

Section 1. Overall Project Summary and Approach

a. Description of GHG Reduction Measures

Building on policy successes and financial investments of the 2023 Minnesota Legislative Session, Minnesota proposes launching a new initiative called REACH Homes, which centers the values of Resilience, Equity, Affordability, Carbon-Free, and Health in our work to reduce greenhouse gas (GHG) emissions in the residential sector. REACH Homes proposes partnership with the EPA through the Climate Pollution Reduction Grant (CPRG) program to promote and build equity at the core of REACH.

In 2022, Minnesota's Climate Action Framework set a vision for a carbon neutral, equitable, and resilient future. Minnesota also established statutory goals of GHG emissions reduction of 50% from 2005 levels by 2030 and carbon-neutrality by 2050. Residential buildings are one of just two sectors with increased GHG emissions in Minnesota. Since the baseline year of 2005, residential GHG emissions have increased 14% while the state's overall emissions have declined 23%.

By focusing on decarbonizing homes, we can achieve all the REACH Homes values. Decarbonization requires weatherization and efficiency, which makes homes more resilient to temperature extremes, more affordable to operate. It also improves indoor air quality, which improves health. Electrifying fossil fuel uses stops the burning of gas in homes, also improving indoor air quality.

While the technologies needed to decarbonize homes exist, we are not moving fast enough. The residential sector is hard to abate because it is a highly distributed problem. Many people need to take multiple actions in their homes that are at best confusing and, at worst, time- and cost-prohibitive. We take on these challenges through targeted and collective efforts to reach the goal of every Minnesotan living in a low-carbon, resilient, healthy home that is affordable to operate, regardless of individual financial circumstance. That's the heart of REACH Homes.

We require CPRG assistance to prioritize equity in the initial stages of REACH. We propose four strategic measures to center and prioritize equity in our effort to scale housing projects ensuring every Minnesotan lives in a REACH home. Specifically, we propose to (1) leverage Minnesota Housing Finance Agency (Minnesota Housing) financing processes to deeply decarbonize existing and new construction affordable multifamily (MF), single family (SF), and manufactured housing. We will (2) leverage the Department of Commerce' (Commerce) Weatherization Assistance Program (WAP) by establishing a set of manufactured homes decarbonization programs to weatherize, electrify, and/or replace homes. We will (3) decarbonize and improve buildings in which the State of Minnesota houses people to reduce GHG emissions and create healthier living situations. Finally, we will (4) build on Commerce' pilot Energy Navigator Program and pair it with a coalition of local and Tribal government efforts to localize, scale, and sustain equitable residential decarbonization as part of a collective impact approach to make every Minnesota home is a REACH home. This is a coalition proposal with 8 local and 3 Tribal governments and the State of Minnesota as the lead entity. All coalition governments have submitted letters of intent to sign a memorandum of agreement outlining responsibilities by July 1, 2024.

Without REACH Homes, we will struggle to achieve residential sector GHG emissions reduction goals. By putting equity at the center of REACH, we will bring every Minnesotan in the transition. Without targeted efforts, lower-income Minnesotans won't be able to make the investments or move through the logistics of decarbonizing their homes. Furthermore, non-income-targeted home decarbonization incentives will likely go to higher-income families, exacerbating significant disparities.

Minnesota starts with a strong foundation for REACH Homes. Incentives in the Inflation Reduction Act, state incentives for electrification in homes, nation-leading utility rebates, and a mandate to make electricity 100% clean by 2040 are all essential finance and policy tools. However, they don't meet the scale needed. We must rally additional private and public capital and resources.

We made equitable residential decarbonization the focus of this proposal because we heard from governments around MN that residential decarbonization is a focus area in their communities and

additional capacity is needed to achieve the necessary scale of action. We heard a desire, particularly in environmental justice (EJ) communities, for federal funding to directly make their lives better. Housing improvements directly benefit people. Minnesota has put significant resources into residential decarbonization, and we want to see full benefits of this funding by pairing with CPRG funds. Growing energy at the grassroots level is focused on home decarbonization, making the timing right for a major investment in this work (see transformative impact for more details).

Our proposal addresses all CPRG goals. We take on a hard-to-abate at scale sector, designing our approaches to both achieve near-term GHG emissions reductions and lay the foundation for longer-term, cumulative reductions. Home decarbonization provides significant community benefits including healthier, more comfortable, more climate-resilient living situations. We use strategies to benefit Low Income/Disadvantaged Communities (LIDACs) by proposing programs to decarbonize specific types of housing that serve LIDACs and through commitments by coalition partners to target at least 85% of funding to LIDACs. Taken together, our proposal goes well beyond Justice40 commitments. We designed our approaches to take advantage of other funding and financing sources – particularly federal tax incentives and rebates along with state and utility rebate programs – to make REACH Homes go further. Finally, through our collective impact approach, with learning built in, we build scale and replication into our plan and create tools other jurisdictions can use and learn from.

Measure 1) Leverage Minnesota Housing’s financing processes to deeply decarbonize existing and new construction affordable multifamily (MF), single family (SF), and manufactured housing.

Minnesota Housing is the state’s housing finance agency that collaborates with individuals, communities, and partners to create, preserve, and finance housing that is affordable. In practice, that means they finance housing that is affordable for low and moderate-income Minnesotans and help Minnesotans buy and fix up their homes. For more than 50 years, Minnesota Housing has worked to provide access to safe, decent, and affordable housing to build stronger communities across the state. In 2022, they distributed \$2.18 billion in resources and served over 109,000 households.

Decarbonizing and building climate resiliency in affordable housing is key to making all homes in Minnesota REACH homes. However, LIDACs (particularly renters) are often least able to invest in decarbonization. These communities also pay a larger portion of their income for housing and energy.

Minnesota Housing will work as a subrecipient of the Minnesota Pollution Control Agency (MPCA) to administer CPRG funds to deeply decarbonize affordable SF and MF homes. Minnesota Housing prioritizes energy efficiency in some of their programs. However, these programs often fall short of full decarbonization. CPRG funds will enable Minnesota Housing to go beyond current practice to pursue transformative investments to deeply decarbonize affordable housing, benefitting both renters and homeowners. Leveraging existing programs in this way is a cost effective and efficient approach.

Minnesota Housing will leverage CPRG funds to deeply decarbonize affordable MF housing by deploying funds through at least two of existing financing mechanisms. Two of the ways Minnesota Housing finances MF housing are the Multifamily Consolidated Request for Proposals (Consolidated RFP) and the Publicly Owned Housing Program (POHP) which is part of a broader umbrella of Preservation Programs. 2,784 rental units were produced or preserved using these mechanisms in 2022.

The Consolidated RFP is a competitive funding round, offered once per year, which provides a means of "one stop shopping" by consolidating and coordinating multiple MF housing funding resources into one application process. It deploys significant capital funds and is Minnesota Housing’s primary mechanism for allocating federal and state resources. This process awards selection points for enhanced sustainability measures. Minnesota Housing will use the Consolidated RFP to disperse CPRG funds for new construction projects pursuing Tier 4 of the Enhanced Sustainability selection points as outlined in the Qualified Allocation Plan. To meet Tier 4 standards, a project must be certified by one of the

following building performance pathways: Passive House Institute (PHI) Classic, Passive House Institute United States (PHIUS), PHIUS + Source Zero, PHI Plus, PHI Premium, International Living Future Institute's Zero Energy Petal, Zero Carbon Petal, or Living Building Challenge. These selection points are new, and Minnesota Housing has not yet seen any projects completed under Tier 4 standards.

Insufficient funds to cover the cost premium of achieving Tier 4 is a major barrier to meeting them. CPRG funds will pay for the premium to build to Tier 4 standards instead of required Energy Star certification standards. Through CPRG funds, Minnesota Housing estimates being able to provide funds to newly construct 15 – 20 MF buildings (with a median number of 47 units/building). This number of buildings assumes most projects will use PHIUS standards. Using CPRG funds in this way will kick-start using of PHIUS building standards in MF affordable housing in Minnesota, transforming a key sector of housing for making sure every Minnesotan lives in a REACH home.

Minnesota Housing will also use CPRG funding to ensure that publicly owned housing is part of the clean energy transition. The POHP facilitates rehabilitation and preservation of public housing through a 20-year deferred, forgivable loan. Investing in rehabilitation of public housing is important because existing housing is typically the most affordable, and preserving it is more cost effective than new construction. Segments of existing public housing are at risk of being lost, either to rent increases or to deterioration, so investment in these properties is critical. Decarbonization has not yet been a funding priority in the POHP program. Minnesota Housing will use CPRG funds to issue a specific Climate RFP through the POHP to rehabilitate existing buildings. Minnesota Housing plans to fund 8 – 20 projects. CPRG funds will be used to fully pay for rehabilitation projects with expected project types including, but not limited to: Energy Star triple pane windows, insulation and air sealing, heat pump water heaters, heat pump boilers and heat pump furnaces, Energy Star appliances, and other upgrades such as electrical and roofing needed for new decarbonization projects.

Minnesota Housing's SF Division has several programs to deploy CPRG funds to deeply decarbonize new and existing SF homes. The Community Homeownership Impact Fund and Fix Up Home Improvement Program will be two avenues used to deploy funds to decarbonize SF affordable housing.

The Community Homeownership Impact Fund provides funding to build new and improve existing SF, owner-occupied affordable housing through an annual RFP process. Minnesota Housing will use this RFP process to fund constructing of 40-50 PHIUS units by paying for the cost premium to build to PHIUS standards. Minnesota Housing has not previously funded SF PHIUS construction. Using CPRG funds in this way will kickstart the use of PHIUS building standards for SF affordable housing in Minnesota.

The Fix Up Home Improvement Program finances SF home improvement projects. Minnesota Housing will use this lending program to deploy CPRG funds for decarbonization projects in existing SF homes. CPRG funds will pay for rehabilitation projects including, but not limited to: Energy Star triple pane windows, insulation and air sealing, heat pump water heaters, heat pump boilers and heat pump furnaces, Energy Star Appliances, and other upgrades such as electrical and roofing upgrades needed for the projects. Minnesota Housing anticipates funding 134 – 200 home upgrades helping to ensure that all SF homeowners are part of residential decarbonization.

Technical assistance and capacity building are also key to decarbonizing affordable homes. MF developers and SF homeowners need skills and resources to decarbonize on a larger scale. To address this need, Minnesota Housing will provide technical assistance and capacity building through its Capacity Building programming. To date, Minnesota Housing has been unable to fund any climate related proposals in capacity building RFPs. CPRG funds will enable funding of deep decarbonization capacity building in the affordable housing developer and provider community.

This measure was selected as a priority because it enables Minnesotans living in affordable housing to benefit from GHG emissions reduction measures. Furthermore, Minnesota Housing programs are proven effective at scaling to serve Minnesotans with low incomes. In 2022, most homeowners Minnesota Housing served had an income below \$67,000 and the majority of renters had an income

below \$15,000. For context, the 2022 median family income was \$104,00 and poverty level for a family of three was \$23,030. The agency has a track record of strong financial stewardship. For example, from 2020-2022 Minnesota Housing program funding increased from \$1.58 billion to \$2.18 billion (a 37% increase) while households served increased from 56,700 to 109,000 (a 92% increase). Minnesota Housing distributes its competitive resources evenly across the state.

TABLE 1. MEASURE 1 IMPLEMENTATION TIMELINE

Dates	Major Tasks & Milestones
December 2024	CPRG funds issued from MPCA to Minnesota Housing
2025	Applications for consolidated RFP, POHP, and SF home programs. The consolidated RFP is generally in July. Other RFP dates vary
2025	Selection within 7 months of application deadline
2026	Loan closing and construction commences within 1 year of selection announcement
2027-2029	Construction is completed within 2-5 years after application deadline, with timing dependent on project

Deploying CPRG funds through existing and proven mechanisms reduces the risks associated with this measure. Leveraging these existing financing programs enables Minnesota to move more quickly to reduce GHG emissions and to help transform the broader landscape of affordable housing. Dedicating CPRG funds to only decarbonization components of these housing projects ensures the net-zero decarbonization is not cut or value engineered out. Additional risks are the general risk of not being able to access technologies in a timely manner and not enough workforce to do the work. See the workforce discussion under measure 4 for how we propose to address this risk.

This measure is covered in MPCA's Minnesota PCAP measures 3.1.1, 3.1.2, 3.1.5, and 3.1.8.

Measure 2) Leverage the Department of Commerce' Weatherization Assistance Program by establishing a set of manufactured homes decarbonization programs to weatherize, electrify, and/or replace homes.

Commerce will use CPRG funds to lead an initiative to improve affordability, comfort, and safety in manufactured homes. Years of engagement and partnership with LIDACs broadly, and with manufactured home (MH) communities in particular, informed proposal development. Communities participating in the project include MH residents in: Tribal communities with high energy burden (Fond du Lac, Leech Lake, White Earth), Resident-owned (cooperative) communities (ROCs) in Minnesota, where 93% of residents have low incomes and 42% are people of color; and MH parks in LIDACs.

The project will serve an estimated 5,783 homes through five strategies. Three strategies – weatherization with appliance replacement, home replacement, and solar – will focus on Tribal communities and resident-owned MH communities. Community-scale geothermal deployment will be limited to resident-owned MH communities. Basic weatherization measures will be implemented through a proven blitz approach in MH parks in other LIDACs. These GHG reduction strategies are complemented by capitalization of revolving loan funds to support continued impacts and by workforce development with nonprofits and Tribal colleges to address gaps in available capacity and provide high quality employment opportunities and local economic benefits in LIDACs.

1. *Weatherization with Appliance Replacement:* Weatherization – insulation, air sealing, HVAC (including heat pumps where appropriate) – and appliance replacement will take place in an estimated 1,200 homes. Shortages of a weatherization-specific trained workforce present the most significant risk for this project component. To address this risk, we will fund training of an estimated 200 people on weatherization of manufactured homes, aligning these training efforts with existing and planned Tribal college programs. See letters of commitment from 3 Tribal colleges.

2. *Manufactured Home Replacement*: An estimated 100 pre-1977 mobile homes or FEMA trailers will be replaced with homes inspired by the Zero Energy Ready Home (ZERH) specification. ZERH is the most energy-efficient home available. A line of credit for lending to the resident-owned communities will enable communities to place homes on empty lots in advance of demolishing the pre-1977 homes, so residents can move directly into a new energy-efficient home. Capitalization of both a revolving loan fund for lending to communities and a mortgage product for lending to individual households will extend this effort beyond the end of the grant period.

Risks associated with this project component are constraints on availability of new homes to purchase and expenses associated with transportation of the homes. Transportation expenses are included in the proposed budget. To address these constraints, builders amenable to working with resident-owned communities and Tribal nations at scale have been identified.

3. *Solar photovoltaic (PV)*: 1MW of solar will be installed in MH communities, primarily as 3kW canopy-mounted systems, serving an estimated 333 residences. Small PV systems typically have higher per-watt costs than larger scale installations. However, by combining outreach and bundling installations within communities, this project will reduce soft costs associated with residential solar deployment. In some cases, installing larger arrays (40kW) serving multiple households at lower cost may be practicable. This component of the project will include partnerships with Tribal colleges to provide paid internships for students who have completed their solar training. At present, few solar contractors serve northern Minnesota, despite suitability for solar, so this component will contribute to development a robust clean energy ecosystem in the region.

4. *Community-Scale Geothermal (CSG)*: CSG systems will be installed in three resident-owned communities (ROCs), serving an estimated 150 households. Finding suitable sites to implement the three geothermal projects is a risk, but initial research into the 14 ROC locations shows more than enough sites with the needed geology.

5. *Basic Weatherization Blitzes*: An estimated 4,000 households in 70 MH parks located in LIDACs will be served by basic weatherization measures including conservation kits and connecting households to resources for deeper retrofits. Minnesota has established partnerships and extensive experience conducting this type of blitz. The biggest risk associated with this approach is the benefits may be limited to short-term reductions in GHG emissions. We will address this risk by strengthening local relationships and local capacity to leverage the Weatherization Assistance Program, state and federal incentives, and utility programs to support long-term GHG reductions.

We selected this measure because manufactured homes are a critical form of naturally occurring affordable housing with the opportunity for significant GHG emissions reductions. Over 56,000 Minnesota households reside in these homes with a median income of \$35,000/year and the highest energy burden of any housing type. Some homes were manufactured prior to the 1976 HUD code or, as noted by Tribal government staff, are FEMA trailers originally intended for short-term use in warm climates and now serving as permanent residences in a cold climate. By focusing on MH communities, we ensure Minnesotans living in this type affordable housing are part of REACH.

TABLE 2. IMPLEMENTATION TIMELINE FOR MEASURE 2

Activity	Dates
<i>Start-up</i>	
Commerce releases RFPs & awards contracts	2025 – Q1-Q4
<i>Geothermal - 150 homes in 3 ROCs</i>	
Plan community geothermal projects	2026 Q2
Break ground on community geothermal projects	2026 Q3

Complete community geothermal projects	2028 Q3
<i>Weatherization implementation and capacity building - 1200 homes</i>	
Outreach to 500 homes, annually for 3 years	2026 Q2, 2027 Q2, 2028 Q2
Conduct contractor training in collaboration with tribal colleges (2Xs)	2026 Q3, 2027 Q3
Conduct energy audits, annually for years	2026 Q3, 2027 Q3, Y4Q3
Weatherize 400 homes, annually for 3 years	2027 Q3, 2028 Q3, 2029 Q3
<i>Weatherization-lite door-to-door - 4,000 homes</i>	
Deliver 1,000 weatherization-lite kits to 1,000 homes, annually for 4 years	2026, 2027, 2028, 2029. All in Q3
<i>Home Replacement - 100 homes in 14 ROCs and 3 Tribes</i>	
Replace 25 pre-1977 homes with energy-efficient homes, annually for 4 years	2026, 2027, 2028, 2029. All in Q3
<i>Solar - 1 MW serving 333 homes</i>	
Survey 3 ROCs and 1 Tribe for suitable solar sites	2026 Q4
Install solar for 111 home sites	2027 Q3
Survey 3 ROCs and 1 Tribe for suitable solar sites	2027 Q4
Install solar for 111 home sites	2028 Q3
Survey 3 ROCs and 1 Tribe for suitable solar sites	2028 Q4
Install solar for 111 home sites	2029 Q3

The risks identified in the five strategies above are based on community leaders' experience and knowledge of the strengths and barriers in their communities. Addressing these risks will build on a strong base of trusted partners with experience collaborating to serve MH residents and communities. In addition, we prioritized investing in communities with significant need and because their ownership structures make it unlikely the land on which the MH community stands is sold.

This measure is covered by MPCA's Minnesota PCAP measures 3.1.1, 3.1.2, 3.1.6, 3.1.7, and 3.1.9.

Measure 3) Decarbonize and improve buildings in which the State of Minnesota houses people to reduce GHG emissions and create healthier living situations.

We will reduce carbon emissions in multiple buildings where the State of Minnesota houses people, which will improve living conditions for some of Minnesota's most vulnerable residents. The Department of Corrections (DOC) is responsible for people in correctional facilities, the Department of Veterans Affairs (MDVA) operates eight Veterans Homes that provide long-term care, and the Department of Human Services – Direct Care and Treatment (DHS DCT) operates a highly specialized behavioral health care system that serves vulnerable people.

The Department of Administration (Admin) Division of Real Estate and Construction Services (RECS) has statutory authority for construction in state-owned buildings. Admin RECS will partner with each relevant agency on the proposed work.

We will retrofit buildings with a holistic approach combining efficient and carbon-free heating and cooling systems with energy conservations measures (ECMs) to maximize performance. These retrofits will include fuel switching and reducing combustion of fuels for heating. CPRG funding will enable us to go well beyond usual practices to reduce GHG emissions. Recent examples of deep energy retrofits in state buildings have shown a reduction in energy utilization intensity of 50%-80%. Minnesota's 100% carbon-free energy policy means electrifying buildings reduces emissions over time, ultimately creating carbon-free heating and cooling.

Measure 3 covers the following projects, or other similar projects if barriers to these projects arise:
DOC, Stillwater Correctional Facility cooling and heating decarbonization: Funds will be used to purchase ground source heat pumps and onsite solar to replace an old natural gas boiler system and the necessary handler(s), additional economizing and heat exchanging of exhaust and intake, and full digital controls to replace the existing pneumatic control system. The facility is currently without air conditioning. Use of ground source heat pumps powered by carbon-free electricity adds cooling without increased emissions.

DHS-DCT, State Hospital in St. Peter: Funds will be used to purchase more efficient boilers, ground source heat pumps, air handler(s), additional economizing and heat exchanging of exhaust and intake, and full digital controls.

MDVA, Veterans Homes in Luverne and Fergus Falls: Funds will be used to purchase ground source heat pumps, air handler(s), additional economizing of exhaust and intake, and full digital controls

We will facilitate the learning needed for state facility operators to run buildings efficiently by organizing training for 150 state facility operators (30 people each year for five years) through the Building Operator Certification run by the Midwest Energy Efficiency Alliance.

We selected this measure as a priority because state government has a responsibility for the living situations of the vulnerable people it houses, especially in the face of climate change. In summer 2023, approximately 100 inmates protested living conditions in the Stillwater Correctional Facility. These protests happened during a major heat wave and, in part, were the result of not having air conditioning. We also selected this measure because state government these projects will accelerate learning on decarbonizing state buildings that can be applied in buildings across the state enterprise.

TABLE 3. MEASURE 3 IMPLEMENTATION TIMELINE

Dates	Tasks & Milestones
	All tasks will be led by Admin RECS in collaboration with relevant agency partner. Admin OES will sit on all project teams to ensure GHG emissions reductions are maximized.
November 2024	Project pre-design RFPs prepared and released
April 2025	Pre-design complete
June 2025	Project design RFPs prepared and released
December 2025	Project designs complete and bid documents prepared and released for RFP
April 2026	Vendors selected and construction commences
April 2028	Construction completed
April 2028 – beyond	Operation and maintenance with measurement and verification that the systems are performing as designed

The risks associated with this measure are higher than expected project costs , including bringing building systems up to code. To reduce these risks, projects will use technologies with previously documented costs in Minnesota. If scope increases occur, we will pursue other funding sources. Project slowdown due to supply chain issues is a risk. State government is a large purchaser, so this risk is considered lower. Projects may be slowed because the need for facility security staff to escort contractors in secured facilities. Overall, project risks will not directly affect GHG emissions, but will rather make them more expensive or slower to achieve. The Admin RECS Division has extensive experience managing these kinds of real estate projects, which lowers risks.

This measure is covered by the MPCA’s Minnesota PCAP measures 3.1.8 and 3.2.1.

Measure 4) Build on Department of Commerce’ pilot Energy Navigator Program, pairing with a coalition of local and Tribal government to localize, scale, and sustain equitable residential decarbonization as part of a collective impact approach to REACH every home in our state.

Measure 4 weaves together several approaches to center equity while working toward our goal of decarbonizing every home in Minnesota as part of REACH Homes.

Localizing recognizes that communities have both shared challenges and are unique in the mix of buildings and resident characteristics. Second, decarbonizing harder to reach communities is high-touch work, which will require staff and partnerships at the local level. We take on both these challenges by working with a coalition government and in partnership with community-based organizations (CBOs), who are better-positioned than state government to do this work because of the level of trust they've established in their respective communities.

Scaling builds on localization efforts with collaborative learning, workforce and business development, broad buy-in, and tapping into additional sources of financing.

Sustaining REACH Homes focuses on extending the work beyond CPRG funding. We will do so through a planning process with partners in government, CBOs serving culturally- and geographically-specific EJ communities, finance, and philanthropy to create an actionable sustaining plan.

We will localize, scale, and sustain equitable residential decarbonization by weaving together a set of approaches involving CBOs, local governments, Tribal governments, and a collective impact strategy with the State of Minnesota serving as a backbone organization.

Localizing equitable residential decarbonization

Grow Commerce's Energy Navigator program to serve communities statewide: Through community engagement, we know that energy programs are confusing and difficult to navigate, resulting in poor program access for those most in need. Commerce recently received a large influx of federal and state dollars for increased programming (see "Demonstration of Funding Needed" section below). So much new programming can make it difficult for people to understand which programs they can use. To address this challenge, EPA funded the foundation and initial pilot of an Energy Navigator program designed by Commerce and the Community Energy Collaborative (CEC). The CEC is a group of CBOs that partner with Commerce to shape state energy policy and programs. The funded pilot project will clarify available program information and empower trusted community partners to help LIDAC members understand and access energy programs. Actions include development of an EJ co-learning community made of EJ organizations and state agencies through a Justice40 (J40) Leadership Academy; updating Commerce' Energy Information Center (EIC) for climate, energy, and green-job training programs to include a self-referral system; and launching a community-based navigation tool and four community-based navigator demonstration projects with community energy navigators working at CBOs serving culturally- and geographically-diverse EJ communities.

Using CPRG funds, we will build on the impact of this EPA-funded pilot project. We will do so by partnering with an additional 10 EJ organizations in the J40 Academy, expanding the impact of that training by reaching an additional 400 participants in J40 Academy-led trainings and discussions; and funding 20 additional community-based navigator projects for five years.

Energy navigators will play a key role in assisting the community members they serve to access the EIC's one-stop information shop for climate, energy, and green-job information, and then do the high-touch, personalized work (i.e., technical assistance) necessary to move individual households through the process of home decarbonization and being able to find and afford high-quality, trusted contractors. By funding this larger community-based effort, we make it a true local-state partnership.

Local and Tribal government coalition: The coalition of local and Tribal governments will localize programming and staffing in many communities. By working with this coalition, we will move quickly after CPRG funds are awarded. This coalition was built through significant community engagement. See community engagement section for more details.

Coalition governments identified staff capacity to manage residential decarbonization work as one of their biggest needs. Therefore, coalition governments will receive funding for one to two staff

members, depending on size and community need. In addition, each government proposes a set of activities tailored to their needs. Each government has agreed to target at least 85% of programming to residents living in LIDACs or meeting LIDAC income requirements. Programs will target 1-4 residential buildings, which have some of the highest residential energy use per square foot as rental units.

TABLE 4. LOCAL GOVERNMENT DESCRIPTIONS AND PROPOSED WORK

Community & current work	Proposed CPRG work
Cities	
Crookston is a city of 7,500 located in NW MN. It is working with local partners through Empower Crookston on a comprehensive decarbonization and electrification initiative.	Crookston's priorities are to provide energy audits and weatherization for 350 homes and upgrade with electrification from current fossil fuel uses. Crookston has a larger goal of decarbonizing just over 900 homes in its EJ census tract. CPRG funding will cover about one-third of those homes. Notably, Crookston was flooded in 1997, and many home heating systems were replaced. These systems are nearly at end-of-life and need replacing.
Duluth is a city of 87,000 people located in NE MN. Currently, the city is partnering with CBOs to focus on weatherization, electrification, solar, and geothermal implementation.	Duluth's priorities are to address weatherization and fuel source in 1500 of 3000 homes currently using delivered fuel for heating in the city. In addition, Duluth plans to decarbonize 150 of 200 scattered site HRA homes and make sure programming complements Minnesota Power's (the utility) rebates and incentives.
Minneapolis is a city of 430,000 people and is the largest city in MN. The city has a suite of programs and master contracts offering free energy audits, zero-interest loans, and grants for weatherization, efficiency, and electrification	Minneapolis will use CPRG funding to build on \$2.5M/year of current dedicated funding for home weatherization and decarbonization. The CPRG funding will enable Minneapolis to add to an additional 400 1-4 unit homes annually starting in 2025, bringing the city to a total of 1,000 properties addressed annually by 2026. Minneapolis has a larger goal of weatherizing and decarbonizing 5,000 priority properties in EJ areas in the city by 2030.
Saint Paul is MN's capital city with a population of 312,000. Currently, the city is piloting efforts to reduce energy burden among LIDACs.	Saint Paul's priorities are weatherizing and electrifying ~65 homes of the Rondo Community Land Trust and using a block-by-block approach to weatherize and electrify ~400 additional homes in LIDACs. Saint Paul is committed to taking a whole-home approach and has not yet secured local funding. This means the number of homes/dollar is lower in Saint Paul.
Winona is a city of 26,000 people located in SE MN. Currently, the city is working with residential rehabilitation grants and historic home preservation and restoration	Winona's priorities are energy audits, weatherization, and upgrading to heat pumps in LIDACs and public housing. The city's goal is to serve ~600 homes.
Regional Development Commissions	
The Metropolitan Council (Met Council) is the regional policy-making body, planning agency, and provider of essential service in the 7-county Twin Cities Metro Area, in which 3.16M people live.	Met Council will design and administer a program open to local governments in the Twin Cities other than Minneapolis and Saint Paul. The program will include 2 FTEs offering technical assistance. It will have a similar programmatic design to a successful program the Council runs to address inflow and infiltration. The program will pay up-front costs for weatherization and electrification for up to \$5,000/unit for weatherization and \$10,000/unit for weatherization and electrification. Assuming approximately half of each would cover just under 4,000 homes, which is ~5% of 1-4 unit homes in LIDACs outside of Minneapolis & Saint Paul.
Region 5 serves ~172,000 people in 65 cities in 5 counties. They created an internal decarbonization plan 2 years ago and have focused on	Region 5's priorities are ramping residential decarbonization by providing energy audits and weatherization, focusing on communities in which these services are not readily available and on displacing delivered fuels. Region 5 will partner with the local CAP agency to bolster ongoing decarbonization work. The goal is to work with ~600 homes.

government and commercial buildings.	
Region 9 serves 9 counties including ~260,000 residents in 72 cities. Currently, they are working to bring the energy transition to rural communities through climate action planning and capacity-building.	Region 9's priorities are providing energy audits and weatherization, focusing on communities in which these services are not readily available and on displacing delivered fuels. Region 9 will partner with the local CAP agency to bolster ongoing decarbonization work as well as economic development authorities to decarbonize publicly-owned housing stock. The goal is to work with ~600 homes.

Minnesota shares geography with 11 federally recognized Tribes. The Walz-Flanagan administration prioritizes building strong relationships with these sovereign nations. The coalition includes three Tribal Nations. See community engagement below for how Tribal governments became part of the coalition.

TABLE 5. TRIBAL GOVERNMENT COALITION MEMBERS AND PROPOSED WORK

Tribe – description and current work	Proposed CPRG work
The Bois Forte Band of Chippewa is a sovereign nation with a reservation located in northern Minnesota in 3 sectors – Nett Lake, Vermillion, and Deer Creek.	The Bois Forte Band will use CPRG funds to create a residential decarbonization plan and begin implementation of the plan. CPRG funding will enable work on ~400 residential units, which is just under half of the homes on Bois Forte reservation lands.
Mille Lacs Band of Ojibwe is a sovereign nation of nearly 4,800 enrolled members who have lived for many generations in East-Central Minnesota.	The Mille Lacs Band will complete an upgrade on an electric substation is necessary for large-scale electrification of tribal residences. In addition, CPRG funding will enable weatherization and electrification work on ~225 units of housing, which covers a little over half of the rental units owned by the tribe.
Shakopee Mdewakanton Sioux Community (SMSC) is a sovereign nation with tribal lands located in Scott County, which is in the Southern edge of the Twin Cities Metro Region.	The SMSC will use CPRG funds to create a residential decarbonization plan and begin implementation of the plan. CPRG funding will enable work on ~150 residential units, which is a little under half of residential units owned by community members.

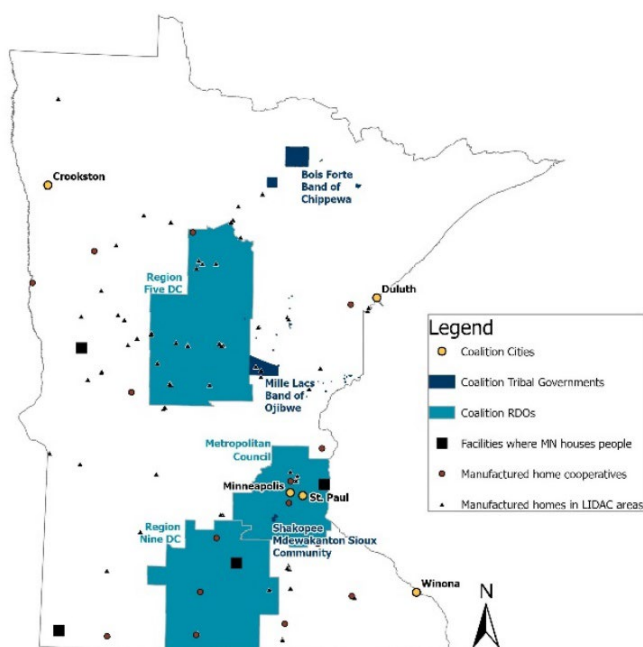


FIGURE 1. MAP OF LOCATIONS FOR MEASURES 2, 3, AND 4.

We will support the transformative capacity of the coalition governments by co-creating a learning cohort and developing implementation templates for the most effective 3-5 residential decarbonization programs. Over the course of the 5-year grant period, we will meet quarterly with coalition governments to create relationships, share learning, troubleshoot challenges, and share resources. Local governments will have at least one staff person at each meeting. Tribal governments will be invited to join all meetings, but recognizing the sovereign status of Tribes, their staff may determine the extent to which they have capacity to engage with the cohort.

Scaling equitable residential decarbonization

Scaling REACH will build on the localization and extend this work to more communities. We will scale impact through the following strategies.

1. Collective Impact Approach: MPCA will serve as a backbone organization that aligns partner work across the state to deliver on CPRG proposal and work toward decarbonizing every home in Minnesota. Collective impact is a collaborative approach that brings actors across different sectors together to work toward the same agenda and achieve greater collective impact. Collective impact has 5 main characteristics. They are as follows with an explanation of how we will foster collective impact:¹

- Common agenda: Collaborators are working together on REACH on the path toward decarbonizing every home.
- Shared measurement systems: We will create and use a common tracking system for all collaborators working on activities proposed for CPRG funding. See 3b for more information.
- Mutually reinforcing activities: Collective impact requires working toward the same goal with different actors working on different aspects of achieving that goal. The multi-pronged approach we've proposed is mutually-reinforcing.
- Continuous communication: We will convene the local and Tribal government cohort at least quarterly, the wider community twice per year, and provide regular updates. See more below.
- Backbone support organization: We have written into the budget the staff and resources for MPCA to serve as the backbone support organization for the REACH collective impact effort.

We will continuously communicate through a public website, email newsletter, and meetings of the REACH community. We will convene the wider residential decarbonization community twice per year. At one meeting we will share most current learnings from the cohort and feature successes in a virtual format. The second annual meeting will function as a "stock-take," at which MPCA will share progress on how far Minnesota has come on decarbonizing every home, with an emphasis on equity. We will invite partners to publicly share commitments, troubleshoot challenges and look toward the next year. These annual stock-takes will be hybrid, mostly in-person with a virtual option.

2. Second local and Tribal government cohort: We will scale REACH creating a second cohort. We will create this cohort through an open RFP process (for local governments) and open invitation (for Tribal governments). We expect public interest in REACH will grow and additional governments will want to take on more focused residential decarbonization action. This cohort will receive funding for one staff member and money for programming.

3. Targeted workforce and business development: Coalition governments identified workforce constraints as a limitation to scaling residential decarbonization. Federal and state governments are making significant investments into workforce and business development needed to address these concerns. See 1b demonstration of funding need for more information. We identified 2 gaps in business and workforce development that we will fill using CPRG funding.

- Stakeholder-informed design process to address Davis-Bacon requirements and promote high-road labor practices amongst small residential contractors: Small contractors complete much of the residential decarbonization work, and these contractor struggle with or avoid work requiring Davis-Bacon reporting. Minnesota values strong labor protections, so we will take this challenge head on. We will run a 6-month stakeholder-informed process to design an approach to address Davis-Bacon challenges for small contractors and identify ways to promote high-road labor practices. We will include small contractors, labor unions, program operators, and other stakeholders. We have budgeted for implementing recommendations.

¹ *Collective Impact*. Kania & Kramer. 2011.

- Fund training programs for careers in green construction, home energy, and energy navigation: Minnesota has several accomplished training programs, but we are not certain existing programs can meet the workforce demand resulting from implementation REACH. We will fund expansion of existing training efforts to the extent practicable including the training model created by Minnesota Job Skills Partnership. The budget proposed for this training includes funding for wrap-around supports to increase the likelihood success of the training.

Sustaining equitable residential decarbonization

We will make significant progress on residential decarbonization with CPRG funding, and the work of REACH will not be complete by 2030. Therefore, we will weave in work to sustain REACH

Building the muscle of Minnesota's workforce, government capacity, and leaders through our collective impact process will contribute to sustaining efforts beyond CPRG funding. In addition, we will run a planning effort to determine how to sustain REACH until the work is complete. We will start this planning in Q1 of year 2 and wrap up by the Q1 of year 5 to allow time to prepare for sustaining beyond CPRG funding. Creating this REACH Homes Minnesota sustaining plan will include the following:

- An assessment of the number of homes that need decarbonization work (e.g. weatherization, electrification of fossil fuel uses, and/or heating that doesn't use fossil fuels)
- Quantification of the progress made so far
- Scoping of the costs to achieve full decarbonization and scenarios for paying for this work combining private and public sources of funding and financing
- A strategy for achieving the scale of investment needed, including all commitments secured through the planning process to sustain REACH Homes.

Because funding and financing are an essential part of sustaining the work to REACH all homes, we have secured commitments from the MN Climate Innovation Finance Authority (MnCIFA) and foundations (see letter of commitment from the McKnight Foundation and MN Council on Foundations) to be part of both annual stock-takes and planning process for sustaining REACH.

Measure 4 is covered by MPCA's Minnesota PCAP measures 3.1.1, 3.1.2, 3.1.3, 3.1.4, 3.1.7, 3.1.8, 3.1.9, and 3.1.10.

TABLE 6. IMPLEMENTATION TIMELINE FOR MEASURE 4

Dates	
2025 Q1-Q2	Subawards to coalition governments and Commerce. RFP released for Davis Bacon process
2025 Q2-Q3	Local governments submit detailed work plans. Energy Navigator RFP released. Training RFP released (or interagency agreement with Dept. of Employment & Economic Development)
2025 Q3	Complete shared reporting process for coalition governments.
2026 Q1	Energy navigator contracts awarded
2026 Q3	Release RFP for second cohort of local governments
2027 Q1	Start second cohort of local governments. Kick off sustain REACH planning.
2029 Q1	Finalize and release Sustain REACH strategy.

The implementation timeline for measure 4 does not include annual virtual learning events and the annual stock-take. These are essential parts of the collective impact component of measure 4 while also weaving together REACH Programming more broadly. Therefore, the dates for these gatherings are included in the tracking, measurement, and reporting timeline (Table 8).

b. Demonstration of funding needed

Our goal is to make sure *every* Minnesotan lives in a resilient, carbon-free, healthy home that is affordable to operate, regardless of individual financial circumstance. Achieving this goal will take CPRG funding for our multi-pronged, equity-centered, at-scale approach in addition to significant State of

Minnesota and federal home decarbonization funding. The measures we propose build on other funding to reach this larger goal. Here are the specifics:

- Funding appropriated by the State of Minnesota and the federal government for affordable housing, including but not limited to the Low-Income Housing Tax Credit (LIHTC). CPRG funds will pay the differential to take these investments to net-zero.
- GGRF Solar For All – Minnesota has applied for \$100M of funding that includes \$10M for SF home credit enhancements, \$1M for manufactured home grants, \$14M for MF forgivable lending, \$35M for community-owned community solar lending, \$15M for tribal development funding, \$10.5M for technical assistance, and \$14.5M for equitable access and meaningful involvement plan including energy navigators and community engagement.
- Minnesota Housing and Admin RECS projects will seek elective-pay tax credits as appropriate.
- EPA-funded grant - Justice40 Minnesotans Navigating Climate Action (\$1M).
- CPRG funding will add additional energy navigator support to ensure that Minnesotans take advantage of the federal, state, and utility incentives including:
 - o HHS-funded LIHEAP aka MN Energy Assistance Program (~\$130M annually), including a 10-25% transfer annually to WAP
 - o MN-funded heat pump rebate program (\$13M) & electrical panel upgrade grants (\$6M)
 - o IRA tax credits for battery storage, geothermal heating, electric panel, heat pump heater/air conditioner, heat pump water heater, rooftop solar, and weatherization
 - o IRA DOE-funded HOMES Rebate program: Minnesota is applying for ~\$75M of funding to provide rebates up to \$8,000/home for home weatherization and efficiency. IRA DOE-funded Home Electrification and Appliance Rebates: Minnesota is applying for ~\$75M of funding to provide rebates of up to \$14,000/home for electrification.
 - o Utility-funding Conservation Improvement Program (CIP). Minnesota's CIP program requires gas and electric utilities to make investments to use electricity and gas more efficiently. These incentives vary by utility.
 - o MN-funded Strengthen MN Homes – climate-resiliency program; under development
 - o DOE, IJJA-DOE, and MN-funded weatherization/preweatherization/weatherization-related training aka MN WAP (currently ~\$45M annually)

The following programs have recently been funded in the Weatherization Assistance Program:

- Energy Efficiency for Manufactured Homes: \$1M awarded. Program in development.
- Weather Resistant Advanced Pre-Fab Pilot: \$626,000 awarded. Program underway.
- Efficiency Window Replacement Project: \$3M awarded. Program in development.
- Weatherization Innovation, Roofing and Electrification: \$2M awarded. Underway.

The following workforce programs have been funded or are seeking funding:

- IRA Training for Residential Energy Contractors: \$2.8M formula. Application submitted.
- IRA Training for Residential Energy Contractors: Competitive. Waiting for announcement.
- IJJA Energy Auditor Training Contractors seeking \$2M. Concept paper due in March. Applications due in June.
- MN Clean Economy Equitable Workforce Initiative, focused on preparing BIPOC workers for construction-related jobs in clean energy and efficiency fields. \$3M of state funding.

The Department of Administration manages the State Energy Efficiency Revolving Loan fund, which will be leveraged to pay for energy conservation measures at state-owned buildings that have a 10-year simple payback (\$5M). The Governor's proposed bonding bill includes \$1.5M for renewable energy at state-owned buildings that will be leveraged to seed renewable energy projects and access elective pay. State agencies request asset preservation appropriations portions of the projects at state-owned buildings for which asset preservation funding is applicable.

Coalition governments have secured or commitment funds to related effort. *Minneapolis* is using \$1M American Recovery Plan (ARPA) funding for weatherization and has committed \$2.5M annually for weatherization in LIDAC neighborhoods. *Saint Paul* is using \$1M of ARPA funds for pre-weatherization in LIDACs to facilitate weatherization. *Duluth* has received technical assistance (valued at \$500K) through the DOE Communities LEAP to create a local energy action plan for Lincoln Park (an EJ community) and received DOE community energy resilience planning to evaluate solar+storage. *Bois Forte* has received \$295,000 through DOE Electrifying Tribal Communities program to become certified in solar energy. *Mille Lacs* is committing a minimum of \$153,663 of its IJA Section 40101(d) – Preventing Outages and Enhancing the Resilience of the Electric Grid - to the substation upgrade proposed for CPRG funding.

Coalition governments are seeking funds related to proposal work. *Saint Paul* led 14-partner coalition for \$500K DOE Energy Future Planning Grant to develop new models for delivering weatherization and decarbonization in LIDACs. *Crookston* has applied for \$1.2M for a MN Small Cities Development grant to refurbish apartments in the city’s downtown.

The list of committed, secured, and applied for funds is significant among all partner government. And it still does not meet the scale of need to decarbonize all Minnesota homes, even if only focused on LIDACs. According to U.S. Census data 229,647 families had an income level of 200% of federal poverty level in 2022. For a family of 3, this amounts to \$49,720.00 of annual income, which is well below the state median income of \$84,313/year from 2018-2022. The DOE HOMES and HEAR programs serve families earning less than 150% AMI, and many more Minnesotans are eligible than will be covered by the state’s allocation. CPRG funding is necessary to directly fund decarbonization in homes within LIDACs and the collective impact approach to rally widescale efforts and secure more funding.

c. Transformative impact

The transformative impact of the proposed work is four-fold, at growing scales of impact:

1) *Building the capacity of key agencies to replicate and scale programming*: We propose funding activities through foundational processes for decarbonizing affordable and institutional housing. By investing significant resources through these processes combined with capacity-building, we lay the foundation of replicating the use of net-zero approaches (Minnesota Housing) and heat pumps and other low-carbon heating/cooling (Admin RECS) in large-scale programs for years to come.

2) *Building the capacity of local and Tribal governments and EJ-serving CBOS to replicate and scale effective strategies*: The proposal both resources coalition governments to do direct decarbonization and builds in learning, documentation, and broader sharing to facilitate uptake of effective equitable residential decarbonization programs among and beyond coalition members.

3) *Taking on a hard-to-abate sector in a cold climate*: The residential sector is hard to decarbonize. Decarbonizing this sector in Minnesota’s cold climate, with associated high heating loads, is even harder. We designed our approach to take on both challenges by building in more energy navigator program capacity and local governments to help Minnesotans move along the path of home decarbonization.

4) *A collective impact approach to foster large-scale transformative change*: We designed our approach to serve as a foundation for larger-scale transformative change across the whole residential sector by building in collective impact principals to foster learning, collaboration, and resource commitments needed to achieve full decarbonization of the sector. The factors of collective impact and how we approach them are described above. We have a strong chance to achieve the sectoral transformation because we also have the three pre-conditions for success of collective impact:²

1. *Influential champion*: Research suggests an influential champion is critical for collective impact success. Project lead – Kate Knuth, Ph.D. – has championed this proposal from its inception and fostered the collaboration to bring together 15 key collaborators. As the state’s Climate

1. *Channeling Change: Making Collective Impact Work*. Hanleybrow, Kania, and Kramer. 2012

Director, she has positional leadership authority and brings relationships and expertise developed over decades of climate leadership in Minnesota. She wrote her dissertation on how to drive large-scale transformation toward sustainability. See team biographies for more.

2. *Adequate financial resources to last at least 2-3 years:* We wrote adequate funding into our proposed budget. If the proposal is funded, we will have adequate financial resources.
3. *Urgency for change:* REACH and proposed collective impact builds on urgency for change that is evident in the excitement for the work from local governments. In addition, grassroots organizing focused on residential decarbonization is growing in Minneapolis ([Unidos MN \(unidos-mn.org\)](https://unidos-mn.org)), across the Twin Cities Metro ([Electrify Everything | Center for Energy and Environment \(mncee.org\)](https://electrifyeverything.org)), & statewide ([Building The Future \(buildingthefutureminnesota.org\)](https://buildingthefutureminnesota.org)).

Our collective impact approach will create a shared measurement system among coalition partners that can be applied statewide. The plan to sustain REACH Homes will be the first-of-its kind to fully decarbonize the residential sector in a cold-climate state including a funding/financing plan. We have a good chance to implement this plan because it will be grounded in 5 years of CPRG-funded work, relationship-building, and progress. Design of the REACH proposal is based on research completed by the project lead on how to drive the deliberate transformative change needed to achieve sustainability. Knuth's research shows pairing a transformative vision of what is necessary (i.e. vision to decarbonize all homes) with ways to channel bottom-up energy to achieve the vision (i.e. different components of the REACH proposal) contribute to successful transformative impact.³

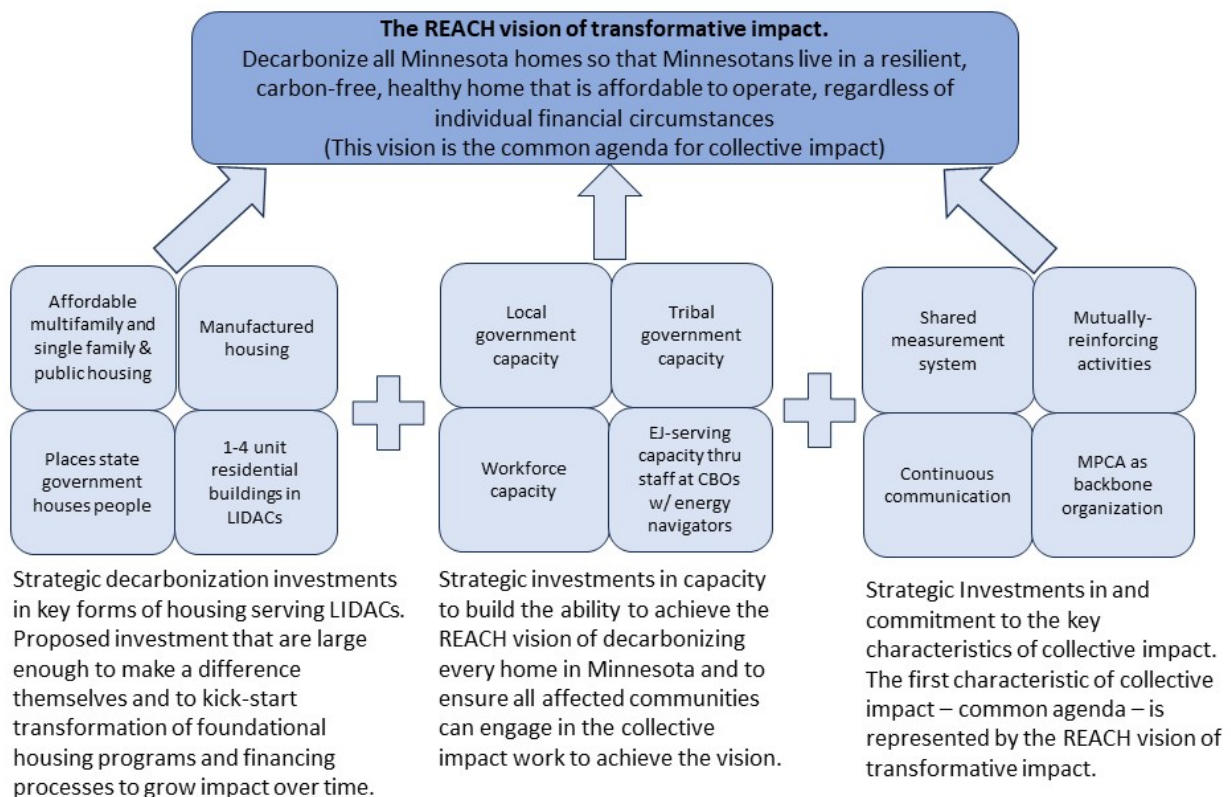


Figure 2. Illustration of Theory of change and transformative impact

³ *How collectives drive deliberate transformation to make progress toward sustainability.* Knuth. 2019.

Section 2: Impact of GHG Reduction Measures

- Magnitude of GHG Reductions from 2025-2030. See Table 7.
- Magnitudes of GHG Reductions from 2025-2050. See Table 7.
- Cost-effectiveness of GHG reductions. See Table 7.

TABLE 7: SUMMARY OF CUMULATIVE GHG IMPACTS AND COST-EFFECTIVENESS. ASSUMPTIONS AND METHODS UNDERLYING THE QUANTIFICATION IN TABLE 7 ARE DOCUMENTED IN THE TECHNICAL APPENDIX

Measure	2025-2030 (MT)	2025-2050 (MT)	Total cost	2030 \$/ton
1: MN Housing – MF and SF housing	35,306	298,845	\$100,000,000	\$2,832
2: Commerce - manufactured housing	53,514	432,600	\$75,890,104	\$1,418
3: Admin - state buildings	26,735	204,965	\$70,027,338	\$2,619
4: Coalition, Energy Navigators, collective impact	118,049	825,727	\$137,703,724	\$1,166
CPRG grant admin	-	-	\$1,97,325	-
Total	233,604	1,762,137	\$385,593,491	\$1,651

We expect durable GHG emissions reductions if buildings stay in use. By improving energy efficiency and electrification upgrades, we expect improved buildings to stay in use longer than they otherwise would have. Institutional buildings (measures 1 and 3) and their improvements are expected to last decades. By investing in the capacity of building operators to manage buildings effectively, we also ensure durability of emissions. We expect individual home improvements (measures 1,2 and 4) to create durable emissions reductions because once energy improvements are done in a home it makes little economic or operational sense to remove them.

In developing the REACH concept and supporting CPRG proposal, we intentionally centered equity and serving LIDACs with emissions reduction measures by focusing on affordable housing (measure 1) and manufactured homes (measure 2) and serving vulnerable Minnesotans the state houses (measure 3). Measure 4 adds extra programmatic support (energy navigators and local and Tribal government staff) and LIDAC-focused funding to ensure a just transition. These programmatic choices make the GHG emissions in our proposal less cost-effective, in part because of a limited ability to leverage private funds. However, we believe the proposed investments are necessary to transition to a carbon-free residential sector without leaving Minnesotans behind. In addition, by using a collective impact approach, we plan to and leverage additional financial resources for implementation, but we have not included these potential funds in our emissions reduction quantifications.

Section 3: Environmental Results – Outputs, Outcomes, and Performance Measures

a. Expected Outputs and Outcomes

The four GHG reduction measures will achieve significant reductions of GHG emissions and other co-benefits. We estimate that these projects will result in reductions of 233,604 MT CO₂e from 2025-2030 and 1,762,137 MT CO₂e from 2025-2050. The economic benefit of these estimated reductions, using the federal social cost of CO₂ central value (2.0% discount rate) in the emissions year 2030, is nearly \$54M for 2025-2030 and over \$405 million for 2025-2050. Other key outputs and outcomes for each of our GHG reduction measures are summarized in the table below. All outputs and outcomes are targeted towards LIDACs and will be tracked and monitored over the lifetimes of the projects, including how many of each are delivered to LIDACs.

The proposal directly builds community capacity by funding 15 local government staff, 2 Tribal government staff, and 20 staff at CBOs. We estimate 20,713 residential units will see direct benefit from REACH funding plus residents in 4 state-run facilities will directly benefit from REACH investments.

TABLE 8. KEY OUTPUTS AND OUTCOMES BY MEASURE.

Measure	Key Outputs	Key Outcomes
Measure 1. Deeply decarbonize multiple types of affordable housing.	<ul style="list-style-type: none"> - Take 15 – 20 MF buildings with an average of 47 units/building from basic Energy Star sustainability requirement to Tier 4 sustainability (net-zero) - 8 to 20 publicly-owned housing rehabilitation projects through a climate RFP - rehabilitate 134-200 homes with decarbonization & home electrification work - 40-50 newly-constructed Passive House SF affordable housing units - organizational and intermediary capacity building for affordable housing developers and providers on climate resilience, renewable energy, Passive House, and net-zero decarbonization programs 	<ul style="list-style-type: none"> - Better indoor air quality in homes - Lower energy costs for residents of affordable housing and public housing - Improved home thermal control during extreme cold and heat events, resulting in more comfortable living environment and climate resilience - Increased capacity in affordable housing provider sector to deliver healthier, carbon-free housing
2. Establish manufactured homes decarbonization programs to weatherize, electrify, &/or replace homes.	<ul style="list-style-type: none"> - Weatherization and appliance replacement in 1,200 manufacture homes - Replace 100 pre-1977 manufactured homes with homes inspired by the Zero Energy Ready Home specification, finance additional home replacement through capitalization of a fund to provide for financing of additional home replacement - 1MW of solar, primarily in the form of 3kW ROCs, serving 333 residences - Community-scale geothermal systems in 3 ROCs serving 150 households - 4,000 manufactured homes in 70 parks served by basic weatherization through conservation kits & deeper retrofit referrals - 13 trainings for weatherization contractors, with wrap-around services. ~200 ppl. served 	<ul style="list-style-type: none"> - Improved indoor air quality - Reduced energy cost burden for residents - Community wealth generation through both direct investment and job creation in manufactured home communities - Improved climate resilience resulting from better regulation of indoor temperatures during extreme heat and cold - Increased weatherization and electrification workforce capacity from training programs
3. Decarbonize and improve buildings in which the State of Minnesota houses people	<ul style="list-style-type: none"> - Heating decarbonization and addition of air-conditioning through heat pump technology and solar at Stillwater Correctional Facility - Decarbonization of State Hospital in St. Peter - Decarbonization of 2 Veterans Homes - 150 state facility operators certified through the Building Operators Certification run by the Midwest Energy Efficiency Alliance 	<ul style="list-style-type: none"> - Improved air quality and climate control for vulnerable Minnesotans housed in institutional settings - Improved climate resilience during extreme heat events by adding summer cooling capacity at a correctional facility - Reduced energy costs for state facilities - increased capacity for state building operators to manage updated buildings
4. Localize, scale, and sustain equitable residential decarbonization by working with energy	<ul style="list-style-type: none"> - 12,800 1-4 unit homes audited and served with a combination of weatherization and home electrification measures, at least 85% in LIDACs. See measure description above for more details on how this work is divided among coalition governments. - upgraded electric substation to serve Mille Lacs Band, necessary for home electrification 	<ul style="list-style-type: none"> - Improved indoor air quality and reduced energy cost burdens in LIDAC homes - Ensure under-resourced communities are prioritized in home clean energy transition - Improved climate resilience during extreme cold and heat weather events - Improved trust in energy upgrade service providers in LIDACs

<p>navigators and a coalition of eight local governments and three Tribal governments as part of a collective impact approach to REACH every home in our state.</p>	<ul style="list-style-type: none"> - Residential decarbonization plans for Shakopee Mdewakanton Sioux Community and Bois Forte Band - Learning cohort of 8 coalition governments - Second Learning cohort with additional local and tribal governments - Shared measurement system for local governments reporting on residential decarbonization - Templates for top 3-5 equitable residential decarbonization strategies for local governments - 5 half-day learning sessions for wider equitable residential communities - 4 annual stock-takes on progress and work needed on REACH Homes - A plan to decarbonize all homes in MN aligned with GHG emissions reduction goals, grounded in 4 years of collaborative work - Strategy to help small contractors comply w/ Davis Bacon requirements & do more high-road labor practices, plus implementation 	<ul style="list-style-type: none"> - Consumer protection in the weatherization and electrification sectors for LIDACs - improved job quality amongst small contractors doing residential decarbonization work - Increased capacity at local governments to deliver residential decarbonization programs through - Increased capacity at CBOs serving culturally- and geographically-specific EJ communities - Increased capacity for Minnesota to extend REACH beyond CPRG funding
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b. Performance Measures and Plan

The REACH leadership team will be responsible for performance measures and ensuring collaborating agencies and coalition members are making the required progress. The leadership team will consist of the MPCA Climate Director, a climate unit supervisor, 3 CPRG-funded staff focused on (1) communications; (2) cohort learning and technical assistance; and (3) measurement, tracking and reporting along with a key staff person from Minnesota Housing, Admin, and Commerce. This team will meet at least monthly over the CPRG performance period.

The MPCA measurement and reporting staff person will be responsible for the following:

- Create template and process for all coalition local and tribal governments to report on residential units served with what decarbonization efforts
- Support local and tribal governments on twice-yearly reporting
- Work with partner agencies to gather data on implementation of the measure each agency is responsible for leading
- Lead writing and submission of twice-yearly grant progress reports to EPA
- Work with MPCA communications staff person to prepare public facing reporting for annual stock-take gatherings

We will document and report GHG emissions reductions from each measure using an approach relevant for each measure. For measure 1, Minnesota Housing will document project scopes of all funded projects and compare them to standard Energy Star projects. Admin OES is experienced at tracking and documenting energy use and GHG emissions reductions through the Enterprise Sustainability tracking tool (<https://sustainability.mn.gov/>). Admin will use their standardized approaches to track reductions in the projects funded in measure 3. Measures 2 and 4 serve a wide range of housing types. Early in the CPRG process, we will work with coalition governments to develop a standard data collection method, using significant input from the City of Minneapolis Green Energy Cost Share Program. This reporting method will rely on the Minnesota Technical Reference Manual (TRM), which is a standard set of methodologies, inputs, and assumptions that administrators of Minnesota's

Conservation Improvement Program (CIP) may reference when developing, implementing, and reporting on CIP programs as outlined in Minnesota Statute 216B.215, subd. 1d.

Tracking outcomes beyond GHG emissions reduction will also be tailored to each measure.

- Measure 1. Minnesota Housing will gather information about energy use and thermal control in buildings from awarded MF projects. To assess capacity of the affordable housing sector, projects proposed in RFPs that include Tier 4 sustainability standards will be tracked.
- Measure 2. Implementing contractors will track number of units served and individuals trained as well as conduct follow up surveys with program participants.
- Measure 3. Admin OES will track energy use and thermal control at improved buildings in partnership with building operators.
- Measure 4. MPCA staff person will conduct a mid-program formative evaluation based on interviews with energy navigators and coalition government staff. This evaluation will inform second cohort design. For a summative evaluation, MPCA staff will interview energy navigators and coalition government staff about capacity improvements and administer a brief anonymous survey to a sample of REACH program participants in LIDACs on program outcomes.

MPCA staff lead the process to create the sustain REACH Homes plan.

Assessment will track the quantity and types of investments in LIDACs, LIDAC use of the energy navigation tool (EIC), change in the ratio of low and moderate-income household participation in residential decarbonization programs, reductions in energy use, utility shut off notices, and late energy bill payments in participating households.

Our commitment to annual stock-takes shows our commitment to highly-transparent and publicly-accountable reporting of progress for REACH as supported by CPRG. We will design stock-takes as an opportunity for transparency about who is benefiting, how progress is going, and for rallying support.

c. Authorities, Implementation Timeline and Milestones

Implementation timelines for each measure are included tables 1,2,3, and 4. The tracking, measuring, and reporting timeline is in table 9. All partner agencies and coalition members have the authority needed for proposed measures. Roles and responsibilities for each measure are in table 10.

TABLE 99. TIMELINE FOR TRACKING, MEASUREMENT, AND REPORTING TO EPA AND WIDER PUBLIC

Date	Tracking, measuring, and reporting milestones
Oct 2024	EPA releases funding to MN
April 2025	Twice-annual progress report to EPA due. Detailed local government plans due to MPCA
May 2025	Shared tracking and reporting process for local and Tribal governments created
June 2025	Annual virtual gathering of cohort and wider community to share learning
October 2025	Twice-annual progress report to EPA due, includes quantification of benefits to LIDACs and ongoing and planned community engagement
January 2026	First annual stock-take, a hybrid public convening. This convening will focus on REACH vision and foundation of shared measurement and communication
April 2026	Twice-annual progress report to EPA due
June 2026	Annual virtual gathering of cohort and wider community to share learning
October 2026	Twice-annual progress report to EPA due
January 2027	Second annual stock-take, a hybrid public convening. This convening will share first annual progress report and announce second local and tribal government cohort, announce process for creating plan to sustain REACH
April 2027	Twice-annual progress report to EPA due
June 2027	Annual virtual gathering of cohort and wider community to share learning
October 2027	Twice-annual progress report to EPA due
January 2028	Third annual stock-take, a hybrid public convening. This convening will share second annual progress report

April 2028	Twice-annual progress report to EPA due
June 2028	Annual virtual gathering of cohort and wider community to share learning
October 2028	Twice-annual progress report to EPA due
January 2029	Fourth and final annual stock-take, a hybrid public convening. This convening will share third annual progress report and the completed REACH sustainability plan
April 2029	Twice-annual progress report to EPA due
June 2029	Annual virtual gathering of cohort and wider community to share learning
October 2029	Twice-annual progress report to EPA due
March 1, 2030	Detailed final report due to EPA

TABLE 10.10 ROLES AND RESPONSIBILITIES FOR AGENCIES AND COALITION GOVERNMENTS

Measure	Roles and Responsibilities of Parties for implementing measure
1. Leverage Minnesota Housing's financing processes to deeply decarbonize affordable housing.	<p>Minnesota Housing roles and responsibilities</p> <ul style="list-style-type: none"> - Develop and manage all RFP processes for using CPRG fund in Minnesota Housing processes - Report on progress to MPCA staff ahead of required EPA reports and public reporting - Contribute to and review related reports and documents <p>MPCA roles and responsibilities</p> <ul style="list-style-type: none"> - Subaward funding to Minnesota Housing - Incorporate reporting information into reports - Conduct financial oversight required for compliance - Communicate relevant updates and notices from EPA regarding CPRG funding and compliance - Support Minnesota Housing staff as needed
2. Leverage the Commerce' Weatherization Assistance Program by establishing a set of manufactured homes decarbonization programs to address current barriers and allow for focused efforts to weatherize, electrify, and/or replace homes.	<p>Commerce roles and responsibilities</p> <ul style="list-style-type: none"> - Develop and manage all contracting and RFP processes - Report on progress to MPCA staff ahead of required EPA reports and public reporting - Contribute to and review related reports and documents <p>MPCA roles and responsibilities</p> <ul style="list-style-type: none"> - Subaward funding to Commerce - Incorporate reporting information from Commerce into reports - Conduct financial oversight required for compliance - Support Commerce staff and contractors as needed
3. Decarbonize and improve buildings in which the State of Minnesota houses people to reduce GHG emissions and create healthier living situations.	<p>Admin roles and responsibilities</p> <ul style="list-style-type: none"> - Run all project RFPs for pre-design, design, and project bid - Office of Enterprise Sustainability will sit on all project teams - Measure and verify building performance systems - Manage process for getting 150 facility operators certified through Building Operators Certification - Report on progress to MPCA staff ahead of required EPA reports and public reporting - Contribute to and review related reports and documents <p>MPCA roles and responsibilities</p> <ul style="list-style-type: none"> - Subaward funding to Admin - Incorporate reporting information from Admin into reports - Conduct financial oversight required for compliance - Support Admin staff as requested
4. Build on Department of Commerce' pilot Energy Navigator Program, pairing	<p>Commerce roles and responsibilities</p> <ul style="list-style-type: none"> - Manage energy navigator program, including RFP processes

with local and Tribal government efforts across the state to localize, scale, and sustain equitable residential decarbonization by working with a coalition of eight local governments and three Tribal governments as part of a collective impact approach to REACH every home in our state.	<ul style="list-style-type: none"> - Collaborate with MPCA to ensure effective coordination of residential clean energy incentives programs and coalition - Report on progress to MPCA staff ahead of required EPA reports and public reporting - Contribute to and review related reports and documents <p>MPCA roles and responsibilities</p> <ul style="list-style-type: none"> - Manage local and Tribal government cohort learning process - Managed RFP for second cohort - Manage public gatherings for collective impact process - Manage RFP for Davis Bacon contractor compliance process - Manage RFP process for workforce training - Subaward funding to Commerce, local governments, and Tribal governments - Incorporate reporting information from Commerce, local governments, and Tribal governments into relevant reports - Conduct financial oversight required for compliance - Support Commerce staff and contractors as requested <p>Local governments roles and responsibilities</p> <ul style="list-style-type: none"> - Submit detailed work plan w/in 6 months of award funding - Implement programming as agreed - Track/measure progress using agreed upon format - Participate in learning cohort and collective impact convenings <p>Tribal governments roles and responsibilities</p> <ul style="list-style-type: none"> - Share relevant home decarbonization plan when completed. - Implement programming as agreed - Track/measure progress using agreed upon format - Participate in learning cohort meetings and convenings as able
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Section 4: Low-income and disadvantaged communities

a. Community benefits

REACH is a critical opportunity to overcome barriers to LIDAC participation in residential decarbonization and address climate vulnerabilities. LIDACs are often least able to invest in climate action because of historical policies and practices. Minnesotans with fewer financial resources and renters are less able to make home upgrades, maintain indoor air quality, and safely and affordably heat and cool their homes. These inequitable housing conditions result in health disparities, which climate change will exacerbate as extreme weather increases. REACH directly addresses past harms and current climate burdens, with a range of benefits for LIDACs including reduced energy costs, improved energy security, strengthened financial security, increased climate resilience, and better health outcomes.

REACH will increase LIDAC access and participation in weatherization and electrification programs. Existing weatherization and other energy efficiency programs administered often have limited reach within LIDACs and benefit renters least. High upfront costs, language, time, and split incentives between property owners and renters are barriers to participation. Energy navigators paired with targeted incentives will help achieve equitable representation of LIDAC participants in energy efficiency and weatherization, and clean energy.

REACH will improve energy security and decrease energy cost burden in LIDACs. Nearly 17% of Minnesotan adults in households can't pay their energy bills in full. On average, low-income houses are 20% more energy intensive and have 145% higher leakage than non-low-income houses. Both small MF and manufactured homes consume more energy per square foot than all other housing types. These homes are targeted with REACH efforts, which means REACH will help improve energy costs for LIDACs.

REACH will ensure access to residential decarbonization and improve housing conditions in Tribal communities. Households in Tribal lands are nearly 5 times more likely to live in poor housing conditions compared to the general population. REACH will benefit Tribal communities through the three coalition Tribes and additional Tribes served through manufactured housing programs.

REACH will improve indoor air quality in LIDACs. Indoor air quality is a threat to public health and the fifth leading cause of premature death globally. Low-income populations are disproportionately exposed to indoor air pollution, in part due to poor housing quality. Research on gas stoves and childhood asthma demonstrates replacing gas appliances can reduce asthma rates, and weatherization improves indoor air quality. REACH addresses multiple contributors to poor indoor air quality in LIDACs.

REACH will protect LIDACs from heat exposure and related health consequences. Heat exposure has public health consequences. LIDACs are at greater risk for heat related illness and mortality. Although Minnesota is a cold weather state, extreme heat is increasing. Households in MF rental housing face the highest heat risk compared to other housing types. REACH will help LIDACs more effectively and affordably cool their homes and protect themselves from heat related health impacts.

REACH will protect households in LIDACs from extreme cold. LIDACs statewide struggle to heat older homes during the winter. Low-income households are more susceptible to extreme cold weather and are more likely to suffer from health issues as a result. Increased weatherization and better heating will help protect LIDACs from extreme cold.

REACH will protect LIDACs from the health risks of wildfire smoke. In the summers of 2021 and 2023, wildfire smoke blanketed Minnesota, leading to an unprecedented increase in air quality alerts and posing significant health risks. Wildfires release air pollution linked to numerous acute and long-term health consequences. LIDACs are less likely to be able to follow EPA's guidance for limiting exposure at home during a wildfire smoke event due to energy cost burden, energy inefficiency, and lack of air conditioning. By improving energy efficiency, energy affordability, and indoor air quality, REACH will empower households in LIDACs to protect themselves from the risks of wildfire smoke.

REACH will protect prison staff and inmates. High temperatures correlate with increased violence among the incarcerated. In 2023, record breaking heat led to staffing shortages and an inmate protest against living conditions at Stillwater correctional facility. As temperatures rise with climate change, extreme heat poses increasing risks to the health and safety of inmates and staff. Decarbonizing and adding air condition to the Stillwater Correction Facility addresses these risks.

Plan and process to assess, quantify, and report benefits and avoided disbenefits in LIDACs: Expected REACH outcomes are in Table 8. We've designed both programming and tracking to benefit LIDACs, and this approach is reflected in expected program outcomes and assessment and quantification of benefit. We are committed to explicit and transparent discussion of benefits and disbenefits in LIDACs in all EPA and public reporting.

A potential disbenefit of REACH is an increase in electricity costs associated with electrified heating if this heating is not paired with appropriate weatherization. We address this risk by developing energy navigator and coalition government capacity to make sure weatherization occurs before major heating electrification. Another potential disbenefit for LIDACs is poor-quality weatherization and electrification work. Again, increased energy navigator and coalition government capacity will help address this consumer protection issue.

Note that citations documenting LIDAC benefits and potential disbenefits are available upon request and included in MPCA's Minnesota PCAP.

b. Community engagement

Community input set direction for the creation of REACH. Climate-focused engagement began in earnest during development of Minnesota's Climate Action Framework, which incorporated input from more than 3,000 Minnesotans and 11 Tribal Nations that share Minnesota's geography. PCAP

engagement also informed REACH. As part of the PCAP, the state expanded Tribal coordination and hired a CPRG Tribal-State Coordinator who, along with the Tribal liaisons from state agencies, met with Tribal Nations' staff and leaders. LIDAC engagement included meetings with community-based organizations serving LIDACs and with the MPCA Environmental Justice Advisory Group (EJAG).

Engagement was essential to create the coalition. We invited Local governments that participated in our public engagement to explore an equitable residential decarbonization proposal. The excitement expressed by local governments suggested creating a proposal made sense. Each local government completed a questionnaire about activities related to residential decarbonization and equitable engagement. The MPCA team selected eight local governments to participate. Five coalition members are cities – two in the Twin Cities metro and three in Greater Minnesota, ranging in population from 7,482-430,000. Three coalition members are regional development organizations covering the Twin Cities Metro and parts of Greater Minnesota. To serve suburban communities, we met with sustainability staff from these communities and the Met Council (a coalition partner) to make sure the Council's proposed programming would meet suburban community needs. We held eight 60- to 90-minute meetings with local government coalition partners to design the proposal.

All local governments have worked extensively to engage their communities. For example, Saint Paul has a Climate Justice Advisory Group and Minneapolis recently completed a climate-equity plan including significant engagement. Crookston is working with a community coalition called Empower Crookston, and Duluth has developed strong community partnerships.

Bringing together Tribal coalition partners built on years of work through the climate change subcabinet, Tribal engagement, and government-to-government consultation. We heard that residential decarbonization is important for Tribal members, which contributed to Minnesota's coalition proposal focus. After the decision to focus on residential decarbonization was made, MPCA's Tribal liaison reached out to staff from each Tribe inviting them into the coalition. As a result, three Tribes joined the coalition. Because Tribes are sovereign nations, we have engaged with Tribes through a direct one-on-one approach in developing the coalition proposal. MPCA staff met with staff from each tribe in a series of 3-4 meetings to co-develop this proposal to advance residential decarbonization in Indian Country.

LIDAC engagement and Tribal coordination are essential for REACH. Our localizing and collective approach enlists local and Tribal governments and EJ-serving CBOs as collaborators. Partnerships with CBOs are critical to build the relationships and trust with LIDACs required for implementation. The addition of 20 energy navigators at EJ-serving CBOs means greater capacity in these communities for participation in REACH engagement.

In addition to the explicit REACH-focused engagement, we will work through standing committees and processes for ensuring strong LIDAC engagement. The groups include the MPCA EJAG, MDH Health Equity staff, and Commerce Community Energy Collaborative. The coalition will provide accessible content, incorporating language translation and interpretation where necessary, and engage LIDACs on programs relevant to their communities to foster collaboration, and track program benefits/disbenefits.

REACH's expansion of the EPA funded Energy Navigator pilot program will be a key conduit for LIDAC engagement. The Energy Navigator pilot program creates several tools for meaningful engagement including an environmental justice co-learning community of EJ organizations and state agencies through a Justice40 Leadership Academy, a community-based navigation tool and four community-based navigator demonstration projects. Using CPRG funds, the REACH coalition will partner with at least 10 additional EJ organizations in the J40 Academy, expanding the impact of that training. CPRG funds will build on the statewide Energy Information Center to build a stronger resource for all communities and expand the program's reach by funding 20 additional energy navigators who work at CBOs serving culturally- and geographically-based EJ communities.

We will engage with key stakeholders like small contractors and construction trade unions through the Davis-Bacon compliance and high-road labor practice stakeholder-informed design process. By reserving funding for implementation of recommendations from this group, we will encourage participation and thinking that includes ideas requiring funding for implementation.

The collective impact approach combines shared reporting, MPCA as a backbone organization, regular coalition meetings, a dedicated website, regular email communication, and annual public stock-takes. Taken together, this work infuses community engagement throughout REACH. The proposed investments in local capacity, particularly in EJ communities, enable fuller participation in this community engagement by all affected communities.

The community engagement underlying REACH and commitment to community engagement moving forward is demonstrated by a letter of commitment from Governor Walz' and 45 community partners including 9 MH cooperatives, 2 utilities, 3 Tribal colleges, 2 non-coalition Tribes, 2 community action partnerships, 5 housing developers/financers, 3 companies, 12 community-based organizations working on housing and/or climate, 1 coalition of environment and union organizations, and the MN Building and Construction Trades Council, the advocate voice for MN unionized construction workers.

Section 5: Job quality

Minnesota has long worked to ensure high-quality jobs consistent with the Good Job Principles developed by the U.S. Departments of Labor and Commerce and establish itself as a worker-friendly state. Jobs created with the support of CPRG will adhere to all relevant federal policies, such as Davis-Bacon, as well as Minnesota's existing policies that address wages, benefits, workplace health and safety, labor organizations, and collective bargaining agreements.

As specified in measure 4, we will use a stakeholder-informed design process to recommend approaches for the small residential contractors meet Davis-Bacon requirements with funding to implement recommendations. Much of the residential decarbonization work done in smaller (1-4 unit) buildings is done by small contractors that do not employ unionized workforces and in some cases do not meet basic work protection practices. By investing significant funds that require Davis Bacon compliance, we expect to improve the job quality in the residential energy contracting sector.

In measures 2 and 4, we include workforce training to build out targeted capacity in support of an equitable transition in the residential sector. As part of measure 2, we will part with Tribal colleges to offer training related to manufactured home weatherization and solar installation, improving skills of Tribal members and growing a much-needed workforce in northern Minnesota. In measure 4, we propose training in energy construction, home energy, energy navigation with wrap-around supports to ensure successful training completion and job placement.

In developing the CPRG proposal, we had multiple discussions with Labor union leaders, ServeMN, and staff and leadership at the Minnesota Department of Employment and Economic Development.

Section 6: Programmatic capability and past performance

a. and b. Past performance and reporting requirements

The MPCA currently has approximately 42 active grants totaling approximately \$106 million in federal funds ranging from \$51,000 to \$61 million. The agency has decades of experience administering and reporting on federal grants. Grants listed below have been managed within grant requirements.

EPA Performance Partnership Grant FFY 2022-2026 (AA# BG98568812, AL# 66.605), funding for multiple ongoing environmental program areas, including air quality, water quality, and hazardous waste. Contact: Kristen Faulhaber, (312) 353-4378. **Successful management and reporting requirements:** The MPCA has been successfully administering EPA PPG since 2002. MPCA reports through a comprehensive end-of-the-year progress report called a self-assessment. MPCA is making progress toward grant objectives and has submitted all reports on time, most recently on 12/15/2023.

EPA Gulf Hypoxia Program Grant (AA# 4F00E03272, AL# 66.485), scaling up agricultural BMPs through MPCA's nutrient reduction strategy. **Contact:** Michael Mora, (312) 353-8030. **Successful management and reporting requirements:** This work plan focuses on eight areas integral to reduce nutrient pollution from both point and nonpoint sources across the state; work in these categories is about halfway complete and data analyses are beginning to generate actionable results for use in local watershed plans, updated permitting strategies, and the statewide Nutrient Reduction Strategy. The first annual report was completed 1/26/24 on time and in accordance with the grant agreement.

EPA Clean Water Act Section 319 funding (AA# C997593522, AL# 66.460), funding for nonpoint source water pollution control projects, focusing on watersheds with water quality impairments caused by polluted runoff from nonpoint sources. **Contact:** Michael Mora, (312) 353-8030. **Successful management and reporting requirements:** MPCA provides these funds to 6-10 local units of government for implementation activities annually. Grant activities are in-progress and on track according to grant requirements. The first semi-annual report was completed on time 1/25/2024 and the first final report was submitted before the deadline of 3/31/2024.

EPA Climate Pollution Reduction Planning Grant (AA#: 5D00E03463 AL#: 66.046), funding to develop climate mitigation plans. **Contact:** Helen Mollsen, (312) 886-7901. Work activities for this grant are in progress and on track. **Successful management and reporting requirements:** Engagement, analysis, and planning activities are on track. Work activities are meeting grant expectations and objectives. EPA approved MPCA's first deliverable, the Priority Climate Action Plan, which was submitted on time. All quarterly reports have been submitted on time.

DOI USFWS Restoration of Common Loons in Minnesota: Get the Lead (Pb) Out (AA# F20AC00035, AL# 15.658), funding to assist in restoring common loons injured because of the Deepwater Horizon Oil Spill by reducing exposure of common loons to lead. **Contact:** Kate Healy, (251) 517-8010. **Successful management and reporting requirements:** Education and outreach efforts with anglers to switch to lead-free tackle alternatives are on track. To date, the project has distributed close to 50,000 sample packs of lead-free tackle, has collected over 1,000 pounds of lead to be recycled, and given 1,000 starter kits of lead-free tackle to youth anglers. Grant activities are on pace with grant expectations and deadline of June 2024. All quarterly reporting activities have been completed on time.

c. Staff expertise

The MPCA works to prevent, limit, and remediate pollution caused by businesses, organizations, and individuals to protect human health and the environment. MPCA collaborates with other state agencies, local governments, businesses, NGOs, and academic institutions. These partnerships increase the agency's capacity to implement effective GHG reduction measures by obtaining and leveraging resources and expertise from diverse stakeholders.

The interagency work proposed is supported by Minnesota's Climate Change Subcabinet, which the MPCA Commissioner chairs. The subcabinet was created by Governor Walz in 2019 by executive order. Membership includes 15 state agencies, departments, and boards. The subcabinet developed Minnesota's Climate Action Framework and a 2023 climate budget proposal contributing to Minnesota's historic climate investments. Subcabinet agencies worked collaboratively on Minnesota's PCAP. The subcabinet meets monthly, while key staff meet weekly to foster effective collaboration. The strong interagency culture, relationships, and organizational structures will support effective delivery of REACH.

REACH relies on expertise in the local and Tribal government coalition members. The collaborative work to develop the proposal build relationships among agency leadership and coalition government leaders. These will continue to grow as REACH Homes unfold.

Bios and resumes for key personnel are attached. Key personnel from MPCA, Commerce, Housing, and Admin are included because these agencies will run CPRG-funded programs. Collaborators from the Departments of Health and Employment and Economic Development are also included.