

May 12, 2023

**Michael S. Regan, Administrator**

U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

**RE: Greenhouse Gas Reduction Fund Implementation Framework**

Dear Administrator Regan and EPA Staff,

On behalf of The Greenlining Institute (Greenlining), we appreciate the opportunity to provide comments to the Environmental Protection Agency (EPA) regarding the Greenhouse Gas Reduction Fund (GGRF) and the recently released Implementation Framework (Framework).

Founded in 1993, Greenlining is committed to building a just economy that is inclusive, cooperative, sustainable, participatory, fair, and healthy. We work towards a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change. Our multifaceted advocacy efforts address the root causes of racial, economic, and environmental inequities in order to meaningfully transform the material conditions of communities of color in California and across the country.

The GGRF represents an unprecedented opportunity to provide transformational investment in low-income and disadvantaged communities. It is critical that this Framework and the subsequent competitions are sufficiently rigorous and accountable to the communities the GGRF is intended to benefit. We applaud the EPA for moving so quickly to put forth this comprehensive Framework, and for offering several opportunities to provide feedback. Greenlining is supportive of much of what is proposed in the Framework and offers the below recommendations to ensure that the GGRF is the game-changer it is intended to be.

Greenlining does not intend to apply to any of the proposed competitions. Further, we support the [GGRF Awardee Best Practices for Equity and Governance Pledge](#) (Equity Pledge) spearheaded by Just Solutions Collective and recommend that the EPA review and further incorporate elements of the Equity Pledge into the Framework.

### **Comments and Recommendations**

1. **Technical assistance opportunities must be made available to low-income and disadvantaged communities to effectively develop a pipeline of potential projects eligible for financing from the GGRF.** As written, the Framework emphasizes the provision of technical assistance for community lenders in the CCIA and grantees in the Solar for All program. However, in order to effectively reduce emissions and reverse decades of disinvestment, it is also necessary to invest in local leadership, support communities to identify their own needs and visions, develop partnerships, build capacity and skills, and put forth projects that will improve community well-being. Without investing in robust technical assistance in communities to develop projects, the EPA risks not having enough projects to absorb the capital available from the GGRF.  
To that end, grantees across all three competitions should be able, and encouraged, to offer technical assistance subawards and services to community-based organizations and other community-based entities to build capacity and develop projects that can be eventually funded from the GGRF. As mentioned in [previous comments from Greenlining and partners](#), the [California Climate Investments program offers a helpful model for how technical assistance](#) can help facilitate project development to meet similar statutory requirements of emissions reduction and delivering benefits to low-income and disadvantaged communities.
2. **An evaluation structure must be incorporated into the three competitions and implemented by the grantees.** While the Framework makes some mention of performance evaluation, the EPA should require grantees from the three competitions to incorporate an evaluation structure into their programming to identify strengths and areas for improvement in disbursing funds to direct and indirect recipients. From Greenlining's guidebook [Making Equity Real in Climate Adaptation and Community Resilience Policies and Programs](#), in order to ensure programs effectively deliver on equity goals, both process and outcomes should be evaluated utilizing measurable indicators. As an example, the [Transformative Climate Communities \(TCC\) Program](#) from the California Strategic Growth Council, which also provides catalytic investment to the state's most disadvantaged communities for emissions-reducing projects, requires funding recipients to work with a third party evaluator to lead evaluation efforts. This has been critical to making continuous recalibrations and improvements to the TCC program, and can serve a similar purpose to the GGRF.
3. **Components of the Program and Organizational Plans listed as "may include" should be required, especially suggestions under the Equity and Community Benefits Plan, Partnerships Plan, Governance Plan, Meaningful Benefits Plan, and Equity Accountability Plan.** Applicants across all three competitions are seeking to steward billions and billions of dollars intended to spur transformational change in the marketplace and in communities across the country. It is critical that the EPA put forth a

rigorous competitive process that will require applicants to think through the numerous considerations of the GGRF and its many goals. Therefore, most of the components in the Framework that the EPA lists that applicants “may include” should be requirements.

Referencing the [Equity Pledge](#), the EPA must be able to evaluate how potential grantees will:

- (1) Prioritize direct benefits to low-income and disadvantaged communities;
- (2) Conduct culturally-competent and robust community engagement throughout the financing process;
- (3) Be accountable to local and impacted communities, especially low-income and disadvantaged communities;
- (4) Operate with transparency; and
- (5) Apply robust safeguards.

In particular, for the components related to fulfilling the low-income and disadvantaged community benefits goals as well as market transformation goals, an applicant’s past experience and future plans in this space will be essential information for the EPA to make a decision about who should receive and deploy these dollars. The EPA should ensure that grantees from the three competitions will center community leadership as they implement their GGRF efforts.

4. **We support the use of the Climate and Economic Justice Screening Tool (CEJST) as well as Environmental Justice Screen (EJ Screen) Supplemental Indexes to define low-income and disadvantaged communities.** We also support the inclusion of geographically dispersed low-income households and affordable housing, and look forward to further guidance regarding these requirements.

While it has been documented how the [CEJST is an imperfect tool](#), we agree it is the most appropriate tool for the purposes of prioritizing funds for the GGRF, alongside EJ Screen. We encourage the EPA to engage in the iterative process to update CEJST and encourage the incorporation of cumulative impacts felt by communities, as this will significantly improve the tool in targeting communities most in need of investment especially from the GGRF.

Additionally, on a practical note, we recommend the EPA offer a mapping tool that combines eligible communities utilizing both the CEJST tool and the EJ Screen Supplemental Indexes such that potential recipients of dollars, be it direct and indirect recipients as well as project developers, can easily search if they are considered “disadvantaged” and prioritized for the purposes of the GGRF. An example of such a map can be found from the before-mentioned [TCC](#) program where they created a map to highlight the priority communities for that specific program.

5. **We support the prioritization of the three Priority Project Categories of Distributed Power Generation and Storage, Decarbonization Retrofits of Existing Buildings, and Transportation Pollution Reduction, and recommend requiring funding in these categories in the NCIF competition and more flexibility in the CCIA competition.**

Grantees in both the NCIF and CCIA competitions should have the same project guidelines - to prioritize projects across all three Priority Project Categories while maintaining flexibility to fund additional projects that meet statutory requirements. We believe aligning these requirements will allow for the greatest opportunity to finance projects that meet the multiple statutory goals of the GGRF and maximize collaborative opportunities across the two funding streams.

We also recommend that the EPA provide additional examples of projects that meet statutory requirements under the GGRF to ensure grantees consider a wide variety of projects in their investment strategies. Notable exceptions from the Framework that we recommend for consideration include urban greening, brownfield remediation, indoor air filtration, and water resiliency. As mentioned in [previous Greenlining comments submitted with Americans for Financial Reform Education Fund and other partners](#), we recommend consulting the [TCC program list of eligible project types](#) (see Appendix B) for a comprehensive list of projects that should be considered.

6. **Grants should be considered as “financial assistance” in both the NCIF and CCIA.** While we appreciate the EPA’s comprehensive definition of “financial assistance”, including the eligibility of forgivable loans, we believe that grants should also be included as a form of assistance. While a forgivable loan in practice may be helpful to support projects in the most disadvantaged communities, from the perspective of the project developer it still must be accounted for as a loan on a budget and balance sheet, which can complicate the financial picture of the project and present challenges in seeking additional financing. While we appreciate the EPA wanting to ensure the recycling of these dollars, grantees should be empowered to offer a limited amount of grant funding to projects in order to facilitate the ability of projects in the most disadvantaged of communities to be able to be successful.
7. **Caps in the CCIA on capitalization funding and technical assistance should be increased or eliminated.** The \$5 million capitalization cap for lenders is far too low to allow for meaningful investment and potential market transformation. For reference, the average approximate cost for one single TCC project from the latest funding round, which includes multiple emissions-reducing components within a small geographic area as well as both public and private financing, was \$49 million. Additionally, the \$625,000 cap for technical assistance is also needlessly limiting for institutions in need of the most capacity building support. We recommend that caps be raised or even eliminated in the CCIA to allow the non-profit hubs to make these critical decisions based on the on-the-ground circumstances. If the EPA insists on maintaining some form of caps, the

proposal from the National Resources Defense Council (NRDC) that recommends a formulaic or portfolio-wide approach to these caps should be considered.

8. **When delivering benefits to American communities, rather than the EPA requiring applicants to demonstrate how projects will alleviate burdens highlighted in the CEJST tool, the EPA should require a more community-driven approach.** We recommend the EPA utilize a benefit criteria table similar to that which the California Air Resources Board (CARB) utilizes to qualify disadvantaged community benefits for California Climate Investments. A [draft of a recent update to this criteria](#) highlights that the recommended approach for meeting this requirement is that the project meets a community-identified need, not simply picking from a list. While we appreciate that projects that alleviate a burden identified in CEJST can deliver benefits to communities, the EPA should require projects to go a step beyond and support the self-determination of communities in which these projects will be housed and intend to benefit.
9. **In the Solar For All competition, the definition of “enabling upgrades” should be expanded to include energy efficiency as well as critical health and safety upgrades.** In order for rooftop or community solar to be effectively deployed in low-income and disadvantaged communities, it cannot be done in a vacuum. Improvements to a home that decrease overall energy burden will facilitate the utility and potential financial benefits of solar. While we appreciate that the EPA has allowed flexibility by allowing applicants to define enabling upgrades, we still recommend explicitly allowing various health and safety and energy efficiency strategies to allow for more homes to take advantage of this opportunity from the GGRF.

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Once again, we appreciate this opportunity to provide comments on the GGRF Framework and look forward to the subsequent competitions and implementation of this exciting program.

Best regards,

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