DRAFT Priority Climate Action Plan Guidance: An Outline for States and MSAs

December 2023

PREPARED FOR:

State and Local Climate and Energy Program
U.S. Environmental Protection Agency

PREPARED BY:

ICF

2550 S Clark St. Arlington, VA 22202 Tel: (571) 842-4500







Contents

Pur	pose .		3
K	ey De	finitions and Acronyms	3
Н	low to	Use this Outline	4
Stat	e or N	MSA PCAP Title Page (optional)	5
Ack	nowle	edgements (optional)	5
Defi	Definitions and Acronyms (optional)		
Tab	Fable of Contents (optional)		
List	ist of Figures (optional)		
List	of Ta	bles (optional)	5
Exe	cutive	Summary (optional)	6
1	Intro	oduction (optional)	6
1	.1	CPRG overview	6
1	.2	PCAP Overview and Definitions	6
1	.3	Scope of the PCAP	7
1	.4	Approach to Developing the PCAP	7
2	Stat	e/MSA Context (optional)	8
3	PCA	P elements	8
3	.1	Greenhouse Gas (GHG) Inventory (required)	8
3	.2	GHG Emissions Projections (optional)	<u>S</u>
3	.3	GHG Reduction Targets (optional)	9
3	.4	GHG Reduction Measures (required)	9
3	.5	Benefits Analysis (optional)	10
3	.6	Low Income Disadvantaged Communities Benefits Analysis (required)	11
3	.7	Review of Authority to Implement (required)	12
3	.8	Intersection with Other Funding Availability (optional)	12
3	.9	Workforce Planning Analysis (optional)	12
4	Nex	t Steps (optional)	13

This outline offers one approach to drafting a Priority Climate Action Plan. Grantees are not required to follow this outline or use its format. All submissions that meet the requirements of the Climate Pollution Reduction Grants program will be accepted, regardless of outline or format.

Purpose

This outline provides guidance to support U.S. States and Metropolitan Statistical Areas (MSAs) developing their Priority Climate Action Plans (PCAPs) under the U.S. Environmental Protection Agency's (EPA's) Climate Pollution Reduction Grant (CPRG) Planning Grant Program. This draft outline was developed based on best practices identified by EPA through the Agency's extensive work with state and municipal governments to support the creation of PCAPs.

The PCAP will help grantees to:

- 1. Improve their understanding of current and future greenhouse gas (GHG) emissions,
- 2. Identify priority strategies to reduce these emissions and the potential other benefits of those strategies, and
- 3. Engage a variety of stakeholders in an emissions reduction planning process.

This outline document pertains to both required and optional PCAP content for states and MSAs only. The PCAP will inform the Comprehensive Climate Action Plan (CCAP), which is due two years from the data of the award for states and MSAs.

The EPA encourages states and MSAs to collaborate with each other and other entities (other states, MSAs, air control agencies, Tribes, community based organizations, etc.), explore opportunities to leverage other federal funds, and prioritize durable and replicable GHG reduction measures. Tribes and Territories can use the PCAP Guidance Outline for Tribes and Territories, which is specific to their PCAP requirements. Grantees should follow the program guidance that applies to the lead organization.

Please contact CPRG@epa.gov with any questions regarding this outline.

Key Definitions and Acronyms

Priority Climate Action Plan (PCAP): a narrative report that includes a focused list of near-term, high-priority, and implementation-ready measures to reduce GHG pollution and an analysis of GHG emissions reductions.

Comprehensive Climate Action Plan (CCAP): a narrative report that provides an overview of the grantees' significant GHG sources/sinks and sectors, establishes near-term and long-term GHG emission reduction goals, and provides strategies and identifies measures that address the highest priority sectors to help the grantees meet those goals.

Greenhouse gas (GHG) Inventory: a list of emission sources and sinks and the associated emissions quantified using standard methods. The PCAP must include a "simplified" inventory (see Section 2.1). The CCAP must include a comprehensive inventory of emissions and sinks for the following sectors: industry, electricity generation/use, transportation, commercial and residential buildings, agriculture, natural and working lands, and waste and materials management.

Low Income / Disadvantaged Communities (LIDACs): communities with residents that have low incomes, limited access to resources, and disproportionate exposure to environmental or climate burdens. Although the Inflation Reduction Act does not formally define LIDACs, EPA strongly recommends grantees use the <u>Climate and Economic Justice Screening Tool</u> and the <u>Environmental</u>

¹ GHG reduction measures may include measures that reduce GHG emissions and/or measures that enhance carbon sinks.

<u>Justice Screening and Mapping Tool</u> to identify LIDACs in their communities. These tools identify LIDACs by assessing indicators for categories of burden: air quality, climate change, energy, environmental hazards, health, housing, legacy pollution, transportation, water and wastewater, and workforce development.

MSA: metropolitan statistical areas as defined by the U.S. Census 2020 MSA population. A list of eligible MSAs can be found in Appendix 15.2 of in EPA's <u>CPRG: Formula Grants for Planning, Program Guidance for States, Municipalities, and Air Control Agencies.</u>

State: all 50 U.S. states and the District of Columbia and Puerto Rico. All other Tribes or U.S. territories (the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands) should follow CRPG guidance for Tribes and Territories.

How to Use this Outline

This outline provides one approach that grantees may use to draft their PCAPs. This outline is designed to be helpful, but it is not meant to be restrictive. Note that states or MSAs may also draw from or reference existing climate action plans or other relevant plans in conjunction with, or instead of using this outline. Documents that meet submission requirements described in EPA's CPRG: Formula Grants for Planning, Program Guidance for States, Municipalities, and Air Control Agencies will be accepted, and no specific format is required.

Sections of this outline may not reflect the local circumstances of each state or MSA, thus grantees are encouraged to modify and restructure the elements of this outline to accommodate their own local needs, goals, and knowledge, as necessary. Sections may be added or deleted, provided that the document still includes the elements required in a PCAP.

Headings and subheadings are indicated by large blue font and are numbered throughout the document. Grantees may use this text style if desired, but it is not required. Section headings are organized based on specific PCAP requirements. Unless a section heading is marked as optional, it stands in for a required PCAP element. This structure is not required for submission. One alternative structure for a PCAP could include sections organized by GHG reduction measure, discussing each PCAP element in the measure section. All documents that meet submission requirements will be accepted.

Help text is *italicized*. The help text describes the purpose and kind of information that may be included in each section of the document. Grantees are not required to follow the suggestions of the help text. All submissions which meet the PCAP requirements listed in the program guidance will be considered. Please delete all help text prior to submission.

Bulleted lists are used to describe the contents of specific sections. Not all PCAPs will need to address each point of a bulleted list, unless otherwise specified. Please delete any unused or irrelevant bulleted lists prior to submission.

PCAP elements that are optional, but encouraged, are indicated by *(red italics)* in parentheses. Grantees are not required to include these elements in their PCAPs. Required PCAP elements are indicated by *bold blue italics*. Please delete all "optional" and "required" text prior to submission.

Navigating Text

Headings Subheadings

Help Text

 Bulleted list (Optional but Encouraged) (Required) Resources are noted in boxes. Please delete all resource boxes prior to submission. Please review all text for accuracy and relevance prior to submission.

State or MSA PCAP Title Page (optional)

Customize this title page to include the name of grantee organization(s), the date, the PCAP authors, and contact information for the organization leaders and/or authors. Grantees may also include a photograph or logo(s) if applicable.

This page may include the following disclaimer (required):

This project has been funded wholly or in part by the United States Environmental Protection Agency (EPA) under assistance agreement <number> to <recipient>. The contents of this document do not necessarily reflect the views and policies of the EPA, nor does the EPA endorse trade names or recommend the use of commercial products mentioned in this document.

If this disclaimer is not included on a title page, grantees should include it somewhere else within the PCAP document submitted to EPA.

Acknowledgements (optional)

Use this space to acknowledge the PCAP writing team and any contributors or collaborators, that were integral to the development of the PCAP. This may have its own page.

Definitions and Acronyms (optional)

Use this space to define any key terms and acronyms used in the PCAP. This may have its own page.

Table of Contents (optional)

The PCAP may benefit from a table of contents to help readers navigate various sections. The table of contents typically include primary headings, subheadings, and page numbers.

List of Figures (optional)

A PCAP with multiple visual elements may benefit from a List of Figures. Figures can be photographs, illustrations, diagrams, graphs, charts, etc. Reports that include a List of Figures should include figure captions in the body of the report for each figure (e.g., Figure 1: State's GHG emissions over time). List figures by number along with their respective page numbers.

List of Tables (optional)

A PCAP with multiple tables may benefit from a List of Tables. Unlike figures, tables display raw data in rows and columns. Reports that use a List of Tables should include table captions in the body of the report for each table (e.g., Table 1: MWh energy usage per month in 2022). List tables by number along with their respective page numbers.

Executive Summary (optional)

The Executive Summary should allow readers to understand the overall content of the PCAP without reading the entire document. This section may contain a high-level overview of the PCAP and any of the following elements:

- The purpose of and scope of the PCAP
- PCAP overview
 - o Responsible agency(ies) (grantee and subgrantees)/staff
 - State or MSA specific considerations for PCAP (e.g., existing plans and processes integrated in the PCAP, existing policy or programmatic context, special interests)
 - o Review of existing climate action plans (if applicable)
 - Summary of PCAP engagement (e.g., established committees, engagement or feedback approaches, collaborators, contributors)
- PCAP elements and key takeaways
 - GHG inventory (required)
 - GHG emission projections (optional)
 - GHG reduction targets (optional)
 - o GHG reduction measures (priority measures, at a minimum, are required)
 - Benefits analysis for each measure (optional)
 - Low Income / Disadvantaged Communities benefits analysis for the PCAP and the measures within it (required)
 - Review of authority to implement for each measure (required)
 - Intersection with Other Funding Availability (optional)
 - Workforce planning analysis for each measure (optional)
 - Next steps (optional)

Please note that an Executive Summary may contain more or fewer elements than included in this list above.

1 Introduction (optional)

The introduction section should provide the reader with enough background information to understand the following sections of the PCAP. It should provide the reader with an indication of the organization(s) responsible for developing the PCAP (grantee and subgrantees), local context (e.g., existing climate action plans) and scope of the PCAP.

1.1 CPRG overview

This section may include a brief overview of the CPRG program and could discuss the purpose of the PCAP or why the grantees chose to participate in the CPRG program.

1.2 PCAP Overview and Definitions

This section may include a brief overview of the PCAP contents along with definitions.

- GHG inventory (required)
- GHG emission projections (optional)
- GHG reduction targets (optional)

- GHG reduction measures (priority measures, at a minimum, are required)
- Benefits analysis for each measure (optional)
- Low Income / Disadvantaged Communities benefits analysis for the PCAP and the measures within it (required)
- Review of authority to implement for each measure (required)
- Intersection with Other Funding Availability (optional)
- Workforce planning analysis for each measure (optional)
- Next steps (optional)

Additional information on the PCAP elements can be found in EPA's CPRG: Formula Grants for Planning, Program Guidance for States, Municipalities, and Air Control Agencies.

1.3 Scope of the PCAP

This section may describe the scope of the grantees' PCAP. This may include the geographic territory, or any particular sectors of focus for the PCAP.

1.4 Approach to Developing the PCAP

This section may describe the grantees' high-level approach to developing the PCAP which may include, but is not limited to the following:

- How the PCAP references previous climate action or related plans or GHG inventories, or builds on other related efforts
- Contributing organizations and their role(s) in developing the PCAP (e.g., intra- and/or intergovernmental coordination, subgrantees)
- Identifying and engaging key stakeholders, including LIDAC, and how they provided input into the PCAP development
- GHG emissions inventory methods or protocols
- Identifying, prioritizing and selecting measures to include within the PCAP
- Quantifying potential measure GHG emission reductions
- Understanding existing or needed authority to implement PCAP measures by grantees and partnering or other organizations

This section may also describe the grantees' approach to stakeholder engagement, which may include but is not limited to:

- Low income and disadvantaged communities
- Community organizations
- Municipal governments (not formal PCAP collaborators)
- Private businesses
- Utilities
- Trade associations

This section may reference or include information from the grantees' workplan that was developed for the CPRG application package.

2 State/MSA Context (optional)

This section could provide the reader with a summary of local context. This may include a brief review of existing climate action plans, sector specific goals, or emissions reductions programs, existing authorities, or other potentially relevant information for a reader to understand the later PCAP contents.

3 PCAP elements

Grantees can find more information about the PCAP requirements in <u>CPRG: Formula Grants for Planning, Program Guidance for States, Municipalities, and Air Control Agencies</u>. Trainings on the PCAP elements and Q&A documents for each element can be found at <u>CPRG Training-Tools and Technical Resources</u>. Technical Assistance Forum (TAF) Participants may also consult the TAF Resource Library.

3.1 Greenhouse Gas (GHG) Inventory (required)

This section should provide a simplified GHG inventory for the grantees' geographic boundaries defined in Section 2. The GHG inventory may include the following sections:

- Scope
- Data review
- GHG accounting method
- GHG emission results by sector and gas

Grantees may use any available data (e.g., EPA's National Emissions Inventory, U.S. GHG Inventory by State) or tools (e.g., EPA's State Inventory Tool, Local GHG Inventory Tool) to produce their inventories. Grantees that have already produced a recent GHG inventory may use it so long as it meets CPRG requirements. MSAs may have one or more GHG inventories at the MSA level or at a sub-MSA level and can compile these existing inventories into one complete inventory for the PCAP. EPA has created a Quick Start resource and guidance on how to reconcile and integrate multiple GHG inventories and posted the information online.

Provide a brief description of the methods used to estimate GHG emissions. Note that method selection may depend on the data available, and no one method is "correct". There are several widely accepted methodological frameworks grantees may use to estimate their greenhouse gas inventories, such as the Global Protocol for Community-Scale GHG Emissions Inventories or methodologies that are consistent with the Intergovernmental Panel on Climate Change (IPCC) greenhouse gas inventory guidance. Grantees may select any reasonable base year given the availability of emissions data. A base year is the starting year for the historic inventory, and targets for GHG emissions are often defined in relation to the base year. When selecting a base year, consider:

- Do existing state or local goals, policies, or programs for emissions reduction specify a base year?
- Is the selected base year representative of general emissions patterns (e.g., not uncharacteristically high or low)?
- Are the data for this base year available? Can data for this base year be proxied?

The GHG inventory should include:

• Anthropogenic emission estimates for primary GHGs (i.e., CO_2 , CH_4 , N_2O , HFCs, PFCs, SF₆, and NF₃) for the full geographic coverage of the state or MSA

- Emissions reported in CO₂ equivalent units
- Both direct (e.g., power generation) and indirect (e.g., purchased electricity) emissions as appropriate

The choice between direct and indirect emissions may be driven by the local authority or ability to reduce those emissions. For example, cities may choose to include direct emissions from a city-owned power plant and/or indirect emissions from purchased power generated outside of their geographic boundaries.

A comprehensive inventory of GHG emissions and sinks by sector are not required for the PCAP.

3.2 GHG Emissions Projections (optional)

Grantees may use this section to summarize GHG emissions projections. This element may include projections of GHG emissions (and sinks, if feasible) in the absence of plan measures (i.e., a "business-as-usual" projection), and a projection of GHG emissions under a scenario where the plan is fully implemented. The inclusion of sector-based projections is strongly recommended. Grantees may use and update or modify existing projections. This information is optional for the PCAP but is required for the CCAP.

EPA Resource: State Inventory Tool and the Community Greenhouse Gas Inventory Tool

EPA's State Inventory Tool and Community Greenhouse Gas inventory Tools are interactive spreadsheet models designed to help states and communities develop GHG emissions inventories by sector. The State Inventory Tool allows users to input their own data or use default data for each state. The Community Tool requires users to input data for their chosen geographic boundaries.

EPA Resource: National Emissions Inventory and U.S. GHG Inventory State Estimates

The National Emissions Inventory (NEI) is a nationwide database of emissions estimates from air pollutants, including GHG emissions for select sectors. Grantees can access help documentation for downloading NEI data here.

The U.S. Greenhouse Gas Inventory also provides state level greenhouse gas data and estimated emissions by state.

3.3 GHG Reduction Targets (optional)

Grantees may use this section to summarize GHG emission reduction targets. This element may include a near-term (e.g., 2030-2035) and long term (e.g., 2050) GHG emission reduction targets set by the grantee jurisdiction. The inclusion of sector-based emissions reduction targets is also strongly recommended, especially for the highest priority sectors targeted by emissions reduction measures. This information is optional for the PCAP but is required for the CCAP.

3.4 GHG Reduction Measures (required)

This section should describe a set of priority GHG reduction measures. Priority GHG reduction measures should be based on GHG emissions information and focused on achieving significant GHG reductions, while considering other relevant planning goals (e.g., benefits to LIDACs, air pollution benefits and other co-benefits).

GHG reduction measures may include both measures that reduce GHG emissions and/or measures that enhance carbon sinks. When drafting these measures, grantees could consider the following:

- Which, if any, existing state or MSA goals, policies or programs work towards emissions reduction? Can these be modified or expanded?
- How can grantees measure or quantify anticipated GHG emission reductions from a proposed priority measure?
- Do participating organizations currently have the authority to implement this measure? If multiple participants have this authority, which organization will lead the implementation process? If organizations do not have the authority to implement this measure, can they obtain authority in the near future or partner with the authoritative agency to implement this measure?

Grantees should include the following information for each GHG reduction measure:

- Estimate of the quantifiable GHG emissions reductions (e.g., through 2030 and 2050)
- Implementing agency or agencies
- Milestones for obtaining implementing authority, as appropriate
- Implementation schedule and milestones
- Geographic location (if applicable)
- Funding sources (if relevant)
- Metrics for tracking progress
- Applicable sector (e.g., solid waste management, electricity generation and consumption, agriculture and land management). One measure may apply to more than one sector. (optional)
- Quantitative cost estimates (optional)

Examples of quantified climate action measures can be found in the <u>EPA's Quantified Climate Action</u> <u>Measures Directory</u>. States must coordinate with municipalities and air pollution control agencies within their state to include priority measures that are implementable by those entities.

This section may reference the grantees' workplan, another component of the CPRG application package. One alternative structure for a PCAP could include sections organized by GHG reduction measure that discuss each PCAP element within its corresponding measure section. For instance, the first measure could be defined alongside its corresponding benefits analysis, LIDAC analysis, authority to implement, intersection with other funding, and workforce planning analysis, and the next section could discuss the next measure and related analyses. All documents that meet submission requirements will be accepted.

3.5 Benefits Analysis (optional)

Grantees may use this section to provide a benefits assessment of the GHG reduction measures included in the PCAP. The assessment could include estimated co-pollutant reductions of criteria air pollutants and/or precursors (e.g., particulate matter under 2.5 micrometers, nitrogen oxides, sulfur dioxides, volatile organic compounds), and air toxics or hazardous air pollutants (e.g., benzene, toluene, perchloroethylene) for each measure. Grantees could also include a broader assessment of benefits (e.g., improved air quality) and disbenefits (e.g., the habitat of an endangered species is selected as the site of a clean energy project) associated with each GHG reduction measure, particularly those that may adversely affect low-income and disadvantaged communities. This information is optional for the PCAP but is required for the CCAP.

3.6 Low Income Disadvantaged Communities Benefits Analysis (required)

This section should describe the benefits of GHG emissions reductions measures to LIDACs in the grantee's geographic area. Grantees may consult the <u>LIDAC Benefits Analysis Webinar</u> for technical assistance regarding the content of this section. Grantees may include the following steps in their discussion of LIDAC benefits:

Identify LIDACs and Climate Impacts and Risks

The Inflation Reduction Act does not formally define LIDACs. However, EPA strongly recommends grantees use the <u>Climate and Economic Justice Screening Tool</u> and the <u>Environmental Justice Screening and Mapping Tool</u> to identify LIDACs in their communities. These tools identify LIDACs by assessing indicators for categories of burden: air quality, climate change, energy, environmental hazards, health, housing, legacy pollution, transportation, water and wastewater, and workforce development. Grantees can find more information about how to navigate and use these tools in EPA's <u>Technical Reference</u> <u>Document for LIDAC Benefits Analyses</u>.

All grantees should provide, at minimum, a list of identified LIDACs with Census Tract or Census Block ID numbers in an Excel spreadsheet or a comma-separated values (CSV) text file. Grantees who opt to use other tools or data sources should also provide a comparison of LIDAC and non LIDAC census tracts/blocks. Grantees should also ensure that these alternate tools are compliant with federal non-discrimination statutes.

Grantees should provide a list of existing climate risks, impacts, and vulnerabilities among LIDACs. More information about potential climate risks can be found in EPA's <u>Climate Change and Social Vulnerability in the United States Report.</u>

Engage with LIDACs to understand community priorities

Grantees should meaningfully engage with LIDACs throughout the PCAP process to ensure that their existing needs and desired outcomes are integrated into the emissions reduction measure identification and implementation processes. Meaningful engagement requires grantees to recognize the knowledge of community values, concerns, practices, and local norms and history that LIDAC members are uniquely able to provide. More information about meaningful engagement, including technical trainings, can be found at EPA's CPRG Training, Tools and Technical Assistance.

The goals of meaningful engagement include:

- Fostering a spirit of mutual trust and collaboration
- Ensuring accurate and transparent information sharing
- Creating processes for feedback and early risk mitigation
- Anticipating conflict and engaging in early conflict resolution
- Identifying the existing needs and desired outcomes of LIDACs

Grantees should describe how grantees will:

- Conduct engagement processes (e.g., in person meetings, virtual meetings, response forms, etc.)
- Transparently communicate with LIDACs throughout the PCAP planning process
- Ensure early, frequent, and meaningful engagement
- Receive and implement feedback from LIDACs to incorporate community driven priorities

Minimize any anticipated disbenefits to LIDAC residents

Estimate potential benefits of GHG emission reduction measures to LIDACs

Grantees should conduct a benefits analysis of reduction measures to GHG sources within LIDACs (direct benefits) as well as reduction measures to GHG sources outside of LIDACs that will impact LIDACs (indirect benefits). When evaluating benefits, grantees could qualitatively describe or quantify benefits such as (a full list is available online here):

- Expected reductions of greenhouse gases [tons], criteria air pollutants [tons] and toxic air pollutants [pounds] at the lowest spatial resolution available (this could be county level, Census tract or source specific) in identified communities
- Estimated number of jobs created in identified communities resulting from the grant measures
- Dollars spent [\$] and/or number of participants from identified communities in clean energy job training programs or apprenticeship programs
- Estimated decreased energy costs [\$] for residents of the identified communities
- Estimated energy saved [MMBTU or MWh] or reduction in fuel use [gallons or equivalent] by disadvantaged communities
- Area of green space created for urban heat island mitigation
- Number of stakeholder events, participants, and/or dollars spent to engage with organizations and residents of identified communities

In many instances, it may be difficult to estimate the associated benefits quantitatively, but at a minimum, a qualitative description of benefits should be provided. Grant recipients are not required to perform air quality modeling to estimate or describe expected benefits.

3.7 Review of Authority to Implement (required)

Grantees should use this section to identify existing statutory or regulatory authority to implement proposed GHG reduction measures and how this may translate into implementation roles for grantees or other organizations.

If this authority must be obtained, grantees must include a schedule of milestones to achieve the authority of key entities (e.g., legislature, administrative agency) to implement each reduction measure listed above.

3.8 Intersection with Other Funding Availability (optional)

Grantees are encouraged to identify other federal funding opportunities which would support the implementation of PCAP measures. Grantees may use this section to highlight funding gaps that can best be filled by CPRG. A wide array of funding opportunities are available as a result of the <u>Bipartisan Infrastructure Law</u> and the <u>Inflation Reduction Act</u>. This information is optional for the PCAP but is required for the CCAP.

3.9 Workforce Planning Analysis (optional)

Grantees are encouraged to provide an analysis of workforce development activities needed to implement priority measures included in the PCAP, given that workforce related challenges and opportunities can be a critical element of assessing the feasibility of GHG reduction measures. Grantees may use this section to identify skilled labor shortages, impacts on existing jobs and industries, opportunities for the creation of high-quality jobs, and expanding economic opportunity to underserved

workers through activities in the plan. This information is optional for the PCAP but is required for the CCAP.

4 Next Steps (optional)

Grantees may use this section to identify necessary next steps to develop a CCAP and/or the timeline for the CCAP development, and reference future engagement opportunities or plans. This section may include a discussion on what will be provided in the CCAP that builds on or differs from the PCAP and indicate which elements of the CCAP are already started.

