

Climate Pollution Reduction Grants Jump-Start State and Local Plans

As the Biden administration winds down, state and local efforts to reduce greenhouse gas emissions are ramping up—fueled by the EPA’s Climate Pollution Reduction Grant Program. The Inflation Reduction Act appropriated close to \$5 billion to support states, territories, municipalities, air pollution control agencies, and tribes in planning and implementing greenhouse gas reductions.

The first phase of the CPRG program provides \$250 million in non-competitive planning grants for development of Priority Climate Action Plans and Comprehensive Climate Action Plans. The second phase provides over \$4 billion in competitive grants for climate plan implementation.

Key planning grant deliverables for states and metropolitan statistical areas (MSAs) are spread over four years. The formula used for awarding non-competitive grants provided \$3 million to each of the 50 states, the District of Columbia, and Puerto Rico. In addition, \$1 million was available to each of the 67 most populous MSAs. Funding was also allocated to tribes and territories.

In total, 45 states, DC, Puerto Rico, and 82 MSAs received grants. Only five states declined. These included Florida—a state projected in the scientific literature to be equally impacted by all three components of climate risk: hazards, exposure, and vulnerability. Several MSAs within Florida, however, received planning grant support. The other states that did not partake in the program are Iowa, Kentucky, South Dakota, and Wyoming.

EPA guidance directs that PCAPs should include “a focused list of near-term, high-priority, implementation-ready measures” as well as components such as a greenhouse gas inventory, quantified reduction measures, and a

low-income and disadvantaged communities benefits analysis.

RMI, Evergreen Collaborative, and Climate XChange reviewed all 47 PCAPs and estimated that states engaged close to 16,000 stakeholders in developing their plans. As a general matter, RMI concluded that “states are correctly focusing on many of the biggest problems”—with the largest number of reduction measures aimed at the transportation sector. RMI flagged, however, that only 27 plans addressed the industrial sector even though its emissions are greater than other sectors, such as buildings, that received more PCAP attention.

Furthermore, RMI points out that “very few states included regulatory measures,” which it posits could be due to grantees opting for “much more politically popular” carrots versus sticks; lacking necessary regulatory authority; or interpreting EPA guidance to require a focus on shovel-ready projects. RMI also observed that numerous plans

relied on strategies focused not only on climate but economic and health benefits, which in certain states could make plans “more politically palatable.”

Planning grant recipients are now in the process of developing their broader CCAPs, which EPA directs should include all “significant” emission sources, sinks, and sectors in their states or MSAs. Additional plan elements include, for example, long-term emission-reduction goals and strategies and a benefits analysis for the full population covered by the plan as well as for low-income and disadvantaged communities.

Grants for implementing climate plans are also in the works. In July, EPA announced grants to 25 recipients, including 13 states, 11 municipalities, and one tribe. EPA estimates



Linda K. Breggin is director of ELI’s Center for State, Tribal, and Local Environmental Programs. She can be reached at breggin@eli.org.

the implementation projects in aggregate will result in reductions of 148 million metric tons of carbon dioxide equivalent by 2030 and 971 metric tons by 2050. (EPA provided implementation grants to tribes and territories on a separate track).

Eight of the selected grantees are coalitions, including the metropolitan planning organization for central Arkansas, which partnered with the city of Fort Smith and the Northwest Arkansas Regional Planning Commission. The city’s Joshua Robertson says they will start with shovel-ready projects that include installation of seven new electric vehicle charging sites located on public property but owned and operated by investor-owned utility Francis Energy.

A public housing solar array is also teed up, which is anticipated to offset over 90 percent of residents’ utility bills. Another project will restore three miles of overgrown alleyways to make it easier for students to safely walk and bike to school, thereby reducing car idling in pickup and drop-off lanes. Robertson calls the \$99,999,999 grant “transformative” but emphasizes that the implementation measures stay true to the state’s popular “Natural State” nickname, quipping: “We did it the Arkansas way.”

In fact, the ability of states and MSAs to tailor their federally funded climate plans to their specific circumstances and priorities may be the key to long-term implementation success.

Billions of grant dollars are energizing climate plan implementation