OKLAHOMA CPRG IMPLEMENTATION WORKPLAN

SECTION 1. OVERALL PROJECT SUMMARY AND APPROACH

The Oklahoma Department of Environmental Quality (DEQ) is requesting $191,503,405 in Climate Pollution Reduction Grant (CPRG) funding to reduce greenhouse gas (GHG) emissions by implementing ambitious projects across multiple sectors. Through the proposed projects, DEQ intends to support investment in policies, practices, and technologies that diversify energy, reduce pollution, create high-quality jobs, spur economic growth, enhance the quality of life, and improve overall health outcomes for all Oklahomans.

Oklahoma is proud of our "all energy approach." We currently use 45% renewables for powering Oklahoma. The state is number three in the nation for wind-power produced energy which provides 41% of Oklahoma's in-state net power generation. Oklahoma has the potential to become a top ten producer for solar power. The DEQ received an award from Governor Fallin in 2015 for being the first state agency to hit the 20% energy savings goal. As of the end of FY 2019, DEQ had achieved a 42% reduction in energy usage since the baseline year of 2012. Our commitment to reducing emissions runs deep in Oklahoma.

1.a Description of GHG Reduction Measures

Oklahoma's Priority Action Plan (PAP) outlined target sectors and potential programs that would achieve significant GHG reductions, which are detailed in this workplan. Near-term priority measures include both industry- and municipal-focused projects. The long-term projects promote national goals for innovation in the transportation industry by incentivizing hydrogen production and fueling infrastructure opportunities. All projects are scalable and can be implemented across Oklahoma with priority to Low-Income and Disadvantaged Communities (LIDAC).

DEQ has engaged multiple state and local agencies, municipalities, citizens, Tribal Nations, and industries to identify potential pollution reduction projects across multiple GHG sectors. Coordinating entities include the University of Oklahoma (OU), Oklahoma State University (OSU), Petroleum Alliance of Oklahoma, Southern Plains Transportation Center, Oklahoma Department of Transportation (ODOT), Oklahoma Corporation Commission (OCC), Oklahoma Conservation Commission, Oklahoma Department of Commerce (ODOC), Onward OKC Career Tech Compact, Oklahoma City Office of Public Works, Association of Central Oklahoma Governments, Indian Nations Council of Governments, Environmental Federation of Oklahoma, several Tribes, and the Council of Black Mayors. Collaboration is vital thus DEQ will continue to identify and reach out to additional stakeholders throughout the planning process.

This proposal will advance several EPA goals and achieve the CPRG program objectives. The implementation of this project will allow for:

1. Significant and sustained reductions in GHGs as detailed in the impact of the GHG Reduction Measures section of this proposal;
2. Substantial community benefits (such as reduction of criteria air pollutants (CAPs) and hazardous air pollutants (HAPs)), particularly in low-income and rural communities as detailed in the Environmental Results and Low-Income and Rural Communities sections;
3. Complement other funding sources to maximize these GHG reductions and community benefits as described in the demonstration of funding need; and
4. Establish a replicable program that can be scaled across multiple jurisdictions.

Hydrogen Fueling Station, EV Chargers, & Fleet Transition

Total Grant Allocation: $37,600,000

DEQ plans to incentivize installation and operation of hydrogen fueling and electric vehicle charging infrastructure for heavy-duty vehicles on Interstate 35 (I-35). DEQ will also incentivize the replacement of heavy-duty diesel trucks with fuel-cell and battery-electric equivalents. DEQ proposes to select project sponsors to receive incentives by implementing two competitive application processes.

The first competition will solicit applications from businesses in Oklahoma to construct and operate hydrogen refueling and direct current fast-charging (DCFC) infrastructure for medium- and heavy-duty trucks traveling on I-35. DEQ proposes to include on-site renewable energy generation with storage systems to offset power needs at the site. Criteria for acceptable locations along I-35 will be outlined in the application. DEQ anticipates providing funding for the deployment of one hydrogen fueling station with two refueling lanes and four electric charging stations along I-35. DEQ will prioritize locations that are appropriately located in relation to other potential hydrogen fueling stations.

The second competition will solicit applications to replace class 7 and 8 heavy-duty diesel trucks with hydrogen fuel-cell or battery-electric equivalents. Removing replaced diesel trucks from use will be a condition of receiving funding under this competition.

Expected Outputs

- Replacement of twenty-four (24) class 7 or 8 long-haul trucks with zero-tailpipe emission equivalents.
- Installation and operation of one heavy-duty zero-tailpipe emissions charging and fueling site with a minimum of two mobile hydrogen refueling lanes and four 350 kW direct current fast charging EVSEs per site.
- Community meetings and other meaningful engagement in project development in infrastructure and fleet host communities.
- Additional state capacity to further evaluate, support, and pursue funding for further zero-emissions heavy-duty fleet transitions and infrastructure deployment.
- Extensive benefits to the community including production of quality jobs and economic benefits to the community.

Expected Outcomes

- Reduction in annual criteria air pollutant (CAP) and hazardous air pollutant (HAP) emissions in 2030.
- Development of strong and trustworthy relationships between the infrastructure & fleet host communities and the states, fleet operators, & zero-tailpipe emissions infrastructure operators.
- Complementary additional zero-tailpipe emissions infrastructure and vehicle investments in Oklahoma and surrounding states.
- Reduction in cumulative metric tons of GHG emissions:
    - Near-term GHG Emissions Reductions: 250,000.00 $mtCO_2e$
    - Long-term GHG Emissions Reductions: 1,000,000.00 $mtCO_2e$

HYDROGEN PRODUCTION

Total Grant Allocation: $40,000,000

Hydrogen produces zero GHG emissions at its point of use. With increasing use of hydrogen and technical advances, the costs of production, distribution and product manufacturing will become increasingly affordable. By continuing to build partnerships between business, government, universities, and non-profit organizations hydrogen will be the foundation of a sustainable energy economy. Oklahoma plans to bring clean hydrogen energy to the state by providing incentives to build a clean hydrogen production facility. DEQ proposes to reimburse up to 25% of the cost of such an ambitious project to build a centralized hydrogen plant in Oklahoma delivering low-carbon fuel across the state.

Expected Outputs

- A clean hydrogen production plant.
- Community meetings and other meaningful engagement in project development.

Expected Outcomes

- Low-carbon energy for use in the industrial and commercial sectors.
- Reduction in cumulative metric tons of GHG emissions:
    - Near-term GHG Emissions Reductions: 530,000.00 $mtCO_2e$
    - Long-term GHG Emissions Reductions: 2,650,000.00 $mtCO_2e$

ASPHALT TECHNOLOGY ADVANCES AND USE OF RECLAIMED MATERIALS

Total Grant Allocation: $1,000,000

DEQ will develop, in coordination with ODOT, an incentive-based program to reimburse up to 12.5% of the cost of pavement materials for entities that utilize either of following measures:

- Use Warm Mix Asphalt (WMA) with added chemicals instead of Hot Mix Asphalt (HMA) to reduce GHG emissions by 8 metric tons per 10,000 tons of asphalt produced. Replacing 10,000 tons of HMA with WMA will result in a reduction of 8.3 $mtCO_2e$.
- Use a 10% increased amount of Reclaimed Asphalt Pavement (RAP) than the current average to reduce the total GHG emissions by 75 metric tons per 10,000 tons of asphalt produced. Replacing 10,000 tons of HMA with WMA will result in a reduction of 8.3 $mtCO_2e$.

With these greener techniques, DEQ anticipates that the implementation of this program could produce 2 million tons of asphalt mix across Oklahoma over a three-year period. This incentive program will encourage the asphalt producers in Oklahoma to use WMA with chemical additives at a lower temperature than currently used. Additionally, it will increase the use of recycled materials in production when using Balanced Mix Design (BMD).

Expected Outputs

- Use WMA with added chemicals instead of HMA to reduce GHG emissions by 8 metric tons per 10,000 tons of asphalt produced.

- Use a 10% increased amount of RAP than the current average of 19%.

Expected Outcomes

- Production of 10,000 tons of asphalt mix (HMA, WMA and BMD) with 30% RAP will result in a reduction of 81 metric tons of GHG emission in pavement construction.
- A clean replicable and scalable program that can be adopted in other states.
- Reduction in cumulative metric tons of GHG emissions:
    - Near-term GHG Emissions Reductions: 273,000.00 $mtCO_2e$
    - Long-term GHG Emissions Reductions: 1,188,000.00 $mtCO_2e$

MUNICIPAL SOLID WASTE LANDFILL GAS COLLECTION AND CONTROL SYSTEMS

Total Grant Allocation: $25,000,000

This GHG reduction measures will be an incentive-based program to fund up to 75% of the cost and installation of new gas collection and control systems (GCCS) at publicly or privately owned or operated municipal solid waste landfills as well as upgrades and expansion to existing GCCS which include the beneficial reuse of collected landfill gas. DEQ currently permits 67 landfills throughout the state. Only 19 of those facilities have a GCCS, of those only six can reuse the captured gas.

DEQ hopes to provide incentives to five to ten landfills, that are not otherwise required by state or federal regulation to install a GCCS, to join the program and reduce methane emissions. By prioritizing municipally owned and large landfill facilities, DEQ will see significant GHG reductions and have greater cost effectiveness by 2030. Selected awardees will design and install a GCCS to reduce fugitive methane emissions and convert collected methane to carbon dioxide, a less potent GHG, or use the landfill gas as an energy source. A GCCS will also beneficially reduce volatile organic compounds emissions from the landfill, thereby reducing emissions of pollutants in the surrounding area. DEQ plans to coordinate with landfill awardees throughout the grant process to facilitate a smooth implementation of gas collection and control systems.

Expected Outputs

- Purchase and installation of GCCS at five to ten municipal landfills across Oklahoma.
- Reuse of collected landfill gas.

Expected Outcomes

- Improved ambient air quality in the state by reducing GHG emissions at landfills.
- Mitigation of fugitive GHG emissions by venting less GHG to atmosphere.
- Production of renewable natural gas from landfill systems.
- On-site renewable energy and storage for increased energy processing needs.
- Reductions in odor and air pollutants for surrounding communities.
- Entice other landfills to invest in future gas-to-energy development.
- Reduction in cumulative metric tons of GHG emissions:
    - Near-term GHG Emissions Reductions: 2,838,260.00 $mtCO_2e$
    - Long-term GHG Emissions Reductions: 9,191,995.00 $mtCO_2e$

ANAEROBIC DIGESTERS FOR MUNICIPAL WASTEWATER FACILITIES

Total Grant Allocation: $15,000,000.00

An incentive-based program to fund up to 75% of the cost and installation of new anaerobic digesters or upgrades to digesters on municipal wastewater facilities (WWF) and use of waste gas as an energy source. Upgraded or new anaerobic digesters will have a significant reduction in GHG emissions that will reduce energy cost at WWF. By prioritizing large facilities in need of repair, DEQ would see significant GHG reductions by 2030. DEQ plans to coordinate with awardees throughout the grant process to facilitate a smooth implementation of new or upgraded systems.

Expected Outputs

- New or upgraded anaerobic digestors for processing organic waste and collecting renewable gas at five municipal WWF in Oklahoma.
- Training and resources for facilities implementing new or upgraded systems.

Expected Outcomes

- Production of renewable energy.
- Increased energy security by utilizing a renewable resource.
- Enable WWFs to self-supply energy, resulting in reduced operating costs.
- Support overall resilience of essential WWF functions in the event of grid outages.
- Reduced grid constraints by increasing self-supply of energy needs.
- Support overall resilience of essential wastewater functions in the event of grid outages.
- A significant energy savings that can be passed down to the people of Oklahoma.
- Reduction in cumulative metric tons of GHG emissions:
    - Near-term GHG Emissions Reductions: 10,084.00 $mtCO_2e$
    - Long-term GHG Emissions Reductions: 50,421.00 $mtCO_2e$

GREEN BUILDINGS

Total Grant Allocation: $22,500,000

Oklahoma wants to invest in making public buildings greener. The Oklahoma Green Buildings Initiative is an incentive-based program to fund up to 75% of the cost of energy saving projects in public buildings. Public buildings include but are not limited to those owned by Municipalities, Universities, and Government entities. Industry and private sector are not eligible under this program.

This program will focus on LED lighting upgrades, solar panels with or without battery storage, and energy efficient upgrades at public buildings. Possible projects to fund include, but are not limited to, increased recycling, electrification, equipment replacement and upgrades, lighting upgrades, HVAC improvements (including insulation), heat recovery, low-carbon fuel switching, improved building maintenance, and heat pump installation. Projects located in LIDAC, with the most emission reductions, and most cost effective will be priority.

Expected Outputs

- Upgrading light fixtures across facility operations.

- Conversion of light fixtures from incandescent and T8 to LED.
- Equipment upgrades to lower carbon fuel.
- More energy efficient buildings.

Expected Outcomes

- Reduce energy demand from outdated lighting fixtures.
- Reduced electricity cost.
- Increased energy efficiency and resiliency.
- Reduction in cumulative metric tons of GHG emissions:
    - Near-term GHG Emissions Reductions: 614,937.44 $mtCO_2e$
    - Long-term GHG Emissions Reductions: 3,074,687.22 $mtCO_2e$

SOLAR FARM DEVELOPMENT

Total Grant Allocation: $10,000,000

DEQ proposes an incentive-based program offering up to 75% of the costs of building solar farms across Oklahoma. Implementation of these projects would allow rural areas to have reliable electricity, and the addition of solar farms to electric power would diversify Oklahoma's energy thus increasing local resiliency.

This program was selected as a priority because of the transformative impact implementation could have. Despite ranking 7th in the U.S. for solar potential, Oklahoma is 45th for installed solar capacity. Each solar farm built will increase Oklahoma Solar capacity by nearly 9%. Oklahoma is 3rd in U.S. and 1st in region for federally declared severe storms since 2000. Further development and upgrades to electrical infrastructure would lead to increased grid reliability. If building solar farms above 10 MW, the project will need to enter the SPP interconnection queue which can take up to 5 years before project is approved. By working at community scale, the interconnection queue can be avoided, and deployment could begin immediately.

Expected Outputs

- Construction and support of solar farms for electric power generation.
- Transmission upgrades between new solar farms and existing electric infrastructure.

Expected Outcomes

- Increased renewable power in the electric power industry.
- Reduced electrical losses correlated to current on the conductor.
- Increased energy efficiency and resiliency.
- Reduction in cumulative metric tons of GHG emissions:
    - Near-term GHG Emissions Reductions: 307,531.25$mtCO_2e$
    - Long-term GHG Emissions Reductions: 1,537,655.25$mtCO_2e$

TRANSMISSION UPGRADES

Total Grant Allocation: $37,500,000

DEQ proposes an incentive-based program offering up to 75% of the costs of upgrading transmissions systems across Oklahoma. This program was selected as a priority because of the transformative impact implementation could have improving the operations, cost effectiveness, energy efficiency, system reliability, and safety of Oklahoma's power distribution system. Modernizing the power grid would allow rural areas to have reliable electricity and promote energy resiliency. Further development and upgrades to electrical infrastructure would lead to increased grid reliability across the state by prioritizing vulnerable areas including LIDAC targets. Funding this program is necessary due to rapid technology advancements, increased customer electricity demand, and achievement of Oklahoma's clean energy goals.

Expected Outputs

- Upgraded distribution systems from 4kV to 12kV operation.
- Increased voltage capacity, stability, and efficiency with new 12kV distribution systems.

Expected Outcomes

- Reduced electrical losses correlated to current on the conductor.
- Faster restoration of service when outages occur.
- Increased energy efficiency and resiliency.
- Reduction in cumulative metric tons of GHG emissions:
    - Near-term GHG Emissions Reductions: 125,614.42 $mtCO_2e$
    - Long-term GHG Emissions Reductions: 628,072.12 $mtCO_2e$

Section 1 Continued

1.b Ensuring Success

Should Oklahoma be selected to receive CPRG funding, programs would be fast tracked with a goal of implementing actions associated with planned reduction measures in the first year after award. DEQ has already begun working with the Oklahoma Secretary of Energy and Environment (SOEE) along with the other state implementing agencies to ensure leadership buy-in and coordination.

Projects funded under this competitive grant program cannot receive funding from any other CPRG-funded program. To the extent a project under this program receives funding from another CPRG-funded program, it will be ineligible to receive funding under this program. Project sponsors must certify that they have received no other CPRG funding when applying for a grant under this program.

1.c Metrics for Tracking Progress

For these measures, Oklahoma will potentially use the following metrics to track progress:

- Amount of GHG and co-pollutants reduced at each participating site and within the state, both on an annual basis and over the duration of the program.
- Number of qualified entities that applied for funding.
- Number of successfully implemented projects within the given timeline.
- Cost efficiency of implemented projects.
- Number of communities positively impacted.
- Number of LIDAC communities positively impacted.
- Number of existing programs benefited from additional funding.
- Amount of reduction in non-renewable energy usage.

1.d Demonstration of Funding Need

The requested funding from the CPRG program is necessary to initiate the transition from fossil fuels to other sources of clean energy in Oklahoma. The funding is imperative to the success of this project, which is unlikely to occur without the fiscal support of the EPA. If awarded, the funding is expected to be the catalyst for the necessary transition to clean energy technologies that will inevitably have to be funded through private investment.

CPRG implementation funding is necessary to fully implement the proposed measures across sectors in Oklahoma. This funding is a crucial and necessary step to protecting health and the environment through a diverse array of impact not available through other funding. DEQ has applied for related grants; however, these grants are not sufficient to fully implement the proposed measures. The table below lists all the federal and non-federal funding opportunities DEQ has explored.

Explored Funding Opportunities *Table 1*

Funding Opportunity	Total Funding FY22-26	Agency
Clean Heavy-Duty Vehicles	$1,000,000,000	Environmental Protection Agency
Funding for Department of Energy Loan Programs Office	$3,600,000,000	Department of Energy
2024 Low or No Emission Grant Program (Low-No Program)	$1,103,963,762	Federal Transit Administration (FTA), U.S. DOT

VW Settlement Funding	Projects expected to complete by June 30, 2026	Volkswagen Settlement Trust
VW Settlement Funding – Oklahoma Allocation – Alternative Fuel School Bus Program	$1,000,000	Volkswagen Settlement Trust
VW Settlement Funding – Oklahoma Allocation – On-Road Program, Round 2	$4,364,000	Volkswagen Settlement Trust
DERA – State Allocation Program (Oklahoma Clean Diesel Program)	$4,527,031 (Funding amounts for FY25 & 26 are estimates)	Oklahoma DEQ / EPA
DERA – EPA Federal Rebate Program	~$10 million	EPA
DERA – EPA Competitive Program	$115 million	EPA
EPA Clean School Bus Program	$5 billion	EPA
National Electric Vehicle Infrastructure (NEVI) Formula Program	$66.3 million	ODOT
Carbon Reduction Program (CRP)	$106 million	ODOT
Congestion Mitigation and Air Quality (CMAQ)	$8 million	ODOT
Preventing Outages and Enhancing the Resilience of the Electric Grid Grant (BIL/IIJA) Grid	$7,653,810 (year 1) $7,508,563 (year 2) Additional ~15 million to be allocated later	Oklahoma Department of Commerce
Industrial Efficiency and Decarbonization Office (IEDO) Fiscal Year 2024 Cross-Sector Technologies FOA	Total Funding: $38,000,000 Award Ceiling: $5,000,000 Award Floor: $1,000,000	Department of Energy
Environmental and Climate Justice Community Change Grants Program	Estimated Total Program Funding: $2,000,000,000 Award Ceiling: $20,000,000	EPA
SEP BIL (IIJA)	$6,568,790	Oklahoma Department of Commerce
State Energy Program (SEP)		
WAP BIL (IIJA) Weatherization Assistance Program	$42,330,032	Oklahoma Department of Commerce
Sustainable Energy Resources for Consumers (SERC)	$563,500	Oklahoma Department of Commerce
IRA Residential Energy Efficiency Rebate Program (HER) 50121	$64,388,040	Oklahoma Department of Commerce
IRA High Efficiency Electric Home Rebate Program (HEERA) 50122	$64,388,040	Oklahoma Department of Commerce
Solar for All (through EPA)	$80,000,000	Oklahoma Department of Commerce
Energy Efficiency and Conservation Block Grant (EECBG) Program	Energy Efficiency and Conservation Block Grant (EECBG) Program	Department of Energy
Buildings Energy Efficiency Frontiers & Innovation Technologies (BENEFIT) – 2024	Total Funding: $30,000,000 Award Ceiling: $30,000,000 Award Floor: $13,000,000	Department of Energy Golden Field Office
Bipartisan Infrastructure Law	$245,604,000	EPA/Bipartisan Infrastructure Law
Energy Efficiency and Conservation Block Grant (EECBG) Program	$550,000,000	Department of Energy
Drinking Water State Revolving Funds and the Clean Water State Revolving Funds	$64,805,000	EPA/ President Biden's Investing in America Agenda

1.e Oklahoma Tax Credits

To maximize federally awarded funds, DEQ proposes to leverage existing federal and state tax incentives for this project. The expected federal tax incentives will help offset the cost of the hydrogen refueling units, fast charging electric vehicle supply equipment (ESVE), and vehicle replacement. A detailed breakdown of expected tax incentives can be found below:

- The State of Oklahoma provides a tax credit of up to $100,000 for class 8 fuel cell trucks (see Oklahoma Statutes § 68-2357.22). The maximum tax credit amount is insufficient to mitigate the cost differential between heavy-duty fuel cell trucks and diesel equivalents. This tax credit is not available for class 8 battery electric trucks.
- The State of Oklahoma provides a tax credit for 45% of the cost of installing commercial alternative fueling infrastructure (see Oklahoma Statutes § 68-2357.22). The amount available for all tax credits claimed is $10 million per year.
- Clean Electricity Investment Tax Credit, Section 13702 of the Inflation Reduction Act, can be applied to both solar panels and storage batteries. The Clean Electricity Investment Tax Credit is eligible for direct pay for tax-exempt organizations; states; political subdivisions; Indian Tribal governments; and rural electricity co-ops.
- Alternative Fuel-Vehicle Refueling Property Credit, Section 13404 of the Inflation Reduction Act, can be applied to electric vehicle chargers and hydrogen refuelers in low-income and rural areas. Alternative Fuel-Vehicle Refueling Property Credit is eligible for direct pay for tax-exempt organizations; states; political subdivisions; Indian Tribal governments; and rural electricity co-ops.

This proposal assumes that selected projects will take advantage of these tax credits and is intended to make up the difference in upfront cost for deploying this infrastructure and transitioning fleets.

1.f Transformative Impact

The measures proposed in this application have the potential to create transformative opportunities and impacts in Oklahoma which will lead to significant GHG emission reductions. Oklahoma is committed to reducing GHGs by advancing energy innovation that will enhance our energy security while reducing emissions. Each proposed project will have varying impacts, but each one would present the potential for economic growth. Many emission reduction projects are sought after in Oklahoma but ultimately not implemented simply because of high price points and a lack of funding. DEQ hopes with this grant Oklahoma can overcome these funding issues and provide a financial cushion as different sectors explore new, green technologies and processes.

A hydrogen fueling station would complement other concurrent projects by Arkansas, Arizona, and New Mexico by compounding the benefits and the likelihood of swift fleet turnover to zero-tailpipe emission vehicles if several projects were developed within a short timeframe. Oklahoma is at the crossroads of two major interstates and trucking routes; implementation of the proposed projects benefits from this location. Aiding clean transportation options for heavy-duty trucks will pay dividends far beyond the initial investment as the technologies become mature, costs reach parity with traditional fuel sources, and emissions are reduced across the federal interstate system. A hydrogen production facility located within the state will supply necessary hydrogen to fuel this energy transition. Similarly, additional solar capacity will continue Oklahoma's commitment to having diversified energy sources. Installing and upgrading technology at landfills will have a direct reduction in GHG emissions, as well as odors, and will continue to reduce GHGs over the operational life of the system. A major barrier is that a new or upgraded GCCS for

landfills and anaerobic digesters for WWS are very expensive. This large upfront cost gives landfills and WWS little incentive to upgrade their systems if they are not already required by state or federal regulations.

Funding from CPRG is a tremendous opportunity to overcome the high costs that come with transitioning technologies, building infrastructure, and cleaner fleets. With implementation of these projects, DEQ is working toward a future focused on innovative energy growth and continued engagement with Tribal Nations, municipalities, agencies, industry, and community members.

SECTION 2. IMPACT OF GHG REDUCTION MEASURES

DEQ selected the proposed reduction measures based on the potential for significant GHG reductions that would be achieved by 2030 and beyond. While some measures anticipate the most reductions to be occurring in the long-term, Oklahoma believes that all these ambitious goals will have long-lasting and positive benefits to air quality. Oklahoma's proposal supports EPA's Strategic Plan Goal 1, "Tackle the Climate Crisis;" Objective 1.1 "Reduce Emissions that cause Climate Change" by achieving significant and sustained reductions in GHG emissions.

2.a Magnitude of near-term and long-term cumulative GHG emissions reductions

Implementation of all reduction measures is anticipated to reduce 4,913,427.11 cumulative $mtCO_2e$ for the period between 2025 – 2030, and 19,320,830.59 cumulative $mtCO_2e$ for the period between 2025 – 2050.

2.b Cost-Effectiveness

DEQ is proposing robust, cost-effective projects with benefits to sectors across the state. The table below shows the cumulative GHG emissions reductions in the near-term, 2025-2030, and long-term, 2025-2050, as well as the relative cost-effectiveness of those reductions. Project cost effectiveness was calculated by dividing "Requested CPRG Funding" by "Near-term" emissions reductions. Documentation of GHG reduction assumptions, calculations, relevant resources and models, annual emission reduction estimates, and any uncertainties associated with the estimates are provided in the Technical Appendix and GHG Calculation Spreadsheet attached to this application.

Priority Measure Emissions Reductions & Cost Effectiveness *Table 2*

Priority Measure	Requested CPRG Funding	GHG Emissions Reductions ($mtCO_2e$)		Cost Effectiveness ($/$mtCO_2e$)
		Near-term 2025-2030	Long-term 2025-2050	
EV/Hydrogen Fueling Hubs & Fleet Transition	$37,600,000.00	250,000.00	1,000,000.00	150.40
Hydrogen Production	$40,000,000.00	530,000.00	2,650,000.00	75.47
Asphalt Technology	$1,000,000.00	237,000.00	1,188,000.00	4.22
Landfill Gas Collection and Control	$25,000,000.00	2,838,260.00	9,191,995.00	8.81
Municipal Wastewater Facility Anaerobic Digesters	$15,000,000.00	10,084.00	50,421.00	1,487.50
Green Public Buildings	$22,500,000.00	614,937.44	3,074,687.22	36.59

Solar Farm Development	$10,000,000.00	307,531.25	1,537,655.25	32.52
Transmission Upgrades	$37,500,000.00	125,614.42	628,072.12	298.53
TOTAL	**$ 188,600,000.00**	**4,913,427.11**	**19,320,830.59**	**-**

SECTION 3. ENVIRONMENTAL RESULTS – OUTPUTS, OUTCOMES, AND PERFORMANCE MEASURES

3.a Expected Outputs and Outcomes

Specific outputs and outcomes for each proposed Priority Measure are provided in Section 1.a of this document. General expectations from this proposal include increased energy efficiency and strengthened resiliency. For infrastructure projects, development from this proposal would promote reliability and renewed trust between servicers and communities. Overall project funding would stimulate the local economy and allow creation of new jobs.

Additional expectations include but are not limited to:

- Progress toward a decarbonized economy with scalable opportunities for further emissions reductions.
- Benefits to LIDAC regions including equitable economic growth (see Section 4).
- Long-lasting and robust GHG emission reductions.
- Strengthened communication through meaningful engagement outreach.
- Production of high-quality jobs in a diverse workforce.

3.b Performance Measures and Plan

DEQ plans to track and measure progress toward achieving the goals of each priority measure through semiannual reporting. Once projects are underway, DEQ will require timely submission of reports detailing recipient progress including cost estimates, purchases, roadblocks, milestones, and expectations for the following reporting period. DEQ has established the following performance measures to track progress concerning successful processes and output/outcome strategies:

- Semi-annual tracking and reporting of project progress on expenditures and purchases.
- Semi-annual tracking, measuring, and reporting accomplishments on proposed timelines and milestones.
- Number of public relations, community engagement, and education events and their locations.
- Estimated and actual GHG emission reductions and associated CAP/HAP changes.
- Number of companies transitioning heavy-duty trucks to battery electric and fuel cell electric vehicles and the number of such vehicle replacements per company.
- Number of additional heavy-duty zero-tailpipe emissions charging and fueling infrastructure deployments.
- Number of tons of asphalt mix using WMA.
- Percent of increased RAP used in pavement construction.
- Number of communities/neighborhoods/campuses that converted to LED streetlights.
- Number of state, municipal, higher education, and tribal facilities that replaced their heating and cooling systems with more energy efficient systems.
- Number of landfills impacted.
- Oversight of contractor and subgrantees to ensure work is accomplished according to terms of the individual project agreements.

3.c Review of Authority

DEQ has reviewed existing statutory and regulatory authority to implement each priority measure contained in this application. The measures herein constitute a list of voluntary actions, as such, no new regulatory authority is necessary. Each priority measure is achievable and authorized under existing statutory authority. Measures that contemplate the state receiving or needing funding to implement may require implementing agencies to have the requisite budget authority. In that regard, DEQ has the existing authority, pursuant to Okla. Stat. Title 27A § 2-3-202, to enter "into agreements for, accept, administer and use, disburse and administer grants of money, personnel and property from the federal government or any department or agency thereof, or from any state or state agency, or from any other source, to promote and carry on in this state any program relating to environmental services or pollution control grants." Further, the responsibilities and jurisdiction of Oklahoma environmental agencies can be found at 27A O.S. 1-3-101.

All priority measures will be implemented under existing Oklahoma statutory authority. The following table lists each priority measure and the implementing agencies that have the existing authority to implement.

Authority to Implement *Table 3*

Priority Measure	Implementing Agency or Agencies	Okla. Stat. Authority
Electric Vehicle Charging and Hydrogen Fueling Stations for Medium- and Heavy-Duty Zero Emission Truck (MHD ZET) Fueling Stations	DEQ, ODOT, Oklahoma Department of Labor, OCC	27A § 2-3-202(A)(7); 69 § 304(d); 69 § 322; 27A § 1-3-101; 40 § 1; 40 § 1.1; 17 §§ 801.1 et seq.
Asphalt Technology Advances and Use of Reclaimed Materials	ODOT	69 § 304(d)
Solar Farm Development	DEQ, OCC	27A § 1-3-101; 27A § 2-3-202(A)(7); 17 §§ 801.1 et seq.
Transmission Upgrades	DEQ, OCC, Oklahoma Municipal Power Authority	27A § 1-3-101; 17 §§ 801.1 et seq; 27A § 2-3-202(A)(7); 11 § 24-107
Process Upgrades to install or retrofit equipment	DEQ	27A § 1-3-101; 27A § 2-3-202(A)(7)
Hydrogen Production	DEQ, OCC	27A § 1-3-101; 27A § 2-3-202(A)(7); 17 §§ 801.1 et seq.
Solar Panel Installation with or without Battery Storage	DEQ, OCC	27A § 1-3-101; 27A § 2-3-202(A)(7); 17 §§ 801.1 et seq.
Solar Programs and Incentive Programs	DEQ, OCC, ODOC	27A § 1-3-101; 27A § 2-3-202(A)(7); 17 §§ 801.1 et seq.; 74 § 5003.10
LED Lighting Upgrade	DEQ, ODOC	27A § 1-3-101; 27A § 2-3-202(A)(7); 74 § 5003.10
Landfill Gas Collection & Control	DEQ	27A § 1-3-101; 27A § 2-3-202(A)(7)

Municipal Wastewater Facility Anaerobic Digesters and Energy Efficiency Upgrades	DEQ	27A § 1-3-101; 27A § 2-3-202(A)(7)

3.d Implementation Timeline and Milestones

A detailed implementation timeline—including tasks, key milestones, and key actions needed to meet measure goals and objectives by the end of the grant period—is outlined below for all priority measures. Based on DEQ's past performance on federal grant programs, the following table lists the necessary steps for a successful implementation.

Timeline and Milestones *Table 4*

Task Description	State Date	End Date
Anticipated Notification of Funding Selection	July 2024	July 2024
Anticipated Award	October 1, 2024	October 1, 2024
Municipality and community engagement around program design specifics	October 1, 2024	April 30, 2025
Preparation of a program guide, solicitation of bids, application, and promotional materials and community engagement around these materials	May 1, 2025	July 31, 2025
Announce Funding and publish Grant Solicitation	August 1, 2025	October 31, 2025
Review applications, select projects, and enter into agreements with project sponsors	November 1, 2026	March 31, 2026
Announce a second round of applications if funds are available.	April 1, 2026	June 30, 2026
Review applications of second round, select projects, and enter into agreements with project sponsors	July 1, 2026	September 30, 2026
Project Implementation	July 1, 2026	September 30, 2029
Procurement and installation of projects	July 1, 2026	September 30, 2029
Project Implementation of Second Round	October 1, 2026	September 30, 2029
Procurement and installation of second round of projects	October 1, 2026	September 30, 2029
Monitoring and Oversight of Project	July 1, 2026	September 30, 2029
Semi-annual reporting	July 1, 2026	September 30, 2029
Remaining funds moved into Reserve/Flex Fund	October 1, 2027	September 30, 2029
Distribute remaining funds from Reserve/Flex Fund	October 1, 2027	September 30, 2029
Project Completion Date		September 30, 2029
Final Report Deadline		December 30, 2029

3.e Risks and Mitigation Strategies

In order to have a successful implementation, DEQ understands the importance of identifying and mitigating risks wherever and whenever possible. In anticipation of potential risks to the program, the following table describes possible roadblocks in the management of a grant program and the intended approach for mitigation.

Risks and Mitigation Strategies *Table 5*

Risk	Effect on GHG Emission Reductions	Mitigation Strategy
Project delays or cost overruns	Delays may reduce cumulative GHG emission reductions in the near-term (2025 – 2030)	Ensuring a robust and well-thought-out business plan, budget and timeline will be a significant component of the application evaluation criteria.
Actual costs for infrastructure lower than proposal estimates	Increased cumulative GHG emission reductions in the medium and long-term	High-end cost estimates were used to develop the budget and incentive levels for these programs. The incentive competitions will be structured such that any unallocated funds after initial projects are selected will be used to fund additional GHG emission reducing programs.
One-time competitions not fully subscribed	A delay in obligations due to lack of participation may reduce cumulative GHG emission reductions in the near-term (2025 – 2030)	DEQ will promote the grants to lower risk and maximize its effectiveness. Multiple rounds of competitions will be used if applicable. DEQ will place unused funds into a flex fund and reopen successful competitions to select and fund additional projects if necessary.

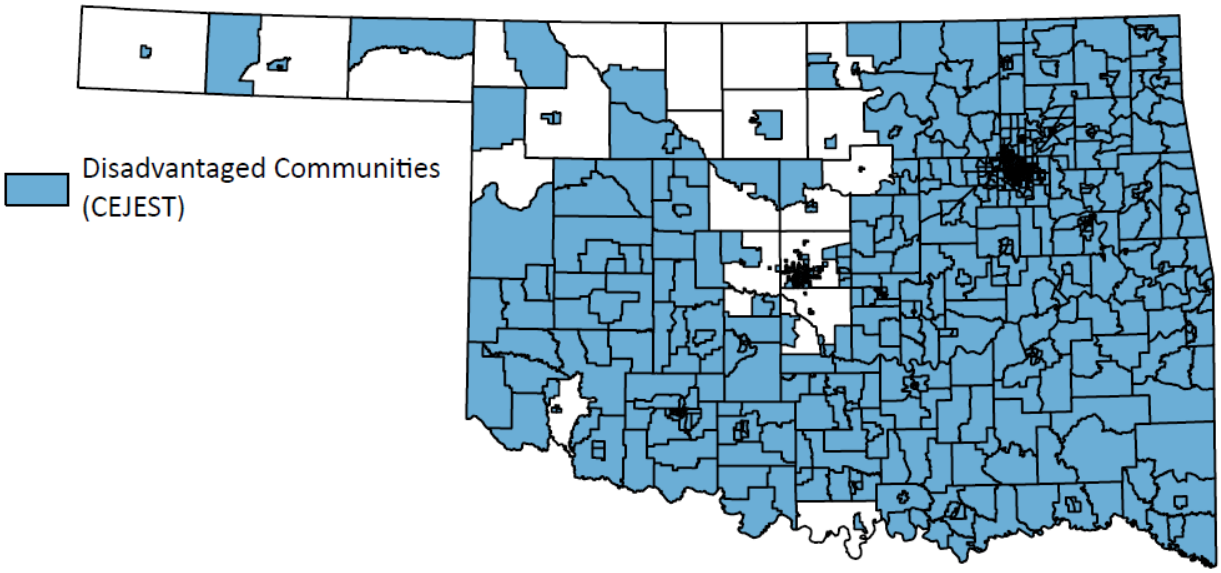
SECTION 4. LOW-INCOME AND DISADVANTAGED COMMUNITIES

Oklahoma is committed to engagement with LIDAC throughout the planning and implementation of the proposed projects. A total of 294 LIDAC Census Tracts were identified with EPA's Climate and Economic Justice Screening Tool (CEJST). This data was used to identify a scale of vulnerability and served as a reference for community engagement and feedback. The tool lists many different potential climate and environmental risks affecting LIDACs. Energy, pollution, climate, and health were selected as the categories most relevant to the climate and environmental risks in Oklahoma for the identification process. See the attachment "*Areas_OklahomaDEQ.xlsx*" for a list of CEJST data referenced in this proposal.

The following maps illustrate the scope of disadvantaged communities and vulnerable tracts in Oklahoma based on the available CEJST data.

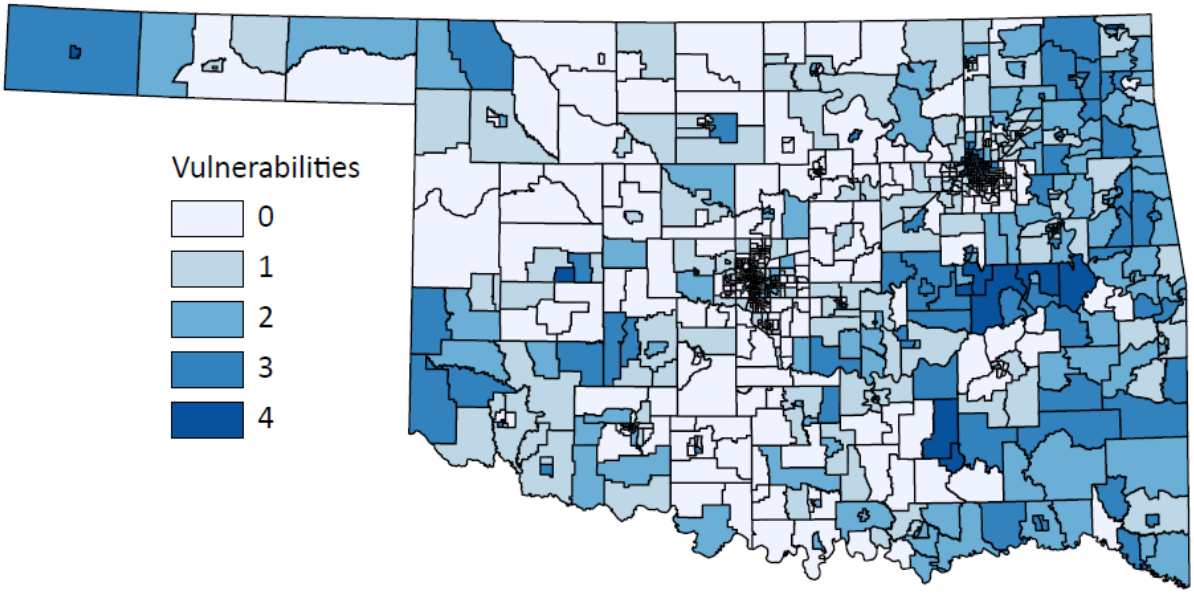
Map 1

Disadvantaged Communities in Oklahoma



Map 2

Environmental Vulnerability in Oklahoma



The map above presents each census tract's status along the vulnerability scale, with 4 vulnerabilities being the highest and most vulnerable. The top 27 most disadvantaged tracts in Oklahoma were categorized as vulnerable for 4 out of 4 climate/environmental risk categories and contained a greater than average proportion of residents of a marginalized race/ethnicity. Out of all the tracts in Oklahoma (n=1,046), 294 have one vulnerability, 191 have two vulnerabilities, 113 have 3 vulnerabilities, and 27

have all 4 vulnerabilities. There are 421 tracts with no vulnerabilities of the relevant indicators. The 27 tracts identified in the table below are high priority LIDACs because of their overlapping vulnerabilities. The first ten tracts were rated as most vulnerable based on their population size and proportion of marginalized residents.

High Priority LIDAC Tracts *Table 6*

Tract ID	Municipality
40147000200	Bartlesville
40143003000	Tulsa
40111000902	Henryetta
40125500200	Shawnee
40143004900	Tulsa
40143000500	Tulsa
40101001500	Porum, Warner, Webbers Falls
40091779900	Hitchita, Vernon, Hanna
40143004600	Tulsa
40029388100	Coalgate, Phillips, Lehigh
40113940006	Tulsa
40143000600	Tulsa
40115574200	Commerce, Miami
40109105800	Oklahoma City
40143001000	Tulsa
40091779600	Rentiesville, Checotah
40005587700	Atoka
40143000400	Tulsa
40111000800	Schulter, Grayson, Hoffman, Dewar, Henryetta
40143001300	Tulsa
40143002301	Tulsa
40143002700	Tulsa
40143001200	Tulsa
40039950800	Clinton
40143000900	Tulsa
40025950300	Boise City
40143003400	Tulsa

4.a Community Benefits

Expected benefits apply directly to census tracts containing project locations and indirectly to census tracts in the surrounding areas. For example, a hydrogen charging station might directly contribute to GHG reductions in each census tract while fostering hydrogen powered vehicle adoption, air quality improvement, and development of local jobs in the surrounding tracts due to fueling station or logistics center proximity. The direct benefits will allow the community to see a direct impact to their everyday lives; a tangible way that the proposed measures will positively impact the community.

The proposed priority measures would fund projects across sectors in Oklahoma with wide economic benefits. Promoting purchase, installation, and operation of new GHG reduction technologies leads to

increased demand for those goods and services, directly benefiting the workforce. As new infrastructure projects are constructed near major roads and highways in the area(s), communities will receive more travelers stopping in the area to utilize the new infrastructure. As a result of this increased patronage, the local businesses will see more customers than previous years and will see an indirect economic benefit as a result. This would also lead to an increase in jobs beyond those created directly from the construction and operation of the new stations. Indirectly, LIDAC communities may receive benefits from increased employment in energy, transportation, construction, and other sectors resulting from CPRG projects. Many harms from climate risk are compounded by poverty, and workforce development initiatives will largely benefit LIDAC communities if employment is targeted in such areas.

One of the primary benefits to LIDACs from a reduction in GHG emissions is reduced threats to human health. Respiratory illnesses, cancer, high blood pressure, and mental health can be reduced with fewer air pollutants which benefit climate by protecting residents from heat, protecting LIDAC property from flooding, and improving water quality. Exposure to environmental contaminants can also decrease as the state increases renewable energy use and production.

New technology advancements are increasingly efficient which often yields a reduction in noise pollution. For example, new electric and hydrogen fueled vehicles are much quieter than the conventional internal combustion engine. Other energy efficient installations can produce the same benefit across sectors. Less noise from roadways, fueling stations, and other operations offer the surrounding community a better quality of life.

With the use of new heavy-duty alternative fuel vehicles coupled with the charging/refueling infrastructure that will be generated, various entities will have access to innovative technology and the means to effectively utilize it in the region. By increasing the availability of these vehicles in the area, the vehicle manufacturers and logistics companies will be incentivized to create additional infrastructure for vehicle manufacturing, positively leveraging federal funds for additional private investment that will impact the LIDACs that are within, or only a short commute, to the area. As a result of the proposed project, both temporary and permanent high-quality jobs will be generated, serving as a catalyst for the workforce development throughout Oklahoma.

4.b Potential Disbenefits

As investments are made in metro areas of Oklahoma, especially in Oklahoma City and Tulsa, associated increase in property values may strain LIDAC residents financially. Gentrification is a process in which LIDAC areas receive investments in the housing, infrastructure, and services in their community, sparking a sharp uptick in rent rates and property tax rates. An increase in this rent and property tax burden can displace low-income residents.

Other potential disbenefits include exclusion from job transition and training, potential job loss, and potential exclusion from energy saving technologies and services due to cost. Job training and job transition must consider how poverty and low wages are concentrated in communities with other vulnerabilities and marginalized status (e.g., areas with high proportions of Black, Indigenous, Hispanic/Latino, and Asian residents; older adults; children; and outdoor workers), necessitating targeted employment transition opportunities. As GHG reduction activities may dampen the activities of fossil fuel industries, job loss could affect associated LIDACs. Lastly, energy efficiency upgrades, solar technology, and other GHG reduction activities may be financially inaccessible. Energy security will be an issue for the entire state, but will disproportionately affect low-income areas, communities of color, and tribal land.

Depending on local history with planning, these communities may also resist GHG reduction measures. CPRG projects must prepare themselves for pushback by LIDACs and utilize the expertise of community engagement specialists to gain trust and empower such communities. With any construction-based projects, there are potential risks for low-income communities residing near proposed project sites. To mitigate this risk, rigorous safety protocols, regular inspections, and community education programs on emergency response procedures will be promoted.

Overall, careful consideration of potential risks and equitable mitigation strategies is essential to ensure that the benefits are shared inclusively across communities. While DEQ believes that it is important to be cognizant of these potential disbenefits, the same disbenefits would likely be associated with similar projects across the country and are not unique to Oklahoma. Specific Oklahoma census tracts may be subject to additional vulnerabilities dependent on the specific project, but Oklahoma will strive to minimize any anticipated disbenefits to LIDAC residents.

4.c Community Engagement

Oklahoma has a history of supporting the U.S. energy sector and powering homes and businesses, while also investing in transportation, growing local economies, and improving livelihoods. DEQ's investment will continue to drive those efforts, particularly for low-income and rural communities who are overburdened and underserved by the effects of pollution. During the development of the PAP, DEQ and OU contacted more than 2,500 community members and 120 tribal members, held 10 public meetings including a tribal only meeting, and worked with 10 LIDAC focus groups. Through these communications, DEQ received input from tribal nations, local and state government, industries, community members including LIDAC residents, universities and colleges, municipalities, and military bases.

DEQ plans to conduct multiple stakeholder engagement sessions for a targeted and direct outreach to residents in the community near potential projects. The stakeholder engagement sessions will likely consist of an overview of the proposed measure, potential emissions reduction, and an opportunity for community residents to voice their opinions on the impact to the community.

4.d Plan for Continued LIDAC Engagement

DEQ is invested in maintaining meaningful community engagement with LIDAC areas. While there will be clear benefits (health, quality job creation, reducing energy burdens) to communities from the proposed projects, there will also be great need for community information sharing, continual community benefits analysis, and mitigation planning for potential negative local impacts. DEQ and its partners will continue the work begun during the PAP, to work with local communities, industry partners, and local governments to ensure LIDAC concerns are appropriately prioritized and addressed.

The proposed priority measures have non-location specific projects, as well as location-specific ones, targeting municipalities, business owners, and more across Oklahoma. To be successful, LIDACs will require specific outreach to learn about and access these resources. Along with DEQ, the Association of Central Oklahoma Governments, and the Indian Nations Council of Governments, OU's institutes, state-wide technology centers, and other community-based outreach groups and leaders can conduct community forums to ensure LIDAC residents do not miss out on these resources.

SECTION 5. JOB QUALITY

Implementation of the priority measures would generate high quality jobs with a diverse, highly skilled workforce. A rigorous planning process will minimize workforce reduction risks as advanced, meaningful planning will provide a productive path forward for agencies and industry. DEQ will consider opportunities to incorporate strong labor standards for all partners involved in implementing the GHG reduction measures, including contractors, sub-contractors, and sub-awardees.

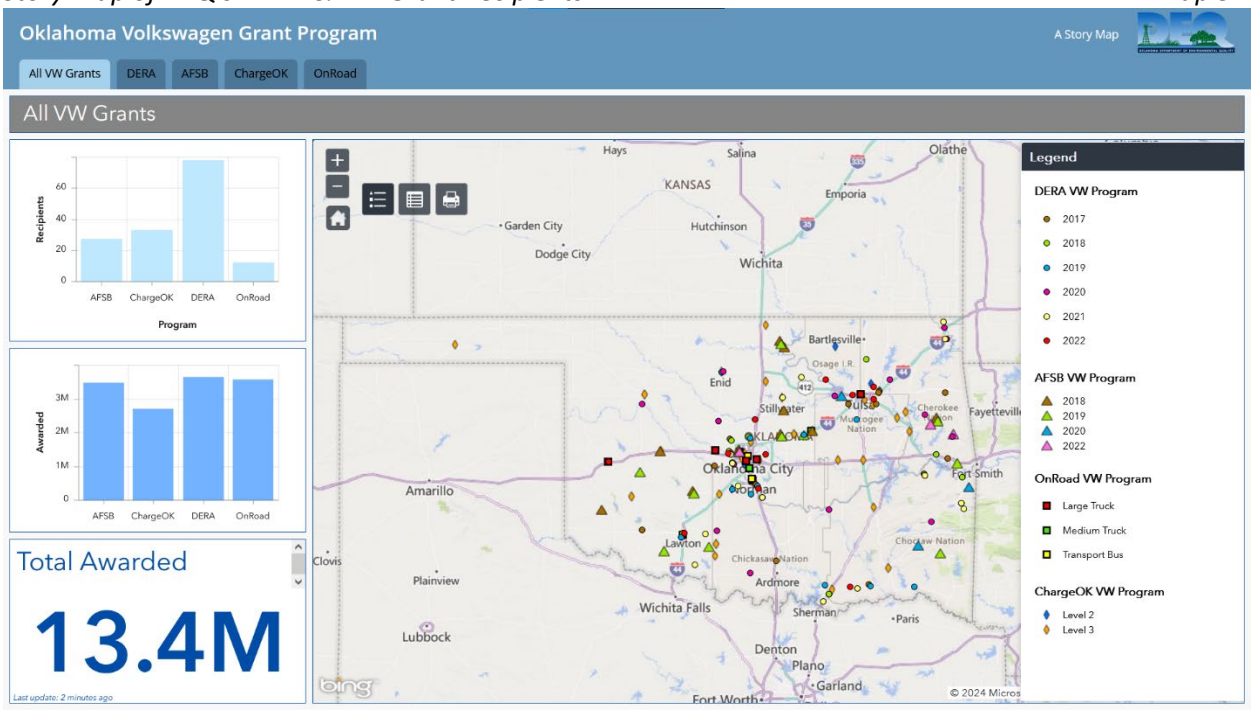
DEQ's proposal does include funding that would directly support the workforce and its development. Oklahoma has a well-developed Career and Technology Education System that provides the training and skills necessary to be successful in the workplace across sectors. Funding from this proposal would assist technology centers and comprehensive school districts in training the next generation for careers in energy production, electric power, infrastructure, and other GHG reduction technologies. The proposed implementation would contribute to high job quality due to the breadth of sectors that would be impacted by this funding. See the attached Budget Narrative for more information on these associated costs.

DEQ has coordinated with key stakeholders in the research and assurance of "high road" labor practices, which will continue during implementation to ensure a robust plan to build a skilled workforce. Oklahoma's strong economy, business friendly government, and central location promotes future industry investment in many areas but specifically centered around energy resiliency and renewable energy business growth.

SECTION 6. PROGRAMMATIC CAPABILITY AND PAST PERFORMANCE

DEQ has a well-documented history of working with federally funded assistance agreements. Recent grant work includes the management of projects under the Clean Diesel (DERA) and Volkswagen (VW) Settlement Programs. Both grants have successfully implemented emissions reduction projects through state-wide collaborations with both public and private entities.

Story Map of DEQ's DERA & VW Grant Recipients *Map 3*



6.a Past Performance

Project Title: Oklahoma Clean Diesel (DERA) Program
Funding Agency: EPA
Description: The Oklahoma Clean Diesel (DERA) Program is a competitive reimbursement-based clean diesel program that helps school districts replace older diesel school buses with newer cleaner buses.
Funding Agency Contact:
Silvana B. Palacios-Guberti, Ph.D.
Region 6 Project Officer
Phone: (214) 665-6681
Email: palaciosguberti.silvana@epa.gov
Status: DEQ has managed twelve DERA programs since 2008. Currently, there are two programs ongoing, FY21 and FY22. For each program, DEQ created a detailed workplan that was approved by EPA. By following the timeline listed in the workplan, DEQ successfully managed the programs. The subgrantees were chosen by a scoring committee and final selection was based primarily upon which projects would achieve the greatest emissions reductions for the greatest population at the least cost in award monies. Once the subgrantees were chosen, they were required to sign a contract called a Memorandum of Agreement (MOA). The MOA states the terms and conditions of the grant and is signed by the subgrantee

and the Oklahoma DEQ Executive Director. The MOA is important because it provides accountability to the subgrantees and makes it easier to successfully complete and manage projects.

Project Title: Alternative Fuel School Bus (AFSB) Program
Funding Agency: Wilmington Trust, N.A.
Description: The AFSB Program is a competitive reimbursement-based program that helps school districts replace older diesel school buses with new, cleaner alternatively fueled buses. DEQ is currently managing projects that reduce nitrogen oxides (NO_x) emissions from diesel vehicles and promote the use of alternative fuels in school buses for pre-Kindergarten through grade 12. Alternative fuels include all-electric, propane (LPG), and natural gas (LNG or CNG). $4,184,000 from the Volkswagen State Environmental Trust was originally allocated for this program.
Funding Agency Contact:
Michael Bochanski Jr.
Assistant Vice President, Wilmington Trust, N.A.
Phone: (302) 651-8608
Email: mbochanski@wilmingtontrust.com
Status: DEQ has managed the AFSB program since FY2018 and initiated four rounds of funding. The program is currently active with two outstanding projects in development. Since FY18, DEQ has successfully managed and reimbursed 25 projects to school districts across Oklahoma. Subgrantees are selected by a scoring committee after a thorough review of all received application materials. Award recipients are decided based on the scoring criteria which prioritize cost effectiveness and emissions reductions. After selection, subgrantees must immediately enter into a MOA which states terms and conditions of the grant. Reporting and communication from the recipients to DEQ have been foundational to the success of this program as these relationships allow for any roadblocks to be appropriately addressed. As with other reimbursement-based grant programs, awards are granted after the project is complete and approved by DEQ. Alternative-fuel school bus replacements are reducing emissions with benefits to all from small, rural communities to large metropolitan areas.

6.b Reporting Requirements

DEQ staff has a successful history of compliance with required grant reporting. DEQ has looked to past and current grant management processes to evaluate the best practice of reporting and will use its past experience for reporting on this grant.

For the DERA grants, DEQ is required to submit detailed quarterly reports every four months on the 30th that covers the previous three months of progress throughout the course of the grant. DEQ requires quarterly reporting from its subgrantees due every four months on the 15th that covers the previous three months. All quarterly reports submitted by DEQ have been approved by EPA. The reports cover the expected output and outcomes of the workplan and always give an explanation if anything changed from the expected timeline. The most common example of a change to the timeline is a subgrantee needing an extension due to long delivery times. In these instances, the subgrantees would need to formally request the extension and then have their MOA amended with the new timeline. Once all subgrantees have been reimbursed, a final report is required for completion of the grant. The final report gives a detailed summary of the programmatic and financial results as well as the total emissions reductions that resulted from the projects. It is common for EPA to run two fiscal years of grants together under one workplan. This is the case for FY19 and FY20, as they were administered as two separate grants with one workplan and combined reporting.

For the AFSB grants, DEQ is required to submit semi-annual reports to the VW Settlement Trust about progress toward achieving the program goals. Subgrantees report on their work during the six-month reporting period, which are due to DEQ every January and June 15th. Semiannual reports from each program under DEQ's allocated VW Settlement funding are combined and submitted as one report to the Trust. Each report includes narrative project changes, estimated versus actual cost breakdowns, funding and emissions tables, and any necessary updates not previously covered. All semiannual reports submitted to the Trust by DEQ have been accepted with no feedback indicating disapproval.

As grant recipients DEQ has complied with annual audit and programmatic reporting requirements for funding received, as well as any subrecipients involved with these programs. Additionally, DEQ complied with the following financial reporting requirements:

- 2 CFR 180 – Office of Management and Budget (OMB) Guidelines to Agencies on Government wide Debarment and Suspension
- 2 CFR 200.328 – Financial Reporting
- SF – 425 – Federal Financial Report
- SF – 271 – Outlay Report and Request for Reimbursement for Construction Program
- SF – 270 – Request for Advance or Reimbursement
- Build America, Buy America
- Davis-Bacon Act

DEQ staff have decades of experience with federal and non-federal programs pertaining to reporting. DEQ will continue to evaluate the current reporting process to confirm required reporting documentation is both accurate and accountable for all entities involved in distribution, reception, and disbursement of all federal funding.

6.c Staff Expertise

The DEQ is an agency of the State of Oklahoma; key personnel work in the Air Quality Division (AQD) and Office of Business & Regulatory Affairs (OBRA) and have approximately 250 years of environmental experience. Many staff members have specific experience in grant management, large-scale projects, and environmental policy which will aid DEQ in successful implementation of the proposed goals and GHG reduction measures. In addition, DEQ plans to send key personnel to technical training on hydrogen to further enhance its expertise in this emerging energy field. A full list of Oklahoma's CPRG staff with biographical details is included as an attachment ("*Bios_OklahomaDEQ*").

SECTION 7. BUDGET

This Section outlines DEQ's proposed budget and Reserve Flex Funding protocol. Further details including a breakout by funding type, budget categories for each activity, expenditure of awarded funds, and reasonableness of costs are provided in the attached Budget Narrative and Budget Spreadsheet. Total administrative cost including Personnel, Fringe Benefits, Travel, Equipment, Supplies, Contractual, Other (not including projects listed below), and Indirect Charges is budgeted at $2,903,405.00.

7.a Budget Detail

The table below details the associated itemized costs for all projects outlined in this Implementation Grant Application.

Budget by project *Table 7*

Priority Measure		Estimated # Projects	Est. Award per Project	Total Award	
Green Buildings	LED Lighting Upgrades	4	$1,000,000.00	$4,000,000.00	$22,500,000.00
	Solar Panel w/ or w/o Battery Storage	1	$12,500,000.00	$12,500,000.00	
	Energy Efficiency Programs (HVAC, windows, CVS, etc.)	20	$300,000.00	$6,000,000.00	
Hydrogen Production		2	$20,000,000.00	$40,000,000.00	
Solar Farm Development		2	$5,000,000.00	$10,000,000.00	
Transmission Upgrades		10	$3,750,000.00	$37,500,000.00	
Hydrogen/EV Fueling and Fleet Transition	EV charging and hydrogen fueling stations	1	$25,000,000.00	$25,000,000.00	$37,600,000.00
	Hydrogen-Fueled Fleet Vehicle Conversion	24	$525,000.00	$12,600,000.00	
Asphalt Technology Advances and Use of Reclaimed Materials		1	$1,000,000.00	$1,000,000.00	
Landfill Gas Collection and Control		5	$5,000,000.00	$25,000,000.00	
Municipal Wastewater Facility Anaerobic Digesters		5	$3,000,000.00	$15,000,000.00	
				$188,600,000.00	

7.b Reserve Flex Funding

Any remaining funds from excess allocations will be set aside as Reserve Flex Funding. These funds are not to be used until after October 1, 2027, and will be prioritized for additional funding to the most successfully implemented projects. DEQ reserves the right to assess opportunities that result from response to the program, changing market conditions and technology advancements, and allocate Reserve Flex Funding accordingly.