

Audit of the EPA's Greenhouse Gas Reduction Fund Solar for All Program

January 7, 2026 | Report No. 26-P-0008



Abbreviations

C.F.R.	Code of Federal Regulations
EPA	U.S. Environmental Protection Agency
OGGRF	Office of Greenhouse Gas Reduction Fund
OIG	Office of Inspector General

Cover Image

Cinnaminson Solar Farm located on a portion of a former Superfund site and successfully redeveloped into an alternate energy source for the Cinnaminson Township in New Jersey. (EPA image)

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OFFICE OF INSPECTOR GENERAL
U.S. ENVIRONMENTAL PROTECTION AGENCY

January 7, 2026

MEMORANDUM

SUBJECT: Audit of the EPA's Greenhouse Gas Reduction Fund Solar for All Program
Report No. 26-P-0008

FROM: Nicole N. Murley, Deputy Inspector General performing the duties
of Inspector General *Nicole N. Murley*

TO: Melissa Wise, Director
Office of the Chief Grants Officer
Office of Finance and Administration

This is our report on the subject audit conducted by the U.S. Environmental Protection Agency Office of Inspector General. The project number for this audit was OA-FY25-0043. This report discusses the EPA's Greenhouse Gas Reduction Fund Solar for All program, including a description of the status of funds, top recipients, risks, and impacts. The former Office of Greenhouse Gas Reduction Fund provided technical comments to an earlier version of this report, and we incorporated changes as appropriate. Final determinations on matters in this report will be made by EPA managers in accordance with established audit resolution procedures.

A response to this report is not required because the report contains no recommendations. If your office submits a response, however, it will be posted on the OIG's website, along with our memorandum commenting on the response. The response should be provided as an Adobe PDF file that complies with the requirements of section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that your office does not want released to the public; if the response contains such data, your office should identify the data for redaction or removal along with corresponding justification.

We will post this report to our website at www.epa.gov/oig.

Background

This report provides information about the EPA's Greenhouse Gas Reduction Fund Solar for All program and its activities. Our objective for this audit was to describe the status of funds, top recipients, and potential risks and impacts of the Solar for All program. However, the EPA terminated the program in August 2025.

The Inflation Reduction Act of 2022, Pub. L. No. 117-169, signed on August 16, 2022, provided the EPA with \$27 billion to establish the Greenhouse Gas Reduction Fund. Of that funding, approximately \$20 billion was for the National Clean Investment Fund and Clean Communities Investment Accelerator programs and \$7 billion was for zero-emissions technologies, also known as Solar for All. This program was meant to enable low-income and disadvantaged communities to deploy and benefit from zero-emissions technologies, including to carry out other greenhouse gas reduction activities. The Inflation Reduction Act of 2022 included a statutory deadline of September 30, 2024, for the EPA to obligate the Greenhouse Gas Reduction Fund appropriations for eligible recipients.

Also, the Inflation Reduction Act of 2022 provided the EPA \$30 million to cover administrative costs necessary to carry out activities for the entire Greenhouse Gas Reduction Fund. The EPA stated that it allocated the administrative funding across budget categories including compensation and benefits, travel, expenses, and contracts. According to the EPA's Office of Greenhouse Gas Reduction Fund, or OGGRF, it used most of the administrative funds to implement and oversee the Greenhouse Gas Reduction Fund, but some funding was utilized for contracts to work on quality assurance and transaction testing and to assist with the data intake system for performance reporting. Additionally, the EPA's Office of the Chief Financial Officer, Office of General Counsel, and Office of Mission Support utilized some of the administrative funding to provide support services to the OGGRF.

The OGGRF issued a notice of funding opportunity from June to October 2023, which informed the public of the Agency's intention to award Solar for All grants. Also, the OGGRF designed the Solar for All competition and implementation framework, evaluated the proposals, and, in April 2024, announced the recipient awards.

In July 2024, two months before the September statutory deadline, the EPA obligated approximately \$6.98 billion, or 99.7 percent, of Solar for All funding to grant recipients spanning 36 states, 19 nonprofit organizations, four tribal communities, and one municipality across the United States and its territories. For the remaining approximately .3 percent of funds awarded, the EPA entered into a \$24 million interagency agreement with the U.S. Department of Energy's National Renewable Energy Laboratory to provide technical assistance to grant recipients by dedicating \$400,000 per award.

The One Big Beautiful Bill Act, Pub. L. No. 119-21, signed on July 4, 2025, repealed the Greenhouse Gas Reduction Fund and rescinded unobligated funds. A termination memorandum issued to all grant recipients on August 7, 2025, stated, "As both the grant appropriations and the EPA's administrative cost appropriation are rescinded, the Agency no longer possesses either the substantive legal authority or the financial appropriations needed to continue implementation, oversight or monitoring for waste, fraud, or abuse of these grants or of Solar for All." The memorandum required recipients to provide final financial, technical, and other programmatic closeout reports within 120 days of grant closure. The memorandum further advised that recipients may use grant funds to close out their grants, including for reasonable and necessary costs that might occur after the date of the memorandum. Finally, recipients

were instructed to promptly return to the EPA all unused grant funding that was not authorized to be retained after closeout of a grant.

Responsible Office

In March 2023, the EPA established the OGGRF to develop, implement, and oversee competitive awards programs that support deployment of projects to reduce or avoid emissions of greenhouse gases and other pollutants, with an emphasis on low-income and disadvantaged communities. As of August 2025, the OGGRF resided in the Office of the Administrator. In September 2025, the EPA launched a reorganization plan that created the Office of Finance and Administration. In November 2025, the Agency moved the OGGRF to the Office of Finance and Administration under the Office of the Chief Grants Officer, where the OGGRF is split into two branches within the Compliance and Oversight Division, one of which will be for the Solar for All program to conduct closeout activities.

Scope and Methodology

We conducted this performance audit from March to September 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objective.

We assessed the internal controls necessary to satisfy our audit objective.¹ In particular, we assessed the significant internal control components—as outlined in the U.S. Government Accountability Office’s *Standards for Internal Control in the Federal Government*—to the extent necessary to address our audit objective. Any potential internal control deficiencies we found are discussed in this report. Because our audit was limited to the internal control components deemed significant to our audit objective, it may not have disclosed all internal control deficiencies that may have existed at the time.


To accomplish our objective, we judgmentally selected the top five grant recipients based on total grant obligation amounts and reviewed statutes, regulations, and policies, as well as grant terms and conditions and grant recipient work plans. Additionally, we interviewed the OGGRF staff and obtained information and data from the OGGRF and grant recipients. We also obtained data from the EPA’s financial system related to grant award amounts and drawdowns with assistance from OIG data analysis staff.

¹ An entity designs, implements, and operates internal controls to achieve its objectives related to operations, reporting, and compliance. The U.S. Government Accountability Office sets internal control standards for federal entities in GAO-14-704G, *Standards for Internal Control in the Federal Government*, issued September 10, 2014.

Results

Through our work, we identified the EPA Solar for All program’s status of funds, top recipients, and risks and impacts.

Status of Funds

 The EPA obligated all \$7 billion of the Solar for All program funds when it awarded grants to 60 recipients. As of August 7, 2025, the 60 grant recipients had drawn down approximately \$71 million, or 1.02 percent, of the obligated funds for various aspects of project planning and implementation. According to the OGGRF, as of July 2025, the Agency had spent approximately \$15.3 million, or 51 percent, of the administrative funding. Also, as of August 12, 2025, the National Renewable Energy Laboratory had drawn down approximately \$2.5 million, or 10.42 percent, of the interagency agreement funds for technical assistance provided to grant recipients.

Top Recipients

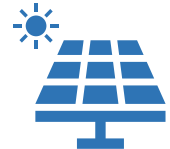
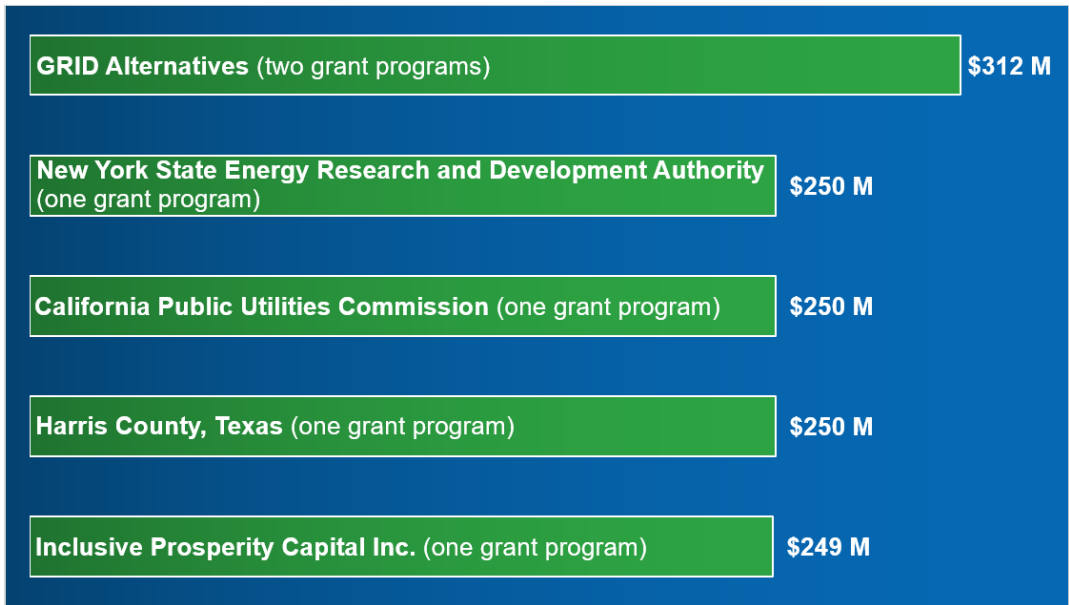
 The EPA awarded the top five grant recipients approximately \$1.3 billion, or 18.84 percent, of the \$6.98 billion in obligated funds. The five recipients intended to use the funds to administer six grant programs across 48 states and territories as well as tribal lands in five states. Figure 1 shows the top five recipients and total rounded funds awarded.

Figure 1: The top five recipients and total funds awarded



Source: EPA Solar for All Program awards documentation. (EPA OIG table)

Program Risks



Based on our audit of the EPA's Solar for All program, we identified four risk areas that the EPA should consider, plan for, and address in its implementation of new grant programs. The risks relate to resources for oversight and controls in the form of subrecipient monitoring, standard operating procedures, and quality assurance plans.

Availability of Administrative Funding for Program Oversight: According to the OGGRF, the entire \$30 million in administrative funding was anticipated to be exhausted during fiscal year 2026. The EPA previously had requested an additional \$5 million in administrative funds to implement the program in fiscal years 2024 and 2025; however, the OGGRF stated that the funding was not allocated to the program. The OGGRF also stated that another EPA office provided the OGGRF with \$1 million in surplus funds to be utilized through the end of fiscal year 2025.

Prior to the termination of the grants, the OGGRF would not have had enough administrative funding in place to perform oversight during the five-year period of performance for the 60 grants. According to the OGGRF, grants oversight would include project officers performing transaction testing, annual baseline monitoring, progress reviews, project file reviews, and on-site reviews as a best practice. The OGGRF project officers responsible for managing the top five grant recipients told us that they had not met with recipients in person, and OGGRF management stated that these in-person visits could not be performed due to funding constraints.

The Government Accountability Office's *Standards for Internal Control in the Federal Government* requires entities to determine an oversight structure to fulfill responsibilities set forth by applicable laws and regulations. Even though, according to the OGGRF, the Agency rescinded the administrative funding for the terminated 60 grants, funding will be needed to fulfill closeout responsibilities. The EPA needs to ensure that administrative funding is available for oversight during all phases of any new grant program.

Monitoring of Subrecipient Awards: The OGGRF stated that details about subrecipients are documented in a recipient's individual work plan. However, based on our review of the documented responses, the OGGRF did not have a mechanism in place to track subrecipients' project and funding information to ensure that there was no duplication or overlap of projects or funding among the various subawards.

For example, during our review of recipients' work plans, we noted that there was a subrecipient who was also a recipient of another Solar for All program grant. The recipient could have potentially performed work in the same geographical area as both a recipient and a subrecipient, creating a risk of funding and overlap of projects. When we asked a project officer about the recipient also being a subrecipient, the project officer stated that the recipient was responsible for ensuring that there is no duplication of work. The *Solar for All Terms and Conditions*, dated December 3, 2024, states that project officers or their designees will oversee grant agreements through activities that could include "[c]losely monitoring the recipient's management and oversight of [s]ubrecipients... ." Prior to the program termination, OGGRF management stated that it expected to complete its list of subrecipients to more

easily track subrecipients across all grants. However, information identified by the OGGRF for tracking did not include potential project or funding overlap. If subrecipient monitoring is inadequate, there is a risk that federal grant funds may not be spent as intended. When performing oversight monitoring of recipients' work plans in new grant programs, the EPA should consider developing additional guidance on recipients' use of subrecipients as part of their oversight monitoring as suggested in the grant Uniform Guidance, 2 C.F.R. § 200.331 ("Subrecipient and contractor determinations").

Timely Development of Standard Operating Procedures: As of June 23, 2025, the OGGRF had developed some standard operating procedures for its employees, but the office was still in the process of developing procedures that related to implementation, sufficient progress evaluations, quality assurance procedures, advance grant monitoring, project-file reviews, and onsite reviews. Prior to the Solar for All program termination, the OGGRF stated that its goal was to have most standard operating procedures completed by the end of August 2025, depending on program priorities, to help ensure that the office consistently implemented the program and performed oversight of program grantees. The Government Accountability Office's *Standards for Internal Control in the Federal Government* states that management should have documentation for the effective design, implementation, and operating effectiveness of an entity's internal control system. Since the grants had already been awarded, standard operating procedures were essential to ensuring effective program implementation and operations. When implementing new grant programs, the Agency should develop standard operating procedures prior to awarding grants so that control mechanisms are already in place.

Timely Approval of Quality Assurance Plans: As of August 2025, the OGGRF had not submitted or obtained approval of the quality management plans and quality assurance project plans from the Agency's Enterprise Quality Management Division for approximately 50 out of 60 grant recipients (83 percent). The EPA's Directive No. CIO 2105-P-01.4, *Environmental Information Quality Procedure*, signed on March 20, 2024, requires that all assistance agreements involving environmental information operations develop a quality management plan and a quality assurance program plan prior to any information gathering work, or use, except in special circumstances. A lack of quality assurance measures could lead to inaccurate project data collection and reporting issues. OGGRF management stated that staff were taking steps to ensure that grant recipients did not estimate program outcomes, such as emissions reductions or household savings, prior to having approved quality assurance plans. When creating new grant programs, the EPA should ensure that the required Agency programs submit and obtain approval of quality plans in a timely manner.

External Impacts



Prior to the One Big Beautiful Bill Act, several executive orders and presidential memorandums impacted Solar for All program implementation and operations. For example, Executive Order 14148, *Initial Rescissions of Harmful Executive Orders and Actions*, issued on January 20, 2025, rescinded previous executive orders including some related to climate change which, according to the OGGRF, caused grant recipients to change how they

determined eligible project areas. In addition, according to the OGGRF, the presidential memorandums titled *Hiring Freeze* and *Extension of Hiring Freeze* issued on January 20, 2025, and April 17, 2025, respectively, prevented the OGGRF from hiring additional staff to assist with implementation and oversight. OGGRF stated that, since January 1, 2025, it had lost 21 staff for various reasons, resulting in an approximately 29 percent overall reduction in staff.

The top five Solar for All program grant recipients noted that Executive Order 14154, *Unleashing American Energy*, issued on January 20, 2025, which instructed agencies to pause disbursement of funds, caused an approximately month-long pause in their ability to draw down funds to implement work plans. The EPA needs to consider any other impacts to the terminated grant recipients, such as documentation requirements and program costs, in addition to those associated with the pause in disbursement of funds, during the Agency's closeout of the program operations.

Conclusion

Given the descriptive nature of our objective to address status of funds, top recipients, and risk areas and impacts, we do not make any recommendations for the EPA. However, the EPA should consider the applicability of the risk areas we have flagged when implementing new programs. It is critical that the Agency consider the amount of funding needed for the full performance period of a program, track subawards to ensure no duplication of projects or funding, develop operating procedures at the start of a program for consistency in program operations, and approve quality assurance plans in a timely manner. Consideration of these areas will help the Agency ensure that it has effective oversight and program success as well as compliance with federal regulations and EPA policies for newly established programs.

cc: Lee Zeldin, Administrator

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