financing capacity locally, and spurring adoption of clean distributed solar energy to lower energy bills for millions of Americans. While each competition is distinct, EPA has designed the competitions to work in tandem to maximize the tangible benefits for American communities. EPA anticipates administering the following three competitions:

- The **\$14 billion National Clean Investment Fund competition** will fund 2–3 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 our progress towards energy independence and a net-zero economic future.
- The **\$6 billion Clean Communities Investment Accelerator competition** will fund 2–7 hub nonprofits with the plans and capabilities to rapidly build the clean financing capacity of specific networks of public, quasi-public and non-profit 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.
- 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—enabling millions of families to access affordable, resilient, and clean solar energy.

Through the first two competitions, EPA will 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. Further, the Clean Communities Investment Accelerator competition will provide the funding and technical assistance necessary to rapidly scale up the capacity of hundreds of community lenders, strengthening the ecosystem of institutions that can partner with the national nonprofits funded through the National Clean Investment Fund competition in a way that most effectively transforms markets and communities. Through the third competition, EPA will scale low-income and disadvantaged community solar programs across the country.

The attached descriptions provide additional detail on these three competitions and how they are designed to achieve the GGRF program objectives.

Greenhouse Gas Reduction Fund Program Objectives and Priorities

Consistent with the initial guidance from February, and as derived from the statute, EPA has designed each of the competitions to advance the three program objectives of the GGRF:

- **Reduce emissions of greenhouse gases and other air pollutants.** In each competition, EPA will require grantees to invest in projects, activities, and technologies that reduce emissions of greenhouse gases and other toxic air pollutants that harm communities and contribute to climate change.
- **Deliver benefits of greenhouse gas- and air pollution-reducing projects to American communities, particularly low-income and disadvantaged communities.** Each competition is designed to maximize the benefits of GGRF investments to Americans. Further, each GGRF competition will align with the President’s [Justice40 Initiative](#), ensuring that 40% of the overall benefits from the program flow to disadvantaged communities.
- **Mobilize financing and private capital to stimulate additional deployment of greenhouse gas- and air pollution-reducing projects.** Each competition is designed to facilitate market transformation by addressing the barriers to mobilizing private capital into clean technology projects in undercapitalized markets. Funded activities could include facilitating market readiness for private investment, developing a pipeline of private co-investment-ready projects, and overcoming coordination problems that prevent private capital from flowing into investment-ready projects at scale. EPA expects that these GGRF competitions will facilitate tens of thousands of clean technology projects and deliver tangible benefits to millions of American households.

EPA will administer each of these competitions in line with key Biden-Harris Administration priorities. The GGRF competitions will support the climate goals of the United States as set forth in the U.S. [Nationally Determined Contribution](#) and in [Executive Order 14008 \(Tackling the Climate Crisis at Home and Abroad\)](#), including to reduce greenhouse gas emissions 50-52% below 2005 levels in 2030, achieve a carbon pollution-free electricity sector by 2035, and achieve net-zero emissions by no later than 2050. The GGRF competitions will also align with the Justice40 Initiative, which directs that 40% of the overall benefits from climate and clean energy investments flow to disadvantaged communities; the President’s [Interagency Working Group on Coal and Power Plant Communities](#), which prioritizes the economic revitalization of coal and power plant communities; and the [Made in America](#) commitments, which assert that federal dollars should support American workers and American industry. Further, EPA will require rigorous transparency, risk management, and accountability measures under this program to ensure this historic investment of taxpayer funds is spent efficiently and for the maximum benefit of American households.

Greenhouse Gas Reduction Fund Statutory Background

Section 60103 of the Inflation Reduction Act, which was codified as Section 134 of the Clean Air Act (42 U.S.C. § 7434), created the GGRF. The statute appropriates \$27 billion to the GGRF program. It directs EPA to begin making grants no later than 180 days after the enactment of the statute, with funds to remain available until September 30, 2024. In compliance with the statute, EPA released Federal Assistance Listings for the GGRF program in February 2023.

The statute provides two distinct sets of requirements that govern the funding, creating the following categories:

- A. \$19.97 billion for General Assistance and Low-Income and Disadvantaged Communities
- B. \$7 billion for Zero-Emissions Technologies

The relevant statutory requirements for these two categories of funding are described below.

A. General Assistance and Low-Income and Disadvantaged Communities

For General Assistance and Low-Income and Disadvantaged Communities, Section 134(a)(2) appropriates \$11.97 billion to EPA to make competitive grants to eligible recipients for the provision of financial and technical assistance in accordance with the statute's pathways on use of funds. Section 134(a)(3) appropriates \$8 billion to EPA to make competitive grants to eligible recipients for the provision of financial and technical assistance in low-income and disadvantaged communities in accordance with the statute's pathways on use of funds.

The statute lays out two pathways for the use of funds:

- First, under Section 134(b)(1), eligible recipients may make “direct investment[s].” Section 134(b)(1)(A) provides that an eligible recipient shall use the grant for the provision of financial assistance to qualified projects, as defined in the statute, at the national, regional, state, and local levels. Section 134(b)(1)(B) requires the eligible recipient to prioritize investment in qualified projects that would otherwise lack access to financing. Section 134(b)(1)(C) requires the eligible recipient to retain, manage, recycle, and monetize all repayments and other revenue received from fees, interest, repaid loans, and any other financial assistance provided using the grant funds to ensure continued operability.
- Second, under Section 134(b)(2), eligible recipients may make “indirect investment[s].” Under this pathway, the eligible recipient shall use the grant to provide funding and technical assistance to establish new, or support existing, public, quasi-public, not-for-profit, or nonprofit entities that provide financial assistance to qualified projects at the state, local, territorial, or Tribal level or in the District of Columbia, including community- and low-income-focused lenders and capital providers.

Congress limited the entities eligible to compete for funds under Section 134(a)(2) and 134(a)(3) to “eligible recipients,” defined as a nonprofit organization that (A) is designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low- and zero-emission products, technologies, and services; (B) does not

take deposits other than deposits from repayments and other revenue received from financial assistance using the grant funds; (C) is funded by public or charitable contributions; and (D) invests in or finances projects alone or in conjunction with other investors.

The General Assistance and Low-Income and Disadvantaged Communities funding can be used to support qualified projects—Section 134(c)(3) provides that a qualified project is any project, activity or technology that (A) reduces or avoids greenhouse gas emissions or other forms of air pollution in partnership with, and by leveraging investment from, the private sector; or (B) assists communities in the efforts of those communities to reduce or avoid greenhouse gas emissions and other forms of air pollution.

As explained in the attached competition descriptions, EPA intends to establish two competitions under this category of funding: one competition to implement the “direct investment” pathway (the [National Clean Investment Fund](#)) and one competition to implement the “indirect investment” pathway (the [Clean Communities Investment Accelerator](#)).

B. Zero-Emissions Technologies

For Zero-Emissions Technologies, Section 134(a)(1) appropriates \$7 billion to EPA to make competitive grants to states, municipalities, Tribal governments, and eligible recipients, as defined in the statute, to provide subgrants, loans, or other forms of financial assistance as well as technical assistance to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies, including distributed technologies on residential rooftops, and to carry out other greenhouse gas emission reduction activities. Section 134(c)(4) defines zero-emission technology as any technology that produces zero emissions of air pollutants listed under Section 108(a) (i.e., particulate matter, ozone, carbon monoxide, sulfur dioxide, nitrogen dioxide, and lead), or any precursor to such an air pollutant, or greenhouse gases, defined under Section 134(c)(2) as carbon dioxide, hydrofluorocarbons, methane, nitrous oxide, perfluorocarbons, and sulfur hexafluoride.

As explained in the attached competition descriptions, EPA intends to establish one competition to implement this category of funding, focused on distributed solar technologies ([Solar for All](#)).

Greenhouse Gas Reduction Fund Stakeholder Engagement

EPA initiated the design of the GGRF with an extensive stakeholder engagement process that began just after President Biden signed the Inflation Reduction Act into law. This process solicited diverse perspectives on how to maximize the impact of these funds in communities across the country. The Agency engaged with environmental nonprofits, environmental justice organizations, state and local governments, Tribes, existing green banks, community lenders, academics and think tanks, labor organizations, and others interested in the success of the program.

EPA solicited input in many ways. In October 2022, the Agency released a formal [Request for Information](#) (RFI) that elicited nearly 400 detailed submissions responding 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. In addition, in November 2022, EPA hosted two national public listening sessions, which yielded more than four hours of public comments about the program vision. EPA also hosted more than a dozen targeted stakeholder roundtables focused on the RFI questions to solicit input from existing financing entities, labor organizations, environmental justice organizations, state environment and energy officials, and more.

In March 2023, EPA held two additional public listening sessions regarding the design of the \$7 billion solar competition to understand how to best accelerate the deployment of solar energy to low-income and disadvantaged communities. More than 500 people attended the two sessions combined. Recordings from the November and March listening sessions can be found on the [GGRF website](#).

EPA is focused on meeting stakeholders in neighborhoods across the country to share the impact of this program for renters and homeowners, small business owners, local government leaders, schools, and nonprofits looking to save on energy costs, reduce pollution, and catalyze prosperity in their communities. To this end, EPA launched a GGRF Community Roundtable series with a trip to Houston, TX in March 2023 to visit a planned community solar facility and meet directly with community members. EPA will continue to host roundtables across the country to communicate the impact of this program, and hear directly from communities, in the coming months.

EPA benefited from the expertise of the Agency's [Environmental Finance Advisory Board](#) (EFAB), which provided extensive input in response to the Agency's charge questions. The EFAB is a federal advisory committee that provides ideas and advice to EPA's Administrator and program offices on ways to lower the costs of and increase investments in environmental and public health protection. EPA also met with EPA's Local Government Advisory Committee (LGAC) on several occasions to hear LGAC's recommendations for meeting the needs of local governments. In addition, EPA drew upon discussions with the National Environmental Justice Advisory Council (NEJAC) and the White House Environmental Justice Advisory Council (WHEJAC) in designing this program to ensure the GGRF meets the needs of low-income and disadvantaged communities.

EPA appreciates and has benefited from the robust and thoughtful participation of stakeholders and will continue to welcome feedback on the program. Interested parties may send their written feedback and comments on this implementation framework to ggrf@epa.gov by May 12, 2023, and/or may attend an upcoming public listening session. Listening session details can be found on the [GGRF website](#).

Complementary Requirements

The EPA will implement the GGRF to meet the three program objectives while advancing the Biden-Harris Administration's other priorities, including strengthening American competitiveness, creating high-quality and good-paying jobs, meeting Justice40 and equity requirements, and honoring our relationship with Tribal Nations.

A. Build America, Buy America

The requirements of the Build America, Buy America Act (BABA) apply to all public infrastructure projects that receive Federal financial assistance, including those funded under the GGRF competitions. BABA states that: “[N]one of the funds made available for a Federal financial assistance program for infrastructure... may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.” This law applies to all Federal financial assistance as defined in 2 CFR § 200.1, including GGRF, for awards made on or after May 14, 2022. EPA information and guidance on BABA compliance, implementation, and any applicable waivers can be found [here](#).

Not all projects funded by GGRF will be considered public infrastructure projects; however, those that meet the broad definition will be subject to the law. EPA is not considering an adjustment period waiver for this program. EPA will issue detailed implementation procedures for this program, including guidance on how the definition of “infrastructure project” applies to GGRF and EPA’s [waivers](#). Requests for project- and product-specific waivers that are targeted, time-limited, and conditional will be considered where appropriate and coordinated with interagency partners. Robust implementation of BABA provisions enables the GGRF to further strengthen American competitiveness in the global clean energy economy.

B. Labor and Good Job Quality

The Biden-Harris Administration is committed to investing federal dollars in a responsible way that drives high-quality job creation and inclusive economic growth. This includes creating good jobs, in line with the U.S. Department of Labor and U.S. Department of Commerce’s [Good Jobs Principles](#), including family-sustaining wages, strong benefits, safe working conditions, and the free and fair choice to join a union. The Administration’s agenda for expanding economic opportunity includes an emphasis on creating opportunities for underserved populations. EPA expects to evaluate applicants on their planned approach to ensuring funds create good jobs that lift up workers and families while also strengthening American businesses, in line with the requirements in [Executive Order 14082 \(Implementation of the Energy and Infrastructure Provisions of the Inflation Reduction Act of 2022\)](#).

GGRF funds will also be subject to relevant federal law. Section 314 of the Clean Air Act requires that construction projects funded under the Clean Air Act comply with the Davis Bacon Act (DBA). As a Clean Air Act program, GGRF construction activities will be subject to prevailing wage requirements, where applicable. The DBA requires that all laborers and mechanics employed by contractors and subcontractors performing construction work under federal contracts in excess of \$2,000 pay their laborers and mechanics not less than the prevailing wage and fringe benefits for the geographic location. Local prevailing wage rates are determined by the Wage and Hour Division of the U.S. Department of Labor.

EPA will provide further guidance that describes the applicability of these requirements for GGRF projects, and the grant terms and conditions will specify compliance requirements.

C. Equity and Justice⁴⁰

EPA is designing the GGRF to maximize its ability to improve the lives of Americans, particularly those in low-income and disadvantaged communities that have historically been left behind. The GGRF is a covered program under the Justice40 Initiative—every GGRF competition will align with the Justice40 Initiative, ensuring that 40% of the overall benefits from the program flow to disadvantaged communities. EPA expects to evaluate applicants on their plans and capabilities for deploying this grant funding to improve equity and environmental justice. Grantees will be required to report regularly on the benefits they’ve delivered to low-income and disadvantaged communities.

For purposes of these competitions, EPA expects to define low-income and disadvantaged communities as inclusive of geographically defined disadvantaged communities identified through the [Climate and Economic Justice Screening Tool \(CEJST\)](#), the publicly available mapping tool developed by the White House Council on Environmental Quality, and inclusive of the limited supplemental set of census block groups that are at or above the 90th percentile for EJ Screen’s Supplemental Indexes ([EJScreen](#) is EPA’s publicly-available, place-based environmental burden screening tool). In the NOFOs, EPA expects to provide additional guidance on the definition of low-income and disadvantaged communities that may also incorporate geographically dispersed low-income households, and properties providing affordable housing to low-income residents, located outside of geographies identified by CEJST. Note that when assessing and reporting benefits to low-income and disadvantaged communities, 40% of benefits from these competitions must accrue to communities identified as disadvantaged through CEJST, consistent with the Justice40 Initiative. EPA expects to define benefits for the purpose of the GGRF as relief of the burdens identified in the [Methodology section of the CEJST](#), as discussed later in this document.

D. Tribal Nations

EPA’s relationship with Tribal Nations and their citizens is built on respect for Tribal sovereignty and self-governance, honoring federal trust and treaty responsibilities, protecting Tribal homelands, and conducting regular, meaningful, and robust consultation with Tribal Nations. Tribal Nations have faced longstanding barriers to financing, including financing for the types of clean projects that will be supported by the GGRF. EPA will ensure that Tribal Nations benefit from this funding by: (1) evaluating applicants to the National Clean Investment Fund competition on their plans to reach Tribal communities; (2) evaluating applicants to the Clean Communities Investment Accelerator competition on their plans to invest in financial institutions serving Tribal Nations; and (3) funding approximately 1-3 awards under the Solar for All competition for coalitions of Tribal governments, intertribal consortia and/or eligible nonprofits with extensive experience serving Tribes.

E. National Environmental Policy Act (NEPA)

Section 7(c) of the Energy Supply and Environmental Coordination Act of 1974 (15 U.S.C. § 793(c)(1)) exempts all actions under the Clean Air Act from the requirements of NEPA. This Section states: “No action taken under the Clean Air Act shall be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the

National Environmental Policy Act of 1969.” Therefore, as a grant program authorized under the Clean Air Act, NEPA will not apply to GGRF projects.

Resources for Applicants

In addition to the attached competition descriptions, potential applicants can utilize the following resources:

- **Review the Federal Assistance Listings:** The GGRF Federal Assistance Listings ([66.957](#) and [66.959](#)) were published on SAM.gov on February 14, 2023. The Federal Assistance Listings provide initial guidance on the design of the GGRF program.
- **Monitor the GGRF website:** Monitor the [GGRF website](#) to stay up to date on all GGRF information, including the publication of the Notices of Funding Opportunities (NOFOs).
- **Access EPA’s Grants Management Training Courses:** [EPA’s online training courses](#) are free and are designed to introduce potential applicants to key aspects of the entire grant lifecycle, from preparation of an application through grant closeout.
- **Prepare to Apply: If you plan to submit an application for this program, please note the following:**

To apply for a grant, the applicant, or the lead organization in a coalition application, must have an active registration in the System for Award Management (SAM.gov), an official website for doing business with the U.S. government. While this registration includes a Unique Entity Identifier (UEI), please note that SAM.gov registration is different than obtaining a UEI only. Obtaining a UEI only validates your organization's legal business name and address. Please review the [Frequently Asked Questions](#) on the FSD.gov website for additional details. All eligible entities should register in SAM.gov now to ensure they are able to apply through Grants.gov. Organizations should ensure that their SAM.gov registration includes a current e-Business (EBiz) point of contact name and email address. The EBiz point of contact is critical for Grants.gov Registration and system functionality. Contact the [Federal Service Desk](#) for help with your SAM.gov account, to resolve technical issues, or to chat with a help desk agent: (866) 606-8220. The Federal Service Desk hours of operation are Monday–Friday 8am–8pm ET. As of April 2022, the federal government has stopped using the DUNS number to uniquely identify entities. For more information, please visit www.sam.gov/content/duns-uei.

Once their SAM.gov account is active, the applicant, or the lead organization in a coalition application, must register in Grants.gov. Grants.gov will electronically receive your organization information, such as an eBusiness (EBiz) point of contact email address and UEI. Organizations applying to this funding opportunity must have an active Grants.gov registration. Grants.gov registration is FREE. If you have never applied for a federal grant before, please review the Grants.gov applicant registration instructions. As part of the Grants.gov registration process, the EBiz point of contact is the only person that can affiliate and assign applicant roles to members of an organization. In addition, at least one

person must be assigned as an Authorized Organization Representative (AOR). Only person(s) with the AOR role can submit applications in Grants.gov. Please review the [training videos](#) “Intro to Grants.gov-Understanding User Roles” and “Learning Workspace - User Roles and Workspace Actions” for details on this important process.

Please note that this process can take a month or more for new registrants. Applicants must ensure that all registration requirements are met in order to apply for this opportunity through Grants.gov and should ensure that all such requirements have been met well in advance of any application submission deadline.

Contact Grants.gov for assistance at 1-800-518-4726 or support@Grants.gov to resolve technical issues with Grants.gov. The Grants.gov Support Center is available 24 hours a day, 7 days a week, excluding federal holidays.

Competition Descriptions

Below are descriptions for the three GGRF competitions: the National Clean Investment Fund Competition, the Clean Communities Investment Accelerator Competition, and the Solar for All Competition. Prospective applicants are particularly encouraged to explore the details of these descriptions. As stated above, any interested parties may send their written feedback and comments to ggrf@epa.gov by 11:59pm ET on May 12, 2023, and/or may attend a future public listening session. Listening session details can be found on the [GGRF website](#).

GREENHOUSE GAS REDUCTION FUND COMPETITION DESCRIPTION – NATIONAL CLEAN INVESTMENT FUND

Overview

The **\$14 billion National Clean Investment Fund competition** will fund 2–3 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 our progress towards energy independence and a net-zero economic future. EPA intends to implement this competition structure to maximize impact toward the three GGRF program objectives. While this competition description contains a broader set of expected competition details, below is a brief summary of the competition structure.

- **Amount of Funding:** \$13.97 billion, with \$11.97 billion from Section 134(a)(2) of the Clean Air Act as well as \$2 billion from Section 134(a)(3) that must be expended in low-income and disadvantaged communities.
- **Number of Awards:** 2–3 awards.
- **Types of Applicants:** Applicants must be “eligible recipients,” submitting applications either as individuals or as lead applicants in coalitions; applicants are permitted to participate in multiple applications within this competition as well as across GGRF competitions.
- **Application Components:** Applicants will each submit a program plan, which articulates the applicant’s plan to use grant funds to advance GGRF program objectives, and an organizational plan, which describes the applicant’s organizational capacity to execute that plan.
- **Grant Activities:** Grantees will provide financial products and supporting predevelopment expenditures to qualified projects, implementing Section 134(b)(1) that authorizes funding for “direct investments.”
- **Types of Projects:** Grantees will support deployment of qualified projects.
- **Transparency:** Grantees will be subject to robust program-level and institution-level reporting requirements, in addition to each applicant submitting governance and risk management plans.
- **Justice40:** Grantees will be expected to ensure that, in line with the [Justice40 Initiative](#), 40% of benefits from this competition flow to disadvantaged communities.

EPA welcomes written technical feedback and comments on these and other details included in this competition description as EPA prepares the Notice of Funding Opportunity (NOFO). Interested parties may send their written feedback and comments to ggrf@epa.gov by May 12, 2023. To advance inclusivity and transparency, EPA will convene six public listening sessions on this implementation framework, including this competition description, over the coming weeks. Listening session details can be found on the [GGRF website](#). Consistent with [EPA Order 5700.5A1, EPA’s Policy for Competition of Assistance Agreements](#), EPA staff will not meet directly with prospective applicants or their representatives to discuss this competition or otherwise provide any potential applicant with an unfair competitive advantage.

EPA invites interested parties to include the following non-binding information in their written feedback and comments.¹

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

EPA is not currently accepting applications for this competition. This competition description is intended to provide prospective applicants with information on potential application components and grant requirements, but this description does not supersede the text in the NOFO that will be posted on [Grants.gov](https://www.epa.gov/grants) pursuant to 2 CFR § 200.204. Prospective applicants should note that EPA intends to publish the NOFO as early as June 2023 to formally request applications.

Program Terminology

This section defines program terminology referenced throughout this competition description. Some of this terminology includes requirements that EPA expects to place on grantees.

- A. **GGRF Program Objectives:** EPA has identified three overarching program objectives for the GGRF, as derived from the statute: (1) to reduce emissions of greenhouse gases and other air pollutants; (2) to deliver benefits to American communities, particularly low-income and disadvantaged communities; and (3) to mobilize financing and private capital to stimulate additional deployment of greenhouse gas- and air pollution-reducing projects.
- B. **Low-Income and Disadvantaged Communities:** For purposes of this competition, EPA expects to define low-income and disadvantaged communities as inclusive of geographically defined disadvantaged communities identified through the [Climate and Economic Justice Screening Tool \(CEJST\)](#), the publicly available mapping tool developed by the White House Council on Environmental Quality, and inclusive of the limited supplemental set of census block groups that are at or above the 90th percentile for EJ Screen's Supplemental Indexes ([EJScreen](#) is EPA's publicly-available, place-based environmental burden screening tool). In the NOFO, EPA expects to provide additional guidance on the definition of low-income and disadvantaged communities that may also incorporate geographically dispersed low-income households, and properties providing affordable housing to low-income residents, located outside of geographies identified by CEJST. Note that when assessing and reporting benefits to low-income and disadvantaged communities, 40% of benefits from this competition must accrue to communities identified as disadvantaged through CEJST, consistent with the Justice40 Initiative.
- C. **Eligible Recipient:** Section 134(c)(1) of the Clean Air Act provides that an eligible recipient (a) is a non-profit organization; (b) is designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low- and zero-emission products, technologies, and services; (c) does not take deposits other than deposits from repayments and other revenue received from financial assistance

¹ The information interested parties provide may be disclosed to the public in response to a Freedom of Information Act (FOIA) request, unless the information is clearly marked as confidential business information (CBI) and the EPA sustains the CBI claim under 2 CFR § 2, Subpart B.

provided using grant funds under this program; (d) is funded by public or charitable contributions; and (e) invests in or finances projects alone or in conjunction with other investors. To ensure an applicant seeking to qualify as an eligible recipient meets the statutory definition, EPA expects to require each applicant to, at the time of application, provide justifications for and evidence that demonstrate the applicant:

- I. Meets the definition of *nonprofit organization* set forth in 2 CFR § 200.1;²
- II. Has an organizational mission consistent with being “designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low- and zero-emission products, technologies, and services;”
- III. Does not receive any “deposit” (as defined in Section 3(l) of the Federal Deposit Insurance Act) or “member account” or “account” (as defined in Section 101 of the Federal Credit Union Act);
- IV. Is funded by public or charitable contributions; and
- V. Has the legal authority to invest in or finance projects.

EPA expects the required supporting evidence to include: organizational documents, such as articles of incorporation or similar documents filed with a governmental authority as a condition of carrying out its activities; tax filings; financial statements; investment records; and/or any other information the applicant deems appropriate.

EPA expects to allow an applicant to apply as an individual applicant or as a lead applicant of a coalition, in which the lead applicant receives and administers the grant but may provide subawards to coalition members to carry out the substantive activities listed in the grant application. EPA expects that members of such a coalition, other than the lead applicant, may be either eligible recipients, other types of nonprofit organizations eligible for subawards under the [EPA Subaward Policy](#), or governmental entities eligible for subawards under the EPA Subaward Policy.

- D. Eligible Financial Assistance: Section 134(b)(1) of the Clean Air Act directs that funds for this competition be used for “financial assistance.” EPA expects to implement the statutory language by defining eligible financial assistance, consistent with the definition of “Federal financial assistance” in 2 CFR § 200.1, as financial products (including but not limited to loans, equity investments, loan guarantees, credit enhancements, forgivable and partially forgivable loans, purchase of loans, lines of credit, and debt with equity features); EPA does not expect to consider grants as a financial product. EPA expects that these financial products will involve substantially better-than-market interest rates passed through to borrowers. To support the deployment of financial products to projects, EPA expects to allow a limited amount of funds for predevelopment expenditures that are necessary and reasonable for the deployment of financial products to projects that the grantee intends to finance, consistent with 2 CFR § 200.403. EPA expects such predevelopment expenditures to fund site assessments, financial feasibility studies, and other predevelopment activities.

² 2 CFR § 200.1 states that a *nonprofit organization* “means any corporation, trust, association, cooperative, or other organization, not including Institutes of Higher Education, that: (1) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; (2) is not organized primarily for profit; and (3) uses net proceeds to maintain, improve, or expand the operations of the organization.”

In line with the statute, EPA expects to require funds drawn from Section 134(a)(3) of the Clean Air Act (which constitutes \$2 billion of this competition’s funding and requires funds to be used “in low-income and disadvantaged communities”) to be expended on eligible financial assistance for projects in low-income and disadvantaged communities. In addition, in line with the Justice40 Initiative, EPA expects to require that 40% of the benefits from eligible financial assistance across the competition (and any associated administrative costs) flow to disadvantaged communities.

- E. Qualified Projects: Section 134(c)(3) of the Clean Air Act provides that qualified projects include any project, activity, or technology that (A) reduces or avoids greenhouse gas emissions and other forms of air pollution in partnership with, and by leveraging investment from, the private sector; or (B) assists communities in the efforts of those communities to reduce or avoid greenhouse gas emissions and other forms of air pollution. EPA expects to implement this statutory language by requiring that all projects meet all of the requirements listed below, which ensure all projects meet the statutory definition while also supporting the GGRF program objectives. EPA expects that each applicant will define their methodology for operationalizing these requirements in their application. EPA expects to define these requirements as follows:
- I. Deployment of the proposed project, activity, or technology will reduce greenhouse gas emissions in line with the [U.S. Nationally Determined Contribution](#) as well as [Executive Order 14008](#) and will reduce emissions of other air pollutants.³ Specific portfolio-wide emissions targets may be set in the NOFO, and plans that equitably achieve the deepest emissions targets may be prioritized.
 - II. Deployment of the proposed project, technology, or activity will deliver benefits to American communities by alleviating two or more of the following categories of burdens, as defined in the [Methodology section of the CEJST](#): climate change, energy, health, housing, legacy pollution, transportation, water and wastewater, and workforce development.⁴
 - III. Investment of awarded funds in the proposed project, technology, or activity will finance deployment of a project, activity, or technology that may not have otherwise been financed.⁵ EPA expects this to involve substantially better-than-market interest rates passing through to borrowers.
 - IV. Investment of awarded funds in the proposed project, technology, or activity will spur private sector investment.
 - V. The proposed project, technology, or activity is already commercially available. Under this competition, EPA does not intend for program funds to support either

³ This requirement ensures that qualified projects support the climate goals of the United States to reduce greenhouse gas emissions 50-52% below 2005 levels in 2030, achieve a carbon pollution-free electricity sector by 2035, and achieve net-zero emissions by no later than 2050.

⁴ While GGRF relies on the definitions of these burdens from CEJST, GGRF uses these definitions in a different way; CEJST uses them to identify disadvantaged communities, while GGRF uses them to identify categories of benefits to all American communities, not just disadvantaged communities.

⁵ EPA expects that an applicant to this competition will define their methodology for operationalizing this and other requirements of qualified projects, with the methodology potentially differing across different use cases. To select investment themes, an applicant may conduct a market analysis to demonstrate that a given category of projects, activities, or technologies lacks sufficient access to financing. To select projects for investment, an applicant may propose verifying that a counterparty was unable to secure financing with similar terms from other capital providers before closing a particular transaction.

(1) *Research and Development*, as defined in 2 CFR § 200.1, or (2) pre-commercial technologies, as defined by technologies that have not been installed and used in at least three commercial projects in the United States in the same general application.

- F. Priority Project Categories: EPA has identified three priority project categories that are particularly impactful to achieving the GGRF program objectives and the near-term climate goals of the United States. EPA expects each applicant to explain their approach to these priority project categories in their investment strategies, but EPA expects to provide each applicant with flexibility to (1) invest in additional project categories and (2) not invest in any given priority project category, provided this decision is accompanied with a supporting explanation. EPA expects that specific guidance and standards, such as emissions reductions targets, for priority project categories may be provided in the NOFO.
- I. Distributed Power Generation and Storage: Projects, technologies, or activities that generate and/or store *zero-emissions power* near to the point of use, instead of in centralized plants. Examples include distributed solar, distributed wind, geothermal, stand-alone energy storage, and community-wide microgrids.
 - II. Decarbonization Retrofits of Existing Buildings: Projects, technologies or activities that retrofit an existing building to reduce or eliminate greenhouse gas emissions and air pollution, with that project, technology, or activity consistent with the targets and strategies of *net-zero emissions buildings* as specified in [Executive Order 14057 \(Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability\) Implementing Instructions](#). Examples include grid-interactive appliance electrification in affordable multifamily housing alongside energy efficiency, indoor air quality improvements, and solar; school building space and water heating grid-interactive electrification and energy efficiency; replacement of backup diesel generators with battery storage, including paired with distributed power generation; and community facility retrofits with on-site solar, storage, and charging infrastructure.
 - III. Transportation Pollution Reduction: Projects, technologies, or activities that support *zero-emissions transportation modes*, especially in communities that are overburdened by existing diesel pollution, particulate matter concentration, and degraded air quality. Examples include small business fleet electrification as well as public and multi-use charging depots (including for clean school buses and community facilities).
- G. Program Income: Program income, as defined at 2 CFR § 200.1, includes but is not limited to repayments of principal on loans, interest on loans, and loan origination fees and may include other income from investments of GGRF grant funds. EPA-specific rules on program income are provided at 2 CFR § 1500.8.

Application Components

Each applicant will submit detailed applications in response to the NOFO. Described below are application components that EPA expects to include in the NOFO; EPA will then evaluate these components as it selects applicants for awards. These application components are designed to provide EPA with information necessary to evaluate an applicant's program plan, which articulates

the applicant’s plan to use funds to advance GGRF program objectives (including achieving deep greenhouse gas emissions savings), and an organizational plan, which describes the applicant’s organizational capacity to execute that plan during the initial period in which it intends to use grant funds. The application components and sub-components described below represent EPA’s preliminary views rather than final determinations, and EPA expects each applicant to tailor sub-components to include information that the applicant deem appropriate. The forthcoming NOFO will provide the definitive application requirements.

- A. Program Plan: The program plan details how the applicant will use grant funds, as well as program income, to advance GGRF program objectives. The program plan includes the three core components below: an overarching program vision; a three-year investment strategy; and a program administration plan.
 - I. Program Vision: The program vision describes the applicant’s overall vision for deploying and redeploying program funds to achieve the GGRF program objectives. The program vision may include quantitative short-, medium-, and long-term targets aligned to planned reporting metrics, including but not limited to sector-specific (e.g., buildings) and/or portfolio-level emissions-related targets; targets to deliver benefits to low-income and disadvantaged communities; and targets to mobilize private-sector investment. EPA expects to evaluate the extent to which the program vision aligns with the long-term decarbonization, equity, and market transformation goals of the United States as described in the [U.S. Nationally Determined Contribution](#), [Executive Order 14008](#), and [Executive Order 14082](#). EPA expects to evaluate whether the program vision includes a fund deployment plan through 2030. EPA expects to evaluate whether the program vision clearly identifies the market problems the applicant is trying to address and how the applicant’s approach for delivering financial products to qualified projects addresses those problems.
 - II. Three-Year Direct Investment Strategy: The investment strategy, which will be refreshed every three years over the life of the award so long as funds are not fully expended, provides concrete details on the applicant’s near-term plans to provide financial products to qualified projects. The investment strategy may include the following components:
 - 1. Portfolio Strategy: The portfolio strategy describes the applicant’s target investment portfolio, as well as their strategy to deliver this portfolio. This may include a quantitative projected allocation of funds across “investment themes” (i.e., categories of projects, technologies, and activities); projected allocation of funds across types of counterparties (i.e., individuals vs. small businesses, geographies), including demonstration of national scale while also serving underserved geographies and communities; expected financial products under each investment theme and ability to offer substantially better-than-market interest rates to borrowers to incentivize deep emissions savings; and expected project pipeline strategy under each investment theme. The portfolio strategy should address all three priority project categories, either with an investment strategy for that category or with an explanation for why the applicant has chosen to not pursue investing in that category,

as well as the applicant's plans to provide financial products (such as warehouse facilities and loan purchasing programs) to community lenders (including lenders that will be provided funding and technical assistance by grantees under the Clean Communities Investment Accelerator competition) to simultaneously deliver a pipeline of qualified projects and deploy capital at-scale. The portfolio strategy may include plans to impact each of the three GGRF program objectives, as follows:

- a. Climate and Environmental Plan: The climate and environmental plan explains how the portfolio strategy delivers emissions and air pollution reductions, including emissions reductions that accelerate progress toward the climate goals of the United States to reduce greenhouse gas emissions 50-52 percent below 2005 levels in 2030, achieve a carbon pollution-free electricity sector by 2035, and achieve net-zero emissions by no later than 2050; specific emissions targets may be referenced in the NOFO, with plans equitably achieving the deepest emissions targets to be prioritized. This may include quantitative projections aligned to climate and environmental impact reporting metrics, including sector-specific emissions reduction projections.
 - b. Equity and Community Benefits Plan: The equity and community benefits plan explains how the portfolio strategy delivers benefits to low-income and disadvantaged communities (such as those mentioned in the definition of qualified projects). This may include specifying why the types of counterparties, including small businesses and low-income and disadvantaged community-led businesses, as well as Tribal communities, described in the portfolio strategy deliver these benefits. This may include quantitative projections aligned to equity and community benefits reporting metrics.
 - c. Market Transformation Plan: The market transformation plan explains how the portfolio strategy mobilizes financing and private capital for additional deployment. This may include the applicant's strategy for private-sector leverage as well as broader market transformation through standardizing documentation, financial products, and more. This may also include strategies for increasing recyclability of program funds through secondary markets participation, including by partnering with existing lenders, government or government-sponsored entities, and others. This may include quantitative projections aligned to market transformation impact reporting metrics, including expected amount of overall investment (total and in priority project categories), expected amount of private sector investment mobilized, and expected private sector leverage ratio.
2. Investment Policies and Processes: The investment policies and processes govern how investment decisions are made. This may include an investment selection process, which describes financial and non-financial

criteria used to make investment decisions (including the applicant's operationalization of the qualified project definition) as well as how management and governance bodies are involved in those decisions. This may also include policies to support portfolio diversification, such as risk limits (e.g., by counterparty, project category, and/or geography).

3. Financial Model: The financial model provides details on the projected financial performance of the investment portfolio, including but not limited to projections on capital deployment, financial returns and program income, and private-sector leverage. The financial performance may be at the portfolio level as well as at the priority project category or sector level. The financial model may include accompanying documentation of key assumptions, a sensitivity analysis around those assumptions, and projections and explanations for private-sector leverage. The financial model should reflect substantially better-than-market interest rates passed through to borrowers. The financial model should demonstrate how the investment portfolio delivers continued operability as well as recyclability of program income, consistent with federal regulations 2 CFR § 200.302, 2 CFR § 200.307, and 2 CFR § 1500.8.
4. Labor and Workforce Plan: The labor and workforce plan describes the applicant's approach to ensuring funds create high-quality jobs that lift up workers and families while also strengthening American businesses. The labor and workforce plan may include working with project sponsors to utilize tools such as community benefits agreements, community workforce agreements, local hire provisions, project labor agreements, incentives for creating good jobs (e.g., registered apprenticeships), and supportive services (e.g., childcare, transportation assistance). This plan may include partnerships with workforce development stakeholders, such as employers, labor unions, training providers, nonprofits, and the publicly funded workforce system, to address workforce gaps and strengthen the ecosystem for deploying projects. This plan may include strategies for creating jobs that pay prevailing wages with the free and fair choice to join a union and for expanding employment opportunities for populations underrepresented in the workforce.
5. Partnerships Plan: The partnerships plan describes the applicant's approach to engage partners to execute their direct investment strategy. Examples may include partnerships with community lenders, technical assistance providers, community-based organizations in low-income and disadvantaged communities, low-income and disadvantaged community solar programs, and others across the ecosystem, and may be accompanied by signed letters of commitment from those partners. This plan should not include coalition partnerships that are reflected elsewhere in the application.⁶

⁶ Note that any transfers of grant funds to partners must comply with the Procurement Standards in 2 CFR § 200 and 1500, [EPA Subaward Policy](#), or [EPA Guidance on Participant Support Costs](#), as applicable, depending on what vehicle is used to transfer funds. [EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under](#)

6. Program Linkages Plan: The program linkages plan demonstrates how the applicant will leverage existing federal, state, and local government programs and subsidies as well as non-governmental programs to complement program deployment and minimize the potential for duplication of effort. The plan may include specific references to partnering with the EPA, such as the EPA Regional Offices in the regions in which they intend to do business.

III. Program Administration Plan: The program administration plan provides details on how the applicant will administer the overall grant program. It may include the following components:

1. Program Budget: The program budget includes a detailed schedule of activities, along with a budget narrative, detailing how the applicant will deploy funds efficiently and cost-effectively. The budget may highlight cost-effectiveness in terms of maximizing to the greatest extent practicable the delivery of financial products in support of GGRF program objectives. In the NOFO, EPA expects to provide details on allowable and unallowable use of funds, including program administration costs (i.e., use of funds other than for financial assistance). EPA provides detailed guidance on budget development in the [Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance](#).
2. Reporting Plan: The reporting plan provides an overview of how the applicant will report the information discussed in the Transparency section of this competition description. Note that EPA plans to establish reporting programmatic requirements consistent with 2 CFR § 200.329 in the terms and conditions of the grant award.

B. Organizational Plan: The organizational plan provides details about the applicant's operational plans during the three years following the grant award. The organizational plan covers all of the organization's planned operations, including but not limited to those related to this grant program. It may include the following sub-components:

- I. Description of Business: The description of business describes the actual or proposed business activities; the corporate or other structure of the legal entities that comprise the business (including diagrams); jurisdictions in which the applicant and affiliated legal entities are qualified to do business, own or lease real property, or maintain an office; and activities carried out in each such jurisdiction.
- II. Organizational and Governing Documents: The organizational and governing documents include articles of incorporation, formation, or partnership; by-laws; and operating agreements. The applicant may seek to ensure that articles of incorporation or other formation documents filed with a governmental authority as a condition of carrying out the organization's activities demonstrate a clear organizational purpose that aligns with the GGRF program objectives.

[EPA Assistance Agreements](#) outlines competition requirements for contracts, including contracts with consultants; EPA does not allow sole source contracts based on a potential contractor's role in preparing an application, a long-standing "partnership" relationship with the firm or individual, or a potential contractor's "unique" qualifications.

- III. Management Plan: The management plan describes the organizational structure or planned organizational structure (including an organizational chart); a list of key existing or proposed senior management and staff (including roles, responsibilities, diversity, expertise, and skills with supporting resumes); the actual or projected number of employees and staffing plan; management conflict of interest policies and procedures; and management succession plan. The applicant may seek to ensure senior management includes individuals with relevant expertise, such as in climate and greenhouse gas reduction, finance and investment, low-income and disadvantaged community investment, and experience working directly with Tribes.
- IV. Governance Plan: The governance plan covers the board's role in overseeing and monitoring management. This may include board composition (including relevant expertise, such as in climate and greenhouse gas reduction, finance and investment, low-income and disadvantaged community investment, and experience working directly with Tribes, as well as board diversity); board committee structures; and board independence and conflict of interest policies and procedures. For an applicant applying as a coalition, the governance plan should clearly describe the role that each coalition member plays in governing the priorities of the coalition.
- V. Equity Accountability Plan: The equity accountability plan ensures that the applicant will be accountable to its equity and community benefits goals, including those related to its investment strategy. This plan may include formal structures to obtain input from low-income and disadvantaged communities and the institutions that serve those communities, such as an independent stakeholder advisory committee with representation from community-based organizations, environmental justice advocates, Tribal-serving organizations, and others that advises on organizational decisions; the committee could publish an annual performance evaluation against equity and community benefits goals. This plan may also include organizational policies and practices that ensure equity and community benefits goals are integrated into investment activities (e.g., an organizational environmental and social policy statement, an organizational policy that community benefits models are discussed with every counterparty for business loans) as well as other activities within the applicant's operations and procurement/supply chain (e.g., procuring supplies from disadvantaged businesses) using the affirmative steps specified in EPA's 40 CFR § 33 Disadvantaged Business Enterprise Rule.
- VI. Legal and Compliance Risk Management Plan: The legal and compliance risk management plan details the applicant's plans to remain in compliance with the grant's terms and conditions, including but not limited to the requirements in 2 CFR § 200.303 and 2 CFR § 200.332(b) and (d), the applicant's assessment of the legal and compliance risks associated with the business activities contemplated in its organizational plan, and its plan for mitigation of such risks. This plan may include: risk assessments and efforts to tailor the legal and compliance risk management plan based on those risk assessments; policies and procedures; training and communications; confidential reporting mechanisms, including whistleblower protection policies and procedures; internal investigations; third party management; resource allocation and management commitment to compliance and risk

management; legal and compliance risk management compensation incentives and disincentives; and mechanisms for continuous improvement, periodic testing, and review.

- VII. Financial Risk Management Plan: The financial risk management plan details the applicant's plan to identify, assess, measure, and manage critical financial risks, including credit, liquidity, market, operational, strategic, and reputational risks; risks associated with climate change and natural disasters; and other risks. This plan may include board and senior management oversight; policies, procedures, and limits (e.g., enterprise risk management framework, risk appetite statement, risk limits, and others); risk monitoring and information systems; internal controls; and mechanisms for continuous improvement, periodic testing, and review.
- VIII. Consumer Financial Protection Compliance Plan: The consumer financial protection compliance plan describes how the applicant intends to comply with federal and state consumer financial protection laws and regulations. The plan should include, in part, a description of how the applicant intends to protect clients and consumers from any unfair, deceptive, or abusive acts or practices, including but not limited to maintaining transparent and fair lending terms and conditions, conducting responsible management of delinquencies and defaults, ensuring against discriminatory practices, and ensuring that any service provider utilized by the applicant in the provision of a financial product does not present unwarranted risks to consumers.
- IX. Financial Statements: Financial statements include audited financial statements for each of the past three completed fiscal years and quarterly (unaudited) financial statements for the periods that ended during the current fiscal year. If the applicant does not have audited financial statements, the applicant may provide copies of unaudited financial statements with third-party review and/or attestation. If no financial statements are available, the applicant may explain the reasoning for the unavailability and certify that the applicant has no material liability or obligation, absolute or contingent (individually or in aggregate), no obligations under contracts made outside of the ordinary course of business, and no obligation that would be required to be reflected in financial statements under Generally Accepted Accounting Principles (GAAP).
- X. Financial Projections: Financial projections include pro forma quarterly financial statement projections for three years of operations, as well as a supporting marketing plan to show how the applicant will achieve those financial projections. The marketing plan may include a product strategy, a market analysis for target markets, an economic component (e.g., economic forecast and a discussion for how economic factors may affect the applicant's operations as well as products and services), and a competitive analysis. The applicant's financial projections should be consistent with the applicant's program plan.

Transparency

To promote transparency with the use of taxpayer dollars and the impact of those dollars on the GGRF program objectives, EPA expects to require grantees to engage in public reporting at the program level, as well as the institution level (except to the extent such reporting includes

confidential business information or personally private information pursuant to 2 CFR § 200.338). EPA expects to evaluate an applicant's reporting plans as part of the application evaluation and selection process.⁷ In addition to performance reporting to EPA under the Performance and Financial Management Reporting requirements specified in 2 CFR § 200, EPA expects to require reporting on the following categories of information:

- A. Program-Level: EPA expects to require program-level reporting on the grantee's use of funds, as well as the impact of those funds, occurring on an annual basis (except as otherwise noted).
 - I. Use of Funds Reporting: EPA expects to require reporting, on an annual and quarterly basis, on the grantee's expenditures with program funds, including but not limited to financial products it has originated, financial products it plans to originate, and program administration costs; EPA expects this to include reporting to ensure compliance with the grant's requirement that funds from Section 134(a)(3) of the Clean Air Act be used to support projects in low-income and disadvantaged communities. EPA expects to require more granular reporting on current pipeline size, as well as closed transactions (origination date, origination fees, funding amount, financial product, transaction terms, project type, and aggregated counterparty information), with this information delivered by transaction, geography, sector, technology, and/or portfolio. EPA expects to require audits of use of funds, including single audits required by 2 CFR § 200, Subpart F.
 - II. Climate and Environmental Impacts: EPA expects to provide additional guidance specifying the requirements for climate and environmental impact reporting, including at the sector level and/or portfolio level (e.g., emissions reductions, energy use savings, renewable electricity capacity/generation). A prospective applicant can reference the [Tools and Technical Resources](#) provided by EPA in connection with the Climate Pollution Reduction Grants for examples of potential greenhouse gas and air pollution quantification and reporting regimes.
 - III. Equity and Community Benefits: EPA expects to provide additional guidance specifying the requirements for equity and community benefits reporting, including but not limited to benefits delivered to low-income and disadvantaged communities (e.g., energy benefits through energy cost savings, workforce development benefits through job creation); these requirements will support reporting of benefits delivered in line with the Justice40 Initiative.⁸
 - IV. Market Transformation Impacts: EPA expects to require reporting on market transformation impacts, including but not limited to amount of private sector investment mobilized, private sector leverage ratio, and number of private sector investors engaged. EPA expects to require grantees to report this data over time, by sector/technology, and by community type (e.g., low-income and disadvantaged communities). EPA expects to require grantees to accompany this reporting with publication of select case studies (or white papers) to support additional financial

⁷ Each applicant is encouraged to design reporting plans in line with the goals outlined in the Foundations for Evidence-Based Policymaking Act of 2018 ([Evidence Act](#)).

⁸ EPA expects to require reporting of benefits for the Justice40 Initiative to align with the alleviation of the following categories of burdens, as defined in the [Methodology section of the CEJST](#): climate change, energy, health, housing, legacy pollution, transportation, water and wastewater, and workforce development.

market transformation, which may showcase demand for financing of emissions and air pollution reducing projects, highlight the financial performance of the grantee's financial products (e.g., risk-return profile), and share best practices on product structuring.

- B. Institution-Level: EPA expects to require institution-level reporting on the grantee annually, quarterly, and on an ongoing basis.
- I. Annually: EPA expects to require management's discussion and analysis (e.g., strategic outlook, priorities for the year ahead, and detailed assessment of performance against the organizational plan); audited consolidated financial statements and notes that comply with 2 CFR § 200, Subpart F; disclosure of performance against specified financial ratios and/or covenants; transparency around governance matters (e.g., board meeting records); and other annual institution-level reporting.
 - II. Quarterly: EPA expects to require consolidated financial statements and notes reviewed and prepared in accordance with GAAP; performance against specified financial ratios and/or covenants; transparency around governance matters (e.g., board meeting records); and other quarterly institution-level reporting.
 - III. Ongoing: EPA expects to require timely disclosure of significant or material corporate events. EPA may also reasonably request from time to time, pursuant to 2 CFR § 200.337(a), information regarding the operations, business affairs, plans, financial condition and projections, or compliance with the terms of the award agreement.

GREENHOUSE GAS REDUCTION FUND COMPETITION DESCRIPTION – CLEAN COMMUNITIES INVESTMENT ACCELERATOR

Overview

The **\$6 billion Clean Communities Investment Accelerator competition** will fund 2–7 hub nonprofits with the plans and capabilities to rapidly build the capacity of specific networks of public, quasi-public, and non-profit 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. EPA intends to implement this competition structure to maximize impact toward the three GGRF program objectives. While this competition description contains a broader set of expected competition details, below is a brief summary of the competition structure.

- **Amount of Funding:** \$6 billion from Section 134(a)(3) of the Clean Air Act, which must be expended in low-income and disadvantaged communities.
- **Number of Awards:** 2–7 awards.
- **Types of Applicants:** Applicants must be “eligible recipients,” submitting applications either as individuals or as lead applicants in coalitions; applicants are permitted to participate in multiple applications within this competition, as well as across GGRF competitions.
- **Application Components:** Applicants will each submit a program plan, which articulates the applicant’s plan to use grant funds to advance GGRF program objectives, and a description of programmatic capabilities, which describes the applicant’s capabilities to execute that plan.
- **Grant Activities:** Grantees will provide capitalization funding (no more than \$5 million per community lender), technical assistance subawards (no more than \$625,000 per community lender), and technical assistance services to community lenders, implementing Section 134(b)(2) that authorizes funding for “indirect investments” with at least 95% of grant funds passing through directly to community lenders.
- **Types of 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.
- **Transparency:** Grantees will be subject to robust program-level and institution-level reporting requirements, in addition to each applicant submitting governance and risk management plans.
- **Justice40:** Grantees will be expected to ensure that, in line with the [Justice40 Initiative](#), 40% of benefits from this competition flow to disadvantaged communities.

EPA welcomes written technical feedback and comments on these and other details included in this competition description as EPA prepares the Notice of Funding Opportunity (NOFO). Interested parties may send their written feedback and comments to ggrf@epa.gov by May 12, 2023. To advance inclusivity and transparency, EPA will convene six public listening sessions on this implementation framework, including this competition description, over the coming weeks.

Listening session details can be found on the [GGRF website](#). Consistent with [EPA Order 5700.5A1, EPA's Policy for Competition of Assistance Agreements](#), EPA staff will not meet directly with prospective applicants or their representatives to discuss this competition or otherwise provide any potential applicant with an unfair competitive advantage.

EPA invites interested parties to include the following non-binding information in their written feedback and comments.⁹

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

EPA is not currently accepting applications for this competition. This competition description is intended to provide prospective applicants with information on potential application components and grant requirements, but this description does not supersede the text in the NOFO that will be posted on [Grants.gov](#) pursuant to 2 CFR § 200.204. Prospective applicants should note that EPA intends to publish the NOFO as early as June 2023 to formally request applications.

Program Terminology

This section defines program terminology referenced throughout this competition description. Some of this terminology includes requirements that EPA expects to place on grantees.

- A. **GGRF Program Objectives:** EPA has identified three overarching program objectives for the GGRF, as derived from the statute: (1) to reduce emissions of greenhouse gases and other air pollutants; (2) to deliver benefits to American communities, particularly low-income and disadvantaged communities; and (3) to mobilize financing and private capital to stimulate additional deployment of greenhouse gas- and air pollution-reducing projects.

- B. **Low-Income and Disadvantaged Communities:** For purposes of this competition, EPA expects to define low-income and disadvantaged communities as inclusive of geographically defined disadvantaged communities identified through the [Climate and Economic Justice Screening Tool \(CEJST\)](#), the publicly available mapping tool developed by the White House Council on Environmental Quality, and inclusive of the limited supplemental set of census block groups that are at or above the 90th percentile for EJ Screen's Supplemental Indexes ([EJScreen](#) is EPA's publicly-available, place-based environmental burden screening tool). In the NOFO, EPA expects to provide additional guidance on the definition of low-income and disadvantaged communities that may also incorporate geographically dispersed low-income households, and properties providing affordable housing to low-income residents, located outside of geographies identified by CEJST. Note that when assessing and reporting benefits to low-income and disadvantaged communities, 40% of benefits from this competition must accrue to communities identified as disadvantaged through CEJST, consistent with the Justice40 Initiative.

⁹ The information interested parties provide may be disclosed to the public in response to a Freedom of Information Act (FOIA) request, unless the information is clearly marked as confidential business information (CBI) and the EPA sustains the CBI claim under 2 CFR § 2, Subpart B.

- C. Eligible Recipient: Section 134(c)(1) of the Clean Air Act provides that an eligible recipient (a) is a non-profit organization; (b) is designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low- and zero-emission products, technologies, and services; (c) does not take deposits other than deposits from repayments and other revenue received from financial assistance provided using grant funds under this program; (d) is funded by public or charitable contributions; and (e) invests in or finances projects alone or in conjunction with other investors. To ensure an applicant seeking to qualify as an eligible recipient meets the statutory definition, EPA expects to require each applicant to, at the time of application, provide justifications for and evidence that demonstrate the applicant:
- I. Meets the definition of *nonprofit organization* set forth in 2 CFR § 200.1;¹⁰
 - II. Has an organizational mission consistent with being “designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low- and zero-emission products, technologies, and services;”
 - III. Does not receive any “deposit” (as defined in Section 3(l) of the Federal Deposit Insurance Act) or “member account” or “account” (as defined in Section 101 of the Federal Credit Union Act);
 - IV. Is funded by public or charitable contributions; and
 - V. Has the legal authority to invest in or finance projects.

EPA expects the required supporting evidence to include: organizational documents, such as articles of incorporation or similar documents filed with a governmental authority as a condition of carrying out its activities; tax filings; financial statements; investment records; and/or any other information the applicant deems appropriate.

EPA expects to allow an applicant to apply as an individual applicant or as a lead applicant of a coalition, in which the lead applicant receives and administers the grant but may provide subawards to coalition members to carry out the substantive activities listed in the grant application. EPA expects that members of such a coalition, other than the lead applicant, may be either eligible recipients, other types of nonprofit organizations eligible for subawards under the [EPA Subaward Policy](#), or governmental entities eligible for subawards under the EPA Subaward Policy.

- D. Community Lender: Section 134(b)(2) of the Clean Air Act provides that grantees must provide funding and technical assistance to establish new or to support existing public, quasi-public, not-for-profit, or nonprofit entities that provide financial assistance to qualified projects at the state, local, territorial, or Tribal level or in the District of Columbia, including community- and low-income-focused lenders and capital providers. EPA expects to refer to entities that can receive funding and technical assistance from grantees under this competition as community lenders, and EPA expects to implement the statutory language on which entities qualify as community lenders with the following two requirements.

¹⁰ 2 CFR § 200.1 states that a *nonprofit organization* “means any corporation, trust, association, cooperative, or other organization, not including Institutes of Higher Education, that: (1) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; (2) is not organized primarily for profit; and (3) uses net proceeds to maintain, improve, or expand the operations of the organization.”

- I. Must be either a public, quasi-public, not-for-profit or nonprofit entity. A public entity must be a state, municipal, territorial, or Tribal government, including any department, agency, or instrumentality of one of those governments. A quasi-public entity must either (1) have a close association with a public entity but not be a public entity, (2) be created by a public entity but be exempt from certain legal and administrative requirements, or (3) not have been created by a public entity but perform a public purpose and be significantly supported financially by a public entity. A not-for-profit or nonprofit entity must meet the definition of *nonprofit organization* set forth in 2 CFR § 200.1.
- II. Must have the legal authority to provide financial assistance to qualified projects at the state, local, territorial, or Tribal level or in the District of Columbia.

EPA expects to require grantees to implement an eligibility review process to ensure that entities receiving capitalization funding and technical assistance subawards meet the above requirements. EPA expects that entities will provide grantees with evidence that they meet the above requirements through: organizational documents, such as articles of incorporation or similar documents filed with a governmental authority as a condition of carrying out its activities; tax filings; financial statements; investment records; and/or other information. For technical assistance services, EPA expects to require grantees also include (1) entities in the process of becoming new community lenders and (2) individuals in the process of establishing new community lenders.

EPA expects to require that grantees pass through a minimum of 95% of total grant funds directly to community lenders in the form of capitalization funding and technical assistance subawards, which ensures that funds directly benefit community lenders and the communities they are positioned to serve. EPA expects to not allow grantees to count funds expended on technical assistance services toward the 95% pass-through requirement.

In line with the statute, EPA expects to require 100% of funds be used to ultimately support deployment of projects in low-income and disadvantaged communities, as this competition is funded entirely by Section 134(a)(3) of the Clean Air Act (which requires funds to be used “in low-income and disadvantaged communities”). In addition, in line with the Justice40 Initiative, EPA expects to require that 40% of the benefits from capitalization funding, technical assistance subawards, and technical assistance services (and any associated administrative costs) flow to disadvantaged communities.

- E. Capitalization Funding: Section 134(b)(2) of the Clean Air Act directs that grantees provide “funding” to community lenders. To implement this statutory language, EPA expects to require grantees to provide capitalization funding to community lenders, which community lenders must use to provide eligible financial assistance to qualified projects within the three priority project categories. EPA expects to require capitalization funding to strengthen the balance sheets of community lenders through either one-time subgrants and/or one-time commitments to provide subsidies for qualifying transactions, which the community lenders can draw upon in the future and subsequently retain (i.e., when loans are repaid); in the NOFO, EPA expects to define whether grantees must provide subgrants, governed by the EPA Subaward Policy, and/or subsidies, governed by the [EPA Guidance](#)

[on Participant Support Costs](#). EPA expects to place a maximum on capitalization funding at \$5 million per community lender, which ensures a broad and diverse set of community lenders can access funding from this program while providing each community lender with sufficient funding to start or expand their programs to finance emissions- and air pollution-reducing projects in low-income and disadvantaged communities.

Note that EPA expects community lenders will have access to additional capital to finance emissions and air pollution reducing projects from grantees of the National Clean Investment Fund competition. Those grantees will together be awarded \$14 billion to provide financial products for emissions- and air pollution-reduction projects, which may include providing capital to community lenders through structures such as warehouse facilities and loan purchasing programs so that community lenders can finance additional projects. EPA intends to evaluate National Clean Investment Fund competition applications based in part on the extent to which they plan to provide these financial products to community lenders.

- F. Technical Assistance Subawards: Section 134(b)(2) of the Clean Air Act directs that grantees provide “technical assistance” to community lenders. To implement this statutory language, EPA expects to require grantees to provide capacity-building awards to community lenders in the form of subawards, as defined in the EPA Subaward Policy, such that those entities can expand their provision of financial products to qualified projects within priority project categories. EPA expects community lenders to use these subawards for activities, including but not limited to training for management and other personnel; developing new programs, products, and services; establishing technical assistance programs to create pipelines of financeable projects; making subawards to partner organizations eligible under the EPA Subaward Policy for organizational capacity-building; and other activities deemed appropriate by the grantee and approved by EPA in the grantee’s assistance agreement.

EPA expects to require grantees to restrict provision of technical assistance subawards to community lenders receiving capitalization funding, with a maximum technical assistance subaward equal to no more than 12.5% of the accompanying capitalization funding provided to any given community lender; as such, the maximum technical assistance subaward is 12.5% of \$5 million (the maximum capitalization funding), or \$625,000, which ensures community lenders can build the organizational capacity and project pipelines necessary to deploy the capital provided through the capitalization funding.

- G. Technical Assistance Services: Section 134(b)(2) of the Clean Air Act directs that grantees provide “technical assistance” to community lenders. To implement this statutory language, EPA expects to require grantees to use a portion of program administration costs to provide capacity-building services (directly and/or through competitively procured contractors) to support the establishment of new and to strengthen the capacity of existing community lenders, such that new and existing entities can expand their provision of financial products to qualified projects within priority project categories. EPA expects these services to include training for management and other personnel; market analysis;

programming to share best practices; and other activities deemed appropriate by the grantee and approved by EPA in the grantee's assistance agreement.

- H. Eligible Financial Assistance: Section 134(b)(2) of the Clean Air Act directs that grantees support community lenders that provide “financial assistance to qualified projects.” EPA expects to implement the statutory language by defining eligible financial assistance, consistent with the definition of "Federal financial assistance" in 2 CFR § 200.1, as financial products (including but not limited to loans, equity investments, loan guarantees, credit enhancements, forgivable and partially forgivable loans, purchase of loans, lines of credit, and debt with equity features); EPA does not expect to consider grants as a financial product. EPA expects that these financial products will involve substantially better-than-market interest rates passed through to borrowers. To support the deployment of financial products to projects, EPA expects to allow a limited amount of funds for predevelopment expenditures that are necessary and reasonable for the deployment of financial products to projects that a community lender intends to finance, consistent with 2 CFR § 200.403. EPA expects such predevelopment expenditures to fund site assessments, financial feasibility studies, and other predevelopment activities.
- I. Qualified Projects: Section 134(b)(2) of the Clean Air Act directs that grantees support community lenders that provide “financial assistance to qualified projects.” Section 134(c)(3) provides that qualified projects include any project, activity, or technology that (a) reduces or avoids greenhouse gas emissions and other forms of air pollution in partnership with, and by leveraging investment from, the private sector; or (b) assists communities in the efforts of those communities to reduce or avoid greenhouse gas emissions and other forms of air pollution. EPA expects to implement this statutory language by requiring that all projects meet all of the requirements listed below, which ensure all projects meet the statutory definition while also supporting the GGRF program objectives. EPA expects that each applicant will define their methodology for operationalizing these requirements in their application. EPA expects to define these requirements as follows:
- I. Deployment of the proposed project, activity, or technology will reduce greenhouse gas emissions in line with the [U.S. Nationally Determined Contribution](#) as well as [Executive Order 14008](#) and will reduce emissions of other air pollutants.¹¹ Specific portfolio-wide emissions targets may be set in the NOFO, and plans that equitably achieve the deepest emissions targets may be prioritized.
 - II. Deployment of the proposed project, technology, or activity will deliver benefits to American communities by alleviating two or more of the following categories of burdens, as defined in the [Methodology section of the CEJST](#): climate change, energy, health, housing, legacy pollution, transportation, water and wastewater, and workforce development.¹²

¹¹ This requirement ensures that qualified projects support the climate goals of the United States to reduce greenhouse gas emissions 50-52 percent below 2005 levels in 2030, achieve a carbon pollution-free electricity sector by 2035, and achieve net-zero emissions by no later than 2050.

¹² While GGRF relies on the definitions of these burdens from CEJST, GGRF uses these definitions in a different way; CEJST uses them to identify disadvantaged communities, while GGRF uses them to identify categories of benefits to all American communities, not just disadvantaged communities.

- III. Investment of awarded funds in the proposed project, technology, or activity will finance deployment of a project, activity, or technology that may not have otherwise been financed. EPA expects this to involve substantially better-than-market interest rates passing through to borrowers.
 - IV. Investment of awarded funds in the proposed project, technology, or activity will spur private sector investment.
 - V. The proposed project, technology, or activity is already commercially available. Under this competition, EPA does not intend for program funds to support either (1) *Research and Development*, as defined in 2 CFR § 200.1, or (2) pre-commercial technologies, as defined by technologies that have not been installed and used in at least three commercial projects in the United States in the same general application.
- J. Priority Project Categories: EPA has identified three priority project categories that are particularly impactful to achieving the GGRF program objectives and the near-term climate goals of the United States. EPA expects to require that capitalization funding, technical assistance subawards, and technical assistance services ultimately support deployment of qualified projects within these three project categories, rather than other qualified projects. EPA expects that specific guidance and standards, such as emissions reductions targets, for priority project categories may be provided in the NOFO.
- I. Distributed Power Generation and Storage: Projects, technologies, or activities that generate and/or store *zero-emissions power* near to the point of use, instead of in centralized plants. Examples include distributed solar, distributed wind, geothermal, stand-alone energy storage, and community-wide microgrids.
 - II. Decarbonization Retrofits of Existing Buildings: Projects, technologies or activities that retrofit an existing building to reduce or eliminate greenhouse gas emissions and air pollution, with that project, technology, or activity consistent with the targets and strategies of *net-zero emissions buildings* as specified in [Executive Order 14057 \(Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability\) Implementing Instructions](#). Examples include grid-interactive appliance electrification in affordable multifamily housing alongside energy efficiency, indoor air quality improvements, and solar; school building space and water heating grid-interactive electrification and energy efficiency; replacement of backup diesel generators with battery storage, including paired with distributed power generation; and community facility retrofits with on-site solar, storage, and charging infrastructure.
 - III. Transportation Pollution Reduction: Projects, technologies, or activities that support *zero-emissions transportation modes*, especially in communities that are overburdened by existing diesel pollution, particulate matter concentration, and degraded air quality. Examples include small business fleet electrification as well as public and multi-use charging depots (including for clean school buses and community facilities).

Application Components

Each applicant will submit detailed applications in response to the NOFO. Described below are application components that EPA expects to include in the NOFO; EPA will then evaluate these

components as it selects applicants for awards. These application components are designed to provide EPA with information necessary to evaluate an applicant's program plan, which articulates the applicant's plan to use grant funds to advance GGRF program objectives (including achieving deep greenhouse gas emissions savings), and a description of an applicant's programmatic capabilities, which describes the applicant's capabilities to execute that plan. The application components and sub-components described below represent EPA's preliminary views rather than final determinations, and EPA expects each applicant to tailor sub-components to include information that applicants deem appropriate. The forthcoming NOFO will provide the definitive application requirements.

A. Program Plan: The program plan details how the applicant will use grant funds to advance GGRF program objectives. The program plan includes the three core components below: an overarching program vision, a three-year investment strategy, and a program administration plan.

I. Program Vision: The program vision describes the applicant's overall vision for deploying program funds to achieve the GGRF program objectives. The program vision may include quantitative short-, medium-, and long-term targets aligned to planned reporting metrics, including but not limited to emissions-related targets; targets to deliver benefits to low-income and disadvantaged communities; and targets to build the capacity of community lenders and mobilize private-sector investment. EPA expects to evaluate the extent to which the program vision aligns with the long-term decarbonization, equity, and market transformation goals of the United States as described in the U.S. Nationally Determined Contribution, Executive Order 14008, and [Executive Order 14082](#). EPA expects to evaluate whether the program vision includes a plan to deploy funds rapidly to specific networks of community lenders. EPA expects to evaluate whether the program vision clearly identifies the market problems the applicant is trying to address and how the applicant's approach for delivering capitalization funding, technical assistance subawards, and technical assistance services to community lenders addresses those problems.

II. Three-Year Indirect Investment Strategy: The investment strategy, which will be refreshed every three years over the life of the award so long as funds are not fully expended, provides concrete details on the applicant's near-term plans to provide capitalization funding, technical assistance subawards, and technical assistance services to community lenders. The investment strategy may include the following components:

1. Community Lender Strategy: The community lender strategy describes the networks of community lenders the applicant expects to support with capitalization funding, technical assistance subawards, and technical assistance services over the first three years. The community lender strategy may include plans to impact each of the three GGRF program objectives, as follows:

a. Climate and Environmental Plan: The climate and environmental plan explains how the community lender strategy delivers emissions and air pollution reductions, including emissions reductions that accelerate progress toward the climate goals of the United States to

reduce greenhouse gas emissions 50-52 percent below 2005 levels in 2030, achieve a carbon pollution-free electricity sector by 2035, and achieve net-zero emissions by no later than 2050; specific emissions targets may be referenced in the NOFO, with plans equitably achieving the deepest emissions targets to be prioritized. This may include quantitative projections aligned to climate and environmental impact reporting metrics, including emissions reduction projections for each of the three priority project categories.

- b. Equity and Community Benefits Plan: The equity and community benefits plan explains how the community lender strategy delivers benefits to low-income and disadvantaged communities (such as those mentioned in the definition of qualified projects). This may include specifying why the types of community lenders—including those serving small businesses, low-income and disadvantaged community-led businesses, and Tribal communities—described in the community lender strategy deliver these benefits. This may include quantitative projections aligned to equity and community benefits reporting metrics.
 - c. Market Transformation Plan: The market transformation plan explains how the community lender strategy mobilizes financing and private capital for additional deployment. This may include the applicant’s strategy for generating additional private-sector leverage, building the capabilities of community lenders to deploy larger amounts of capital, and connecting community lenders to sources of capital for further deployment. This may include quantitative projections aligned to market transformation impact reporting metrics, including expected amount of overall investment, expected amount of private sector investment mobilized, and expected private sector leverage ratio.
2. Plan for Capitalization Funding: This plan describes the applicant’s approach for providing capitalization funding to community lenders. It may include the following components:
- a. Competition Overview: The competition overview describes the applicant’s proposed competitive, accessible competition for community lenders seeking capitalization funding, including an overall competition structure (e.g., number of competitions, amount of funding available per competition, timeline of competitions), use of funds requirements, and a plan for how capitalization funding will be delivered in tandem with technical assistance subawards and services.
 - b. Application Evaluation and Selection Overview: The application valuation and selection overview describes the applicant’s proposed process for evaluating and selecting community lenders for capitalization funding, which may include the following components:

- i. Eligibility Review: Methodology for ensuring the lender's eligibility to participate in the process, including qualifying as a community lender.
 - ii. Financial Risk Review: Methodology for evaluating the lender's financial risks, including any metrics used (e.g., capital adequacy, asset quality, earnings, liquidity, and others).
 - iii. Legal and Compliance Risk Review: Methodology for evaluating the lender's ability to comply with the use of funds requirements and with all applicable laws and regulations, including those relating to federal and state consumer financial protection.
 - iv. Governance Review: Methodology for evaluating the lender's governance, including the board's role, as well as the role of any regulators, in overseeing and monitoring management.
 - v. Business Plan Review: Methodology for evaluating the soundness of the lender's business plan, such as its marketing strategy (e.g., products and services, target markets), management capabilities, equity accountability policies and practices, and labor and workforce policies and practices.
 - vi. Investment Strategy Review: Methodology for evaluating the lender's proposed investment strategy, including how funds will be deployed for eligible financial assistance to qualified projects in priority project categories and how those projects will deliver benefits in and for low-income and disadvantaged communities; this may include evaluating the types of counterparties described in the investment strategy, including small businesses, low-income and disadvantaged community-led businesses, and Tribal communities.
 - c. Community Lender Oversight Plan: The community lender oversight plan describes the applicant's plan for oversight of community lenders after capitalization funding has been committed. This may include audits, reporting, and other oversight measures.
3. Plan for Technical Assistance Subawards: The plan for technical assistance subawards describes the applicant's approach for providing technical assistance subawards to community lenders that are provided with capitalization funding. This plan may incorporate technical assistance subawards into the capitalization funding process in order to support community lenders in deploying such funding.
 4. Plan for Technical Assistance Services: The plan for technical assistance services describes the applicant's approach for delivering technical assistance services to establish new and to strengthen the capacity of existing community lenders. This plan may include an explanation of the

- planned forms of technical assistance services, who will benefit from those services, and what the intended outcomes of those services will be.¹³
5. Outreach and Accessibility Plan: This plan describes the applicant's strategy for engaging a broad diversity of community lenders. This plan may include ensuring equitable outreach to community lenders serving various types of communities, including urban, rural, Tribal, and others; accessibility to community lenders, including those led by persons with limited English proficiency and for persons with disabilities; integrating human-centered design into the program; providing application support for community lenders while remaining consistent with principles of fair competition; and soliciting feedback from community lenders on the effectiveness of the program.
 6. Labor and Workforce Plan: The labor and workforce plan describes the applicant's approach to ensuring funds create high-quality jobs that lift up workers and families while also strengthening American businesses, both directly at community lenders and indirectly through how community lenders use program funds. The labor and workforce plan may include providing technical assistance to community lenders on how to work with project sponsors to utilize tools such as community benefits agreements, community workforce agreements, local hire provisions, project labor agreements, incentives for creating good jobs (e.g., registered apprenticeships), and supportive services (e.g., childcare, transportation assistance). This plan may include partnerships with workforce development stakeholders, such as employers, labor unions, training providers, nonprofits, and the publicly funded workforce system, to address workforce gaps and strengthen the ecosystem for deploying projects. This plan may include strategies for creating jobs that pay prevailing wages with the free and fair choice to join a union and for expanding employment opportunities for underserved populations.
 7. Partnerships Plan: The partnerships plan describes the applicant's approach to engage partners to execute their indirect investment strategy. Examples may include partnerships with capital providers, technical assistance providers, community-based organizations in low-income and disadvantaged communities, low-income and disadvantaged community solar programs, and other organizations across the ecosystem, and may be accompanied by signed letters of commitment from those partners. This plan should not include *coalition* partnerships that are reflected elsewhere in the application.¹⁴

¹³ If the applicant intends to obtain external support for the provision of such services, the applicant must comply with the competitive procurement requirements in 2 CFR § 200 and 2 CFR § 1500 as well as EPA's 40 CFR Part 33 Disadvantaged Business Enterprise participation rule; additional guidance is available in the [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#)

¹⁴ Note that any transfers of grant funds to partners must comply with the Procurement Standards in 2 CFR § 200 and 1500, EPA [Subaward Policy](#), or [EPA Guidance on Participant Support Costs](#), as applicable, depending on what vehicle is used to transfer funds. [EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#) outlines competition requirements for contracts, including contracts with consultants;

8. Program Linkages Plan: The program linkages plan demonstrates how the applicant will leverage existing federal, state, and local government programs and subsidies as well as non-governmental programs to complement program deployment and minimize the potential for duplication of effort. The plan may include specific references to partnering with the EPA, such as the EPA Regional Offices in the regions in which they intend to do business.

III. Program Administration Plan: The program administration plan provides details on how the applicant will administer the overall grant program. It may include the following components:

1. Program Budget: The program budget includes a detailed schedule of activities, along with a budget narrative, detailing how the applicant will deploy funds efficiently and cost-effectively. The budget may highlight cost-effectiveness in terms of maximizing to the greatest extent practicable the delivery of capitalization funding, technical assistance subawards, and technical assistance services to community lenders, while also remaining within the bounds of any grant requirements (such as EPA's expectation that a minimum of 95% of grant funds pass through directly to community lenders in the form of capitalization funding and technical assistance subawards). In the NOFO, EPA expects to provide details on allowable and unallowable use of funds, including program administration costs (i.e., including funds expended on technical assistance services as well as other program administration costs). EPA provides detailed guidance on budget development in the [Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance](#).
2. Reporting Plan: The reporting plan provides an overview of how the applicant will report the information discussed in the Transparency section of this competition description, including details on how they will support community lenders in calculating, collecting, and managing data. Note that EPA plans to establish reporting programmatic requirements consistent with 2 CFR § 200.329 in the terms and conditions of the grant award.

B. Description of Programmatic Capabilities: The description of programmatic capabilities provides details on the applicant's capabilities to use grant funds to advance GGRF program objectives. EPA recommends this description include the following elements:

- I. Organizational and Governing Documents: The organizational and governing documents include articles of incorporation, formation, or partnership; by-laws; and operating agreements. The applicant may seek to ensure that articles of incorporation or other formation documents filed with a governmental authority as a condition of carrying out the organization's activities demonstrate a clear organizational purpose that aligns with the GGRF program objectives.

EPA does not allow sole source contracts based on a potential contractor's role in preparing an application, a long-standing "partnership" relationship with the firm or individual, or a potential contractor's "unique" qualifications.

- II. Description of Organizational Experience: The description of organizational experience discusses the applicant's organizational experiences that share similarities with this grant's activities. This may include descriptions of any past instances establishing and/or managing a federal, state, or Tribal subaward program or similar program funded privately, including the size, scope, and results of those programs.
- III. Description of Management and Staff Capabilities: The description of management and staff capabilities describes the qualifications, diversity, expertise, and skills of the applicant's management and staff teams to execute the grant's activities.¹⁵
- IV. Description of Governance: The description of governance covers the board's role, as well as the role of any regulators, in overseeing and monitoring the applicant's management. This may include board composition (including relevant expertise, such as in climate and greenhouse gas reduction, finance and investment, low-income and disadvantaged community investment, and experience working directly with Tribes, as well as board diversity); board committee structures; and board independence and conflict of interest policies and procedures. This may also include regulatory oversight (e.g., from the Internal Revenue Service, federal regulators, state financial regulators). For an applicant applying as a coalition, the governance plan should clearly describe the role that each coalition member plays in governing the priorities of the coalition.
- V. Equity Accountability Plan: The equity accountability plan ensures that the applicant will be accountable to its equity and community benefits goals, including those related to its investment strategy. This plan may include formal structures to obtain input from low-income and disadvantaged communities and the institutions that serve those communities, such as an independent stakeholder advisory committee with representation from community-based organizations, environmental justice advocates, Tribal-serving organizations, and others that advises on organizational decisions; the committee could publish an annual performance evaluation against equity and community benefits goals. This plan may also include organizational policies and practices that ensure equity and community benefits goals are integrated into funding and technical assistance activities (e.g., an organizational policy on types of community lenders that should be supported, an organizational policy that mandates annual training on community benefits models to all community lenders that the organization supports), as well as other activities within the applicant's operations and procurement/supply chain (e.g., procuring supplies from disadvantaged businesses) using the affirmative steps specified in EPA's 40 CFR § 33 Disadvantaged Business Enterprise Rule.
- VI. Legal and Compliance Risk Management Plan: The legal and compliance risk management plan details the applicant's plans to remain in compliance with the grant's terms and conditions, including but not limited to the requirements in 2 CFR § 200.303 and 2 CFR § 200.332(b) and (d), the applicant's assessment of the legal and compliance risks associated with the business activities contemplated in its

¹⁵ An applicant intending to use grant funding to acquire expertise from procurement contractors (including individual consultants) will need to comply with competitive procurement requirements in 2 CFR § 200 and 2 CFR § 1500 as interpreted in the [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#).

organizational plan, and its plan for mitigation of such risks. This plan may include: risk assessments and efforts to tailor the legal and compliance risk management plan based on those risk assessments; policies and procedures; training and communications; confidential reporting mechanisms, including whistleblower protection policies and procedures; internal investigations; third party management; resource allocation and management commitment to compliance and risk management; legal and compliance risk management compensation incentives and disincentives; and mechanisms for continuous improvement, periodic testing, and review.

- VII. Financial Risk Management Plan: The financial risk management plan details the applicant's plan to identify, assess, measure, and manage critical financial risks, including credit, liquidity, market, operational, strategic, and reputational risks; risks associated with climate change and natural disasters; and other risks. This plan may include board and senior management oversight; policies, procedures, and limits (e.g., enterprise risk management framework, risk appetite statement, risk limits, and others); risk monitoring and information systems; internal controls; and mechanisms for continuous improvement, periodic testing, and review.
- VIII. Financial Statements: Financial statements include audited financial statements for each of the past three completed fiscal years and quarterly (unaudited) financial statements for the periods that ended during the current fiscal year. If the applicant does not have audited financial statements, the applicant may provide copies of unaudited financial statements with third-party review and/or attestation. If no financial statements are available, the applicant may explain the reasoning for the unavailability and certify that the applicant has no material liability or obligation, absolute or contingent (individually or in aggregate), no obligations under contracts made outside of the ordinary course of business, and no obligation that would be required to be reflected in financial statements under Generally Accepted Accounting Principles (GAAP).
- IX. Financial Projections: Financial projections include pro forma quarterly financial statement projections for three years of operations, which should be consistent with the applicant's program plan.

Transparency

To promote transparency with the use of taxpayer dollars and the impact of those dollars on the GGRF program objectives, EPA expects to require grantees to engage in public reporting at the program level as well as the institution level (except to the extent such reporting includes confidential business information or personally private information pursuant to 2 CFR § 200.338). EPA expects to evaluate an applicant's reporting plans as part of the application evaluation and selection process.¹⁶ In addition to performance reporting to EPA under the Performance and Financial Management Reporting requirements specified in 2 CFR § 200, EPA expects to require reporting on the following categories of information:

¹⁶ Each applicant is encouraged to design reporting plans in line with the goals outlined in the Foundations for Evidence-Based Policymaking Act of 2018 ([Evidence Act](#)).

- A. Program-Level: EPA expects to require program-level reporting on the grantee's use of funds, as well as the impact of those funds, occurring on an annual basis (except as otherwise noted).
- I. Use of Funds Reporting: EPA expects to require reporting, on an annual and quarterly basis, on the grantee's expenditures with grant funds, including capitalization funding and technical assistance subawards as well as program administration costs (including funds expended for technical assistance services). EPA expects to require more granular reporting on capitalization funding and technical assistance subawards, including but not limited to date, amount, funding instrument, key terms and conditions, use of funds requirements, and information on the community lenders receiving those funds. EPA expects to require audits of use of funds, including single audits required by 2 CFR § 200, Subpart F.
 - II. Climate and Environmental Impacts: EPA expects to provide additional guidance specifying the requirements for climate and environmental impact reporting, including at the priority project category level and/or overall (e.g., emissions reductions, energy use savings, renewable electricity capacity/generation). Prospective applicants can reference the [Tools and Technical Resources](#) provided by EPA in connection with the Climate Pollution Reduction Grants for examples of potential greenhouse gas and air pollution quantification and reporting regimes.
 - III. Equity and Community Benefits: EPA expects to provide additional guidance specifying the requirements for equity and community benefits reporting, including but not limited to benefits delivered to low-income and disadvantaged communities (e.g., energy benefits through energy cost savings, workforce development benefits through job creation); these requirements will support reporting of benefits delivered in line with the Justice40 Initiative.¹⁷
 - IV. Market Transformation Impacts: EPA expects to require reporting on market transformation impacts, including but not limited to amount of private sector investment mobilized (i.e., with capitalization funding), private sector leverage ratio (i.e., with capitalization funding), increase in organizational capacity created at community lenders (e.g., FTEs dedicated to green lending), increase in number of community lenders committing capital to emissions and air pollution reducing projects, and increase in total capital committed/deployed to emissions and air pollution reducing projects across community lenders. EPA expects to require grantees to report this data over time and by sector/technology. EPA expects to require grantees to accompany this reporting with select case studies (or white papers) on the market transformation of the community lending ecosystem, including best practices that community lenders can replicate to build capabilities for and ultimately deploy financial products for emissions and air pollution reducing projects in low-income and disadvantaged communities.
- B. Institution-Level: EPA expects to require institution-level reporting on the grantee annually, quarterly, and on an ongoing basis.

¹⁷ EPA expects to require reporting of benefits for the Justice40 Initiative to align with the alleviation of the following categories of burdens, as defined in the [Methodology section of the CEJST](#): climate change, energy, health, housing, legacy pollution, transportation, water and wastewater, and workforce development.

- I. Annually: EPA expects to require management's discussion and analysis (e.g., strategic outlook, priorities for the year ahead, and detailed assessment of performance); audited consolidated financial statements and notes that comply with 2 CFR § 200, Subpart F; transparency around governance matters (e.g., board meeting records); and other annual institution-level reporting.
- II. Quarterly: EPA expects to require consolidated financial statements and notes reviewed and prepared in accordance with GAAP; transparency around governance matters (e.g., board meeting records); and other quarterly institution-level reporting.
- III. Ongoing: EPA expects to require timely disclosure of significant or material corporate events. EPA may also reasonably request from time to time, pursuant to 2 CFR § 200.337(a), information regarding the operations, business affairs, plans, financial condition and projections, or compliance with the terms of the award agreement.

To execute the reporting described above, EPA expects grantees to consistently and reliably track the use and impact of capitalization funding and technical assistance subawards, which will likely involve community lenders reporting to the grantees.

GREENHOUSE GAS REDUCTION FUND COMPETITION DESCRIPTION – SOLAR FOR ALL

Overview

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—enabling millions of families to access affordable, resilient, and clean solar energy. EPA intends to implement this competition structure to maximize impact toward the three GGRF program objectives. While this competition description contains a broader set of expected competition details, below is a summary of the competition structure.

- **Amount of Funding:** \$7 billion from Section 134(a)(1) of the Clean Air Act, which must be expended to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies.
- **Number of Awards:** Up to 60 awards; depending on the quality of proposals, EPA intends to make at least one award per geographic area; these geographic areas will be defined as every state and territory; there will be a separate funding track for approximately 1–3 awards to directly serve Tribal nations; an applicant will apply to receive funds to serve one or more state/territory geographic area, and/or the Tribal track.
- **Award Amounts:** EPA expects selections will be made for each geographic area based on program need and vision including geographic factors, solar deployment potential factors, program design components and impacts, and other merit-based factors such as reduction in greenhouse gas intensity of the grid; impact to average low-income energy burden; the reach of the program across low-income and disadvantaged community population; quality and impact of program design; cost-effectiveness; timeline; a strategy to leverage existing federal, state, and local programs and subsidies to complement program deployment; program innovation; and other similar program design components, merit-based factors, and criteria.
- **Types of Applicants:** Applicants must be states, Tribal governments, municipalities, or eligible nonprofit recipients, submitting applications either as individuals or as lead applicants in coalitions; applicants are permitted to participate in multiple applications within this competition, as well as across GGRF competitions.
- **Application Components:** Before submitting the application, applicants will each submit a Notice of Intent (NOI), which will be described in the NOFO; in the application, applicants will each submit a program strategy—which details a program vision, deployment plan, and services plan—and a program administration plan—which describes the applicant’s plan to administer the program efficiently and equitably.
- **Grant Activities:** 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; additional details on allowable program costs will be released with the NOFO.
- **Types of Projects:** Grantees will enable low-income and disadvantaged communities to deploy or benefit from residential rooftop and community solar photovoltaic (PV) projects, associated storage, and enabling upgrades.

- **Transparency:** Grantees will be subject to robust reporting requirements on program activities as well as program impact outcomes.
- **Justice40:** Grantees will be expected to ensure that, in line with the [Justice40 Initiative](#), 40% of benefits from this competition flow to disadvantaged communities.

EPA welcomes written technical feedback and comments on these and other details included in this competition description as EPA prepares the Notice of Funding Opportunity (NOFO). Interested parties may send their written feedback and comments to ggrf@epa.gov by May 12, 2023. To advance inclusivity and transparency, EPA will convene six public listening sessions on this implementation framework, including this competition description, over the coming weeks. Listening session details can be found on the [GGRF website](#). Consistent with [EPA Order 5700.5A1, EPA's Policy for Competition of Assistance Agreements](#), EPA staff will not meet directly with prospective applicants or their representatives to discuss this competition or otherwise provide any potential applicant with an unfair competitive advantage.

EPA invites interested parties to include the following non-binding information in their written feedback and comments; note that this written feedback and comments does not constitute a Notice of Intent, which is described in this competition description and will be released in the NOFO.¹⁸

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

EPA is not currently accepting applications for this competition. This competition description is intended to provide prospective applicants with information on potential application components and grant requirements, but this description does not supersede the text in the NOFO that will be posted on [Grants.gov](#) pursuant to 2 CFR § 200.204. Prospective applicants should note that EPA intends to publish the NOFO as early as June 2023 to formally request applications.

Program Terminology

This section defines program terminology referenced throughout this competition description. Some of this terminology includes requirements that EPA expects to place on grantees.

- GGRF Program Objectives:** EPA has identified three overarching program objectives for the GGRF, as derived from the statute: (1) to reduce emissions of greenhouse gases and other air pollutants; (2) to deliver benefits to American communities, particularly low-income and disadvantaged communities; and (3) to mobilize financing and private capital to stimulate additional deployment of greenhouse gas- and air pollution-reducing projects.
- Low-Income and Disadvantaged Communities:** For purposes of this competition, EPA expects to define low-income and disadvantaged communities as inclusive of geographically defined disadvantaged communities identified through the [Climate and Economic Justice Screening Tool \(CEJST\)](#), the publicly available mapping tool developed

¹⁸ The information interested parties provide may be disclosed to the public in response to a Freedom of Information Act (FOIA) request, unless the information is clearly marked as confidential business information (CBI) and the EPA sustains the CBI claim under 2 CFR § 2, Subpart B.

by the White House Council on Environmental Quality, and inclusive of the limited supplemental set of census block groups that are at or above the 90th percentile for EJ Screen's Supplemental Indexes ([EJScreen](#) is EPA's publicly-available, place-based environmental burden screening tool). In the NOFO, EPA expects to provide additional guidance on the definition of low-income and disadvantaged communities that may also incorporate geographically dispersed low-income households, and properties providing affordable housing to low-income residents, located outside of geographies identified by CEJST. Note that when assessing and reporting benefits to low-income and disadvantaged communities, 40% of benefits from this competition must accrue to communities identified as disadvantaged through CEJST, consistent with the Justice40 Initiative.

- C. Eligible Applicant: Section 134(a)(1) of the Clean Air Act provides that an eligible applicant for the Solar for All competition is either a (I) state (including territory as defined below), (II) municipality, (III) Tribal government, or (IV) eligible nonprofit recipient. EPA expects to define an eligible applicant as:
- I. State: Section 302(d) of the Clean Air Act defines a state as a state, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.
 - II. Municipality: Section 302(f) of the Clean Air Act provides that a municipality is a city, town, borough, county, parish, district, or other public body created by or pursuant to state law. This term may include councils of government (COG) created by or pursuant to the laws of one or more states even if a COG is incorporated as a nonprofit organization.
 - III. Tribal Government: Section 302(r) of the Clean Air Act defines "Indian Tribe" as any Indian Tribe, band, nation, or other organized group or community, including any Alaska Native village, which is Federally recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians. EPA includes Intertribal Consortia that meet the requirements of 40 CFR § 35.504 as an eligible applicant under this category.
 - IV. Eligible Recipient (titled "Eligible Nonprofit Recipient" for the remainder of this competition description): Section 134(c)(1) of the Clean Air Act provides that an eligible recipient (1) is a non-profit organization; (2) is designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low- and zero-emission products, technologies, and services; (3) does not take deposits other than deposits from repayments and other revenue received from financial assistance provided using grant funds under this program; (4) is funded by public or charitable contributions; and (5) invests in or finances projects alone or in conjunction with other investors. To ensure an applicant seeking to qualify as an eligible recipient meets the statutory definition, EPA expects to require each applicant to, at the time of application, provide justifications for and evidence that demonstrate the applicant:
 1. Meets the definition of *nonprofit organization* set forth in 2 CFR § 200.1;¹⁹

¹⁹ 2 CFR § 200.1 states that a *nonprofit organization* "means any corporation, trust, association, cooperative, or other organization, not including Institutes of Higher Education, that: (1) is operated primarily for scientific,

2. Has an organizational mission consistent with being “designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low- and zero-emission products, technologies, and services;”
3. Does not receive any “deposit” (as defined in Section 3(l) of the Federal Deposit Insurance Act) or “member account” or “account” (as defined in Section 101 of the Federal Credit Union Act);
4. Is funded by public or charitable contributions; and
5. Has the legal authority to invest in or finance projects.

EPA expects the required supporting evidence to include: organizational documents, such as articles of incorporation or similar documents filed with a governmental authority as a condition of carrying out its activities; tax filings; financial statements; investment records; and/or any other information the applicant deems appropriate.

EPA expects to allow an applicant to apply as an individual applicant or as a lead applicant of a coalition, in which the lead applicant receives and administers the grant but may provide subawards to coalition members to carry out the substantive activities listed in the grant application. EPA expects that members of such a coalition, other than the lead applicant, may be either eligible applicants or other types of nonprofit organizations eligible for subawards under the [EPA Subaward Policy](#).

- D. Solar for All Eligible Financial Assistance: Section 134(a)(1) of the Clean Air Act provides that funds for this competition be used for “financial assistance.” EPA expects to implement the statutory language by defining eligible financial assistance, consistent with the definition of “Federal financial assistance” at 2 CFR § 200.1, as subgrants, rebates, subsidies, other incentive payments, or loans.²⁰ Solar for All financial assistance is intended to enable low-income and disadvantaged communities to deploy or benefit from solar, storage, and enabling upgrades, while ensuring all projects deliver minimum household savings, among other benefits.
- E. Solar for All Eligible Technical Assistance: Section 134(a)(1) of the Clean Air Act provides that funds for this competition be used for “technical assistance.” To implement this statutory language EPA expects that grantees may use funds for technical assistance for both program design and implementation. Examples of program implementation technical assistance can include data collection and analysis; program and project planning; program implementation services; and stakeholder engagement. EPA aims to provide in-kind technical assistance to support applicants with program planning, ensure national coordination, and share models and best practices.

educational, service, charitable, or similar purposes in the public interest; (2) is not organized primarily for profit; and (3) uses net proceeds to maintain, improve, or expand the operations of the organization.”

²⁰ An applicant may propose a financial assistance strategy which generates program income (as defined at 2 CFR § 200.1 and includes, but is not limited to, repayments of the principal on loans, interest on loans, loan origination fees and may include other income from investments of GGRF grant funds). EPA specific rules on program income are provided at 2 CFR § 1500.8. EPA will negotiate terms and conditions governing program income with a successful applicant who will use EPA funding to capitalize revolving loan funds.

- F. Zero-Emissions Technology: Section 134(c)(4) of the Clean Air Act provides that the term zero-emissions technology means any technology that produces zero emissions of (a) any air pollutant that is listed in Section 108(a) (or any precursor to such an air pollutant) and (b) any greenhouse gas. EPA expects to implement this statutory language by identifying four technology categories that qualify for financial and technical assistance from Section 134(a)(1). EPA expects to provide final guidance on definitions of these categories in the NOFO. These technology categories include:
- I. Residential Solar: Rooftop and ground-mounted solar photovoltaic (PV) power-producing facilities that support individual households, master-metered facilities, and/or common areas in multifamily buildings.
 - II. Community Solar: Any solar photovoltaic (PV) power-producing facility or solar power purchasing program, within a geographic area, in which the benefits of a solar project flow to multiple residential customers (further explained in meaningful benefits plan in the “Application Components” section of this competition description).
 - III. Associated Storage: Infrastructure to store solar-generated power for the purposes of, for example, maximizing residential solar deployment, delivering demand response needs, aggregating assets into virtual power plants, and delivering residential power during grid outages.
 - IV. Enabling Upgrades: Investments in building infrastructure that support solar deployment; enabling upgrade examples include electrical panel upgrades, roof repairs, and individual household access to the internet for system monitoring purposes. EPA expects each applicant to define enabling upgrades in their application.

In line with the statute, EPA expects to require 100% of funds be used to enable low-income and disadvantaged communities to deploy or benefit from zero-emissions technologies, as this competition is funded entirely by Section 134(a)(1) of the Clean Air Act (which requires funds to be used “to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies”). In addition, in line with the Justice40 Initiative, EPA expects to require that 40% of the benefits from financial assistance and technical assistance (and any associated administrative costs) used to support these zero-emissions technologies flow to disadvantaged communities.

- G. Solar for All Program (i.e., a program funded by GGRF’s Solar for All competition): EPA expects to define a Solar for All program as a program that ensures low-income participation and requires minimum household savings in residential and/or community solar, often through deployment incentives. Solar programs can extend beyond solar generating capacity to include integrated storage, enabling upgrades and repairs, and workforce training in and benefiting low-income communities. All financial and technical assistance funded through GGRF’s Solar for All competition must enable low-income and disadvantaged communities to deploy or benefit from solar and storage. This document considers existing low-income solar programs as Solar for All programs. An existing low-income solar program is a state/territory policy or set of policies, generally covering a single state/territory, that ensures low-income participation in residential and/or community solar through deployment incentives and other supportive programming.

Application Components

Each applicant will submit detailed applications in response to the NOFO. The Solar for All NOFO will include a requirement for each applicant to submit a Notice of Intent (NOI) before submitting formal applications. Described below are the NOI as well as the application components that EPA expects to include in the NOFO, which EPA will evaluate as it selects applicants for awards. The application components are designed to provide EPA with information necessary to evaluate an applicant's strategy for using Solar for All grant funds to enable low-income and disadvantaged communities to deploy or benefit from solar and storage as well as an applicant's program administration plan. The application components and sub-components described below represent EPA's preliminary views rather than final determinations, and EPA expects each applicant to tailor sub-components to include information that the applicant deem appropriate. The forthcoming NOFO will provide the definitive application requirements.

- A. Notice of Intent: EPA expects to require all applicants to submit a Notice of Intent (NOI) to participate in the competition prior to submitting applications; EPA expects to release the NOI request in the NOFO. The NOI will be structured in two phases: (1) a shorter initial phase for state and territorial governments and (2) a subsequent longer phase for other applicants, including Tribal governments, municipalities, eligible nonprofit recipients, and coalitions. This two-phased structure will allow these other applicants to review the state/territorial NOIs, which will be made public, prior to submitting their own NOIs. EPA encourages all state/territorial governments to participate in the competition, and EPA expects that an applicant will be more competitive if they can provide financial and technical assistance to a larger geographic area in a state/territory, including serving Tribal communities in that state/territory. For the geographies in which the state/territorial government does not participate, EPA encourages coalitions of Tribal governments, municipalities, and eligible nonprofit recipients to apply to maximize access to the benefits of solar in every state/territory. Additionally, EPA intends to make approximately 1-3 awards for coalitions of Tribal governments, coalitions of intertribal consortia, and/or eligible nonprofit recipients with extensive experience serving Tribal Nations.
- B. Program Strategy: The program strategy explains how the applicant plans to execute a robust program that fully supports the rapid deployment of low-income residential rooftop solar, community solar, and associated storage with meaningful benefits to households. The program strategy may include the following components:
 - I. Program Vision: The program vision describes the applicant's overall strategy to either create a new Solar for All program or expand an existing low-income solar program as well as the overall program goals. The vision details target outcomes for the program, such as solar and storage capacity deployment potential; greenhouse gas abatement potential; energy burden reduction potential; and meaningful benefits (defined below) delivered to low-income and disadvantaged communities. The vision also details how the applicant may use the program to build the necessary regulatory framework (e.g., favorable net metering policies, third-party ownership, enabling community solar legislation, limited fees associated with distributed generation) that supports rooftop solar and community

solar deployment in low-income and disadvantaged communities. The vision should consider how the applicant will work with Tribal governments to enable Tribal communities to deploy or benefit from rooftop and community solar and storage.

II. Program Deployment Plan: The program deployment plan details how the applicant will use Solar for All funds to enable low-income and disadvantaged communities to deploy or benefit from rooftop and community solar and storage. In this plan, an applicant may choose to submit a Solar for All deployment plan to create a new Solar for All program or expand an existing low-income solar program to incorporate additional Solar for All criteria and impact. The following two sections describe suggested components of (1) a new Solar for All deployment plan and (2) an existing program expansion plan.

1. New Solar for All Deployment Plan: An applicant interested in creating a new Solar for All program can receive funding for both program development and program implementation. The new program plan details a strategy for using financial and technical assistance to enable low-income and disadvantaged communities to deploy or benefit from residential and community solar and storage. The plan may include an implementation plan and timeline with strategic milestones; estimates of outcome metrics such as households served and megawatts of solar deployed over time; type and size of subsidy; subsidy deployment strategy (e.g., through rebates to the customers, grants to contractors); meaningful benefits integration strategy (e.g., household savings, resiliency, ownership targets); community engagement strategy; Tribal government engagement and Tribal community deployment policies; customer acquisition and verification requirements; long-term operation and maintenance plan; cross-program coordination plan; policies to support community ownership and workforce training programs; and wrap-around program design elements for storage integration and enabling upgrades. A detailed subsidy model may demonstrate how the proposed subsidy is structured to maximize both deployment capacity and household impact (including household savings targets) while leveraging private capital and available federal, state, and local subsidies (including federal tax credits and renewable energy credits). An applicant may consider proposing an effective plan to begin deploying subsidies within 18 months of the award and expending all funds within five years of the award.
2. Existing Program Expansion Plan: An applicant with an existing low-income solar program can receive funding to expand the existing program. An existing program expansion plan details how funding will expand an applicant's existing low-income solar program by using financial assistance and technical assistance to enable low-income and disadvantaged communities to deploy or benefit from rooftop and community solar and storage. The plan may describe how an applicant would expand the existing program by increasing any existing program caps and/or carveouts; increasing the rebate or subsidy size; expanding

eligibility; supporting greater household savings; supporting community ownership and workforce training programs; introducing subsidies for storage of solar energy and eligible upgrades; and supporting program administration and technical assistance needs. The plan may include an implementation plan and timeline with strategic milestones; estimates of outcome metrics such as households served and megawatts of solar deployed over time; details on the existing program structure; details on the program expansion strategy; ongoing and planned financial and technical assistance; subsidy deployment strategy (e.g., through rebates to the customers, grants to contractors); meaningful benefits integration strategy (e.g., household savings, resiliency, ownership targets); community engagement strategy; Tribal government engagement and Tribal community deployment policies; customer acquisition and verification requirements; long-term operation and maintenance plan; cross-program coordination plan; and wrap-around program design elements for storage integration and enabling upgrades. A detailed subsidy model may demonstrate how the proposed subsidy is structured to maximize both deployment capacity and household impact (including household savings targets) while leveraging private capital and available federal, state, and local subsidies (including federal tax credits and renewable energy credits). An applicant may consider proposing a plan to begin deploying subsidies within 6 months of the award and finish deploying all funds within five years of the award.

III. Program Services Plan: The program services plan details how the applicant will support market actors (e.g., developers, contractors, communities, building owners) to adopt and deploy residential rooftop solar, community solar, associated storage, and enabling upgrades. The plan for these services may include how the applicant will provide technical assistance and/or additional programming to support their program partners. These supports may include community engagement strategies including education, outreach, and dissemination; customer acquisition support; management and verification requirements; long-term operation, maintenance, and monitoring planning; cross-program coordination; workforce training; program innovation; and/or other wrap-around program support elements. The plan for these services may also include how program services will engage and coordinate with existing and/or future technical assistance programs at the national and/or regional level.²¹

IV. Program Linkages Plan: The program linkages plan demonstrates how the applicant will leverage existing federal, state, and local programs and subsidies as well as non-governmental programs to complement program deployment and minimize

²¹ Note that with the exception of states and territories, if the applicant intends to obtain external support for the provision of such services, the applicant must comply with the competitive procurement requirements in 2 CFR § 200 and 2 CFR § 1500 as well as EPA's 40 CFR Part 33 Disadvantaged Business Enterprise participation rule. States and territories follow their own policies and procedures for procurement competitions and must comply with EPA's 40 CFR Part 33 Disadvantaged Business Enterprise rule. EPA provides guidance on complying with these requirements in the [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#).

duplication of effort. Additionally, the applicant may consider how to engage with EPA regional offices. There are two types of coordination to consider:

1. Existing Complementary Financial Assistance and Subsidies: The program linkages plan describes how the applicant will coordinate with existing incentives (not including an existing low-income solar program described above), including tax credits such as the program under [Section 48\(e\) of the Internal Revenue Code](#) and other financial assistance programs (e.g., the [National Clean Investment Fund](#) and the [Clean Communities Investment Accelerator](#), [EPA Environmental and Climate Justice program](#)). Additionally, the plan may demonstrate how the applicant will leverage energy efficiency programs such as the [U.S. Department of Energy’s Weatherization Assistance Program \(WAP\)](#) to couple residential solar investments with deep energy retrofits and the [U.S. Department of Health and Human Services Low-Income Heating Energy Assistance Program \(LIHEAP\)](#) to identify households in greatest need.
2. Existing Technical Assistance Programs: The U.S. Department of Energy (DOE and the National Laboratories have significant technical assistance resources for low-income, residential, and community solar program design and deployment, and the applicant may include in their plan how they will leverage these existing technical assistance resources. The applicant may consider incorporating low-income program design resources into their Solar for All program strategy and implementation plans. Specific DOE technical assistance resources include the [Community Power Accelerator™](#), the [National Community Solar Partnership](#), the [Low-Income Clean Energy Connector](#), [SolarAPP+](#), and [SolSmart](#). Additionally, the applicant may consider engaging with other federal technical assistance programs including EPA programs such as [Environmental Justice Thriving Communities Technical Assistance Centers](#) and the [Interagency Working Group on Coal and Power Plant Communities](#).

C. Program Administration Plan: The program administration plan provides details on how the applicant will administer the overall grant program. It may include the following components:

- I. Fiscal Stewardship Plan: The fiscal stewardship plan explains the applicant’s plan to manage taxpayer dollars ethically and efficiently as well as the applicant’s fiscal stewardship policies, capabilities, and controls for program oversight. The plan should include the applicant’s approach to remain in compliance with the grant’s terms and conditions, including but not limited to the requirements in 2 CFR § 200.303 and 2 CFR § 200.332(b) and (d), if the applicant intends to provide subawards to eligible subrecipients. If the proposed Solar for All program includes consumer products such as grants, rebates, and loans – directly or indirectly – EPA expects to require the applicant include a plan for ensuring consumer protection for all Solar for All participants and to use identified best practices where relevant. For an applicant proposing to stand up a revolving loan fund, the fiscal stewardship

plan should describe the financial management plan for program income. For an applicant applying as a coalition, the fiscal stewardship plan should describe the role that each coalition member plays in deploying grant funds.

- II. Program Budget: The program budget includes a detailed schedule of activities, including a narrative and deployment subsidy model, detailing how the applicant will deploy funds efficiently and cost-effectively. In the NOFO, EPA expects to provide details on allowable and unallowable use of funds, including program administration costs (e.g., funds expended on strategy development, planning, policy development, and program execution to create and execute the proposed Solar for All program). EPA provides detailed guidance on budget development in the [Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance](#).
- III. Equity Accountability Plan: The equity accountability plan describes how the applicant will ensure equitable access to, participation in, and distribution of benefits produced by the program. The plan should ensure Tribal nations can access, participate in, and benefit from new and existing Solar for All programs. To ensure equitable access and participation, the plan may include policies to engage and incorporate input from a wide variety of stakeholders in program design and deployment, including engaging equity and justice stakeholders as well as Tribal nations. In addition to engagement policies, the plan may include program operation policies to ensure equitable and wide access to the program including simple and streamlined income verification requirements; consumer choice for access to solar including power purchase agreements (PPAs) and ownership opportunities; language and digital accessibility; and streamlined application processes. To ensure equitable distribution of benefits, the equity accountability plan may detail how the program will ensure meaningful benefits from solar and storage deployment are accrued equitably, considering broader wealth generating benefits from the program (e.g., worker recruitment, training, and mentorship, procurement diversity, supporting small businesses and low-income and disadvantaged community-led businesses).
- IV. Meaningful Benefits Plan: The meaningful benefits plan describes the applicant's approach to ensuring the planned solar and storage deployment delivers benefits to low-income and disadvantaged households. The meaningful benefits of residential rooftop and community solar with storage include (1) delivering a minimum of 20 percent net savings to low-income households; (2) increasing low-income and disadvantaged households' access to solar through financing products and deployment options; (3) increasing resiliency and grid benefits by creating capacity that can deliver power to low-income and disadvantaged households and/or critical facilities serving low-income and disadvantaged households during a grid outage; (4) facilitating ownership models that support low-income households building equity in projects; and (5) investing in local jobs and businesses by supporting prevailing wages, pre-apprenticeship and apprenticeship programs, and prioritizing equitable opportunities for women and minority-owned businesses.
- V. Labor and Workforce Plan: The labor and workforce plan describes the applicant's approach to ensuring funds create high-quality jobs that lift up workers and families while also strengthening American businesses. The labor and workforce plan may

include using tools such as community benefits agreements, community workforce agreements, local hire provisions, project labor agreements, incentives for creating good jobs (e.g., registered apprenticeships), and supportive services (e.g., childcare, transportation assistance). This plan may include partnerships with workforce development stakeholders, such as employers, labor unions, training providers, nonprofits, and the publicly funded workforce system to address workforce gaps and strengthen the ecosystem for deploying projects. This plan may include strategies for ensuring the creation of jobs that pay prevailing wages with the free and fair choice to join a union and for expanding employment opportunities for underserved populations.

VI. Reporting Plan: The reporting plan provides an overview of how the applicant will report the information discussed in the Transparency section of this competition description. Note that EPA plans to establish reporting programmatic requirements consistent with 2 CFR § 200.329 in the terms and conditions of the grant award.

Transparency

To promote transparency with the use of taxpayer dollars and the impact of those dollars on the GGRF program objectives, EPA expects to require grantees to publicly report program activities and impact (except to the extent such reporting includes confidential business information or personally private information pursuant to 2 CFR § 200.338). EPA expects to evaluate an applicant's reporting plans as part of the application evaluation and selection process.²² In addition to performance reporting to EPA under the Performance and Financial Management Reporting requirements specified in 2 CFR § 200, EPA expects to require reporting on the following categories of information:

- A. Use of Funds: EPA expects to require reporting on the grantee's expenditures with program funds including program administration costs and the deployment of financial and technical assistance. EPA expects to require more granular reporting, including but not limited to funds deployed by type of assistance (i.e., financial, technical), geography, and technology (e.g., solar, storage, enabling upgrades); megawatts (MW) of solar and storage deployed by geography; and the number of low-income and disadvantaged community households served. EPA expects to require audits of use of funds, including single audits required by 2 CFR Part 200, Subpart F.
- B. Climate and Environmental Impacts: EPA expects to provide additional guidance specifying the requirements for climate and environmental impact reporting (e.g., greenhouse gas emissions reductions, air pollution reduction, renewable electricity capacity/generation). A prospective applicant can reference the [Tools and Technical Resources](#) provided by EPA in connection with the Climate Pollution Reduction Grants tools to help with quantifying emissions reductions from greenhouse gas reduction measures, including the [EPA's Avoided Emissions and Generation Tool \(AVERT\)](#).
- C. Equity and Community Benefits: EPA expects to provide additional guidance specifying the requirements for equity and community benefits reporting (e.g., benefits delivered to low-income and disadvantaged communities, energy benefits through energy cost savings,

²² Each applicant is encouraged to design strategies to incorporate program evaluation activities in line with the goals outlined in the Foundations for Evidence-Based Policymaking Act of 2018 ([Evidence Act](#)).

workforce development benefits through job creation); these requirements will support reporting of benefits delivered in line with the Justice40 Initiative.²³

- D. Market Transformation Impacts: EPA expects to provide additional guidance specifying the requirements for market transformation impact reporting (e.g., total capacity of solar and storage catalyzed across the specified geography and sectors; total number of solar and storage market participants; and total capital invested in projects supported by the grantee and total capital invested in solar and storage in the state/territory in which the grantee is operating).

²³ EPA expects to require reporting of benefits for the Justice40 Initiative to align with the alleviation of the following categories of burdens, as defined in the [Methodology section of the CEJST](#): climate change, energy, health, housing, legacy pollution, transportation, water and wastewater, and workforce development.