January 13, 2023

Michael S. Regan, Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC, 20460

Dear Administrator Regan:

The Local Government Advisory Committee (LGAC) appreciates the opportunity and is eager to provide input on how EPA will develop and implement its programs under the Inflation Reduction Act (IRA)'s Climate Pollution Reduction Grants and Heavy-Duty Vehicle Program.

As highlighted in our recommendations from December 2022, no one knows the needs, challenges, and opportunities of a community to catalyze action better than local governments. For that reason, the LGAC recommends above all that EPA provide funding directly to local and tribal governments. Where that is not possible, the LGAC recommends that EPA require grant recipients to partner with relevant jurisdictions when identifying, designing, and implementing projects in their communities.

The LGAC recommends that EPA prioritize funding projects under the Climate Pollution Reduction Grants that:

- contribute to emissions reduction in the transportation sector, particularly those that encourage mode shift or that have health co-benefits for disadvantaged communities
- support decarbonization of buildings, particularly new and existing income-qualified housing projects
- create green infrastructure and other natural climate solutions, including expansion/restoration of urban tree canopy
- support the development and adoption of lower-emission and zero-emission on-farm machinery and equipment
- re-orient existing projects toward GHG reduction
- prioritize specific projects or actions for implementation, as well as specific goals and metrics, to promote action-oriented funding

Regarding technical assistance, the LGAC recommends that EPA:

- use existing or new technical assistance centers to deploy support services to local governments and community groups, with the goal of helping communities identify their overarching climate goals, identifying the various components of realizing that program, and the funding streams to support it
- create planning templates and other resources to support communities in quickly creating prioritized, actionable plans with useable metrics (e.g. calculators, case studies, and templates that highlight how GHG reduction and other co-benefits can be achieved in common municipal projects)
- invest early in hiring staff to manage and coordinate program activities, targeting full program staff by July 2023
- develop communication strategies, tools, and templates for communities to use, and have EPA staff available to answer questions and tailor strategies to specific locations.
- provide better and more streamlined access to available resources, noting that EPA has the expertise, but local governments don't know how to access it effectively

Regarding multi-government coordination the LGAC recommends that EPA:

- fund local governments directly wherever possible, and require any states receiving funding to demonstrate how local and tribal governments within their jurisdiction have been engaged in the planning of the projects, and how they will be integrated into the implementation
- create an Interagency Office with US DOT, US DOE, US HUD, US Commerce (EDA) with the goals of coordinating on cross-cutting issues and developing an intuitive way for local governments to stack funding for a specific goal
- view any state planning grants as an opportunity to create alignment and coordination across state agencies and with units of local governments, tribes, community groups, and private business to increase the efficacy of the implementation grants, as well as other funding available via the IIJA/BIL and IRA

For the Heavy-Duty Vehicle program, the biggest contribution the federal government could make towards transitioning fleets to clean vehicles would be to rapidly and comprehensively transition its own fleet. This would send a clear signal to the market, backed by federal purchasing power, that could help move manufacturers, spur innovation, and bring prices down.

Another seismic opportunity would be to develop a single, simple application that covers all programs related to transitioning away from heavy-duty vehicles. This would allow applicants to focus on the big picture goals, rather than spending limited resources and staff time completing applications.

Additionally, the LGAC recommends that EPA:

- prioritize replacing vehicles that are used more within a community (thus generating more emissions) over those that are less frequently used, and vehicles that are more often used in low-income communities
- design this program to account for asset management cycles and provide a long time frame for expending grant funds so that communities on long replacement cycles can still benefit.
- identify financing options for communities that are unable to budget for the base cost of the vehicle
- dedicate staff and other resources to encourage state utility regulators and utilities to adopt rate structures that support EV charging

The LGAC looks forward to working with EPA more as the IRA programs are implemented.

Sincerely,

Mayor Leirion Gaylor Baird, LGAC Chair

Mayor Satya Rhodes-Conway,
LGAC Air & Climate Workgroup Chair

Climate Pollution Reduction Grants

1. *What are the most promising greenhouse gas (GHG) planning and reduction opportunities that could be catalyzed by the Climate Pollution Reduction grants, taking into consideration:*
    a. *Total potential for GHG reductions and other co-benefits;*
    b. *Gaps in existing resources, programs, or policies;*
    c. *Availability of other government funding streams?*

There are many factors that determine the effectiveness of a GHG emission reduction opportunity, including geography, local economy, and prior action taken by relevant units of government. In rural areas, there is a need to decarbonize the agricultural industry and develop best management practices for soil health. In urban areas, the biggest sources of emissions are buildings and transportation. In suburban areas, there is a need for more efficient land use, including transit-oriented development. In general, an honest accounting of local emissions sources is needed to assess opportunities to reduce GHG emissions, particularly those that will provide co-benefits and support disadvantaged communities.

From a national perspective, the building and transportation sectors are responsible for the most emissions. While decarbonizing the transportation sector poses challenges, the path is more straightforward. Vehicles must transition to low or no emission fuels, via electrification or alternative fuels. Infrastructure to deliver those fuels must be built. The light and heavy-duty vehicle industries must transition to sell and maintain these vehicles. Older vehicles must be removed from service and recycled, rather than being passed on to lower income households and communities. Transportation modes must shift away from single occupancy vehicles. Much of this work is being undertaken by other federal agencies (notably the U.S. Department of Transportation), but EPA can have a role in setting standards and incentivizing the shift away from single-occupancy vehicles, as well as the transition of light and heavy-duty vehicles to low or no emissions fuels (see below). **The LGAC recommends projects that contribute to emissions reduction in the transportation sector, particularly those that encourage mode shift or that have health co-benefits for disadvantaged communities, be eligible for the Climate Pollution Reduction Grants.**

Decarbonizing Buildings

Where local governments need the most support – especially in urban and suburban areas – is decarbonizing the building sector. The U.S. will need to add an estimated 20 million new homes in the next decade. This problem is outside the authority of EPA, but there are actions that EPA can take to ensure that the solution supports climate change mitigation and resilience. Research from the think tank RMI estimates that if those homes were built as infill, in proximity to public transportation and other infrastructure promoting sustainability, the nation could lower its carbon dioxide emissions by 200 million tons per year by 2030. That's roughly the equivalent of taking 43 million cars off the road (Subin, 2021). This issue is two-fold: there are the carbon emissions of the building itself, which includes its construction and daily energy use, and there are the carbon emissions from the human activities associated with using the building, such as travelling to and from the building. **The LGAC recommends that EPA use the Climate Pollution Reduction Grants to support decarbonization of new and existing income-qualified housing projects, with an emphasis on using sustainable building standards and supporting denser, transit-oriented development. Supporting decarbonization of government and commercial buildings is also critical for reducing emissions from the building sector.** Most affordable housing projects include some form of HUD funding in the capital mix. Federally built or funded

buildings should lead the way by being the most sustainable, low-emissions buildings in any community, so the **LGAC recommends that EPA collaborate with HUD to ensure that the buildings they fund are constructed to the highest sustainability standards possible.**

Another area for EPA to target the decarbonization of buildings is through building codes. States and municipalities typically set codes based on models developed by private sector organizations (e.g. the International Code Council), who use consensus-based processes to engage experts from a range of fields. Some states and municipalities have used building code updates to drive energy efficiency in residential and commercial buildings. Where this has not occurred, one of the barriers is state laws limiting the authority of municipalities to set their own codes. **The LGAC recommends that EPA leverage Climate Pollution Reduction Grants and other resources to encourage states and municipalities to adopt the most recent building codes, by requiring or giving preference to statewide planning grants that include a section on "code modernization"**

The LGAC learned about EPA's involvement with Voluntary Consensus Standards on green building, transportation, energy and more. **The LGAC recommends that EPA dedicate more EPA staff to this work to ensure that consensus-based standards and model codes support the Agency's climate goals.** This is especially important as GSA implements its section of the IRA on upgrading and/or building new facilities with low embodied carbon construction materials (which are currently being defined by EPA) and investing in emerging and sustainable technologies. Department of Transportation will also use this definition as part of its work to incentivize sustainable building. A final approach would be to **work with municipal leagues to encourage local government staff with climate expertise to participate in development of standards where possible and provide trainings for those interested in learning more.**

As noted above, the location of buildings as well as land use patterns impacts the carbon footprint of communities. Higher density, infill, transit-oriented development enables low to no-carbon transportation, including active modes of transportation and transit use. **The LGAC recommends that EPA leverage funding to support dense, infill, transit-oriented development of sustainable, low to zero carbon buildings, including funding and technical support for climate-smart land use planning.**

Locating and designing buildings and critical infrastructure in ways that avoid and minimize climate hazards, like flooding, wildfires, and heat waves, not only improves community resilience but also avoids or reduces the climate pollution associated with disaster response and recovery, disposal of debris, and rebuilding. Climate resilience co-benefits are critical and should be prioritized because climate hazards are impacting underserved communities first and worst. **The LGAC recommends EPA work with communities to integrate climate resilience considerations into climate action planning and implementation projects and prioritize projects for funding that reduce or avoid carbon emissions and improve community resilience, such as managed retreat from areas vulnerable to flooding and sea level rise, and buildings that provide community services, which are both especially important for resilience in underserved communities.**

Creating and expanding natural and green infrastructure, such as urban tree canopy and other urban ecosystems, is another proven way to cool cities, sequester carbon, reduce flood risk, and reduce emissions. For example, projects that expand urban tree canopy can significantly reduce the urban heat island effect, which reduces the need for cooling in buildings, reduces strain on the electric grid, and cuts emissions. These strategies are especially important in a changing climate where extreme weather is becoming more frequent, more severe, and disproportionately impacting disadvantaged communities.

The LGAC recommends that green infrastructure and other natural climate solutions, including expansion/restoration of urban tree canopy, be eligible uses for the Climate Pollution Reduction Grants.

Ultimately, the carbon footprint of buildings is tied to the source of energy they use. While electrification of heating and cooling enables decarbonization, the source of electricity must be low or no carbon. Setting aside the EPA's larger role in decarbonizing the energy sector, it is important not to overlook the role of low or no carbon distributed energy generation in reducing building GHG emissions. All too often, renewable energy generation (solar, small-scale wind, geothermal, etc.) is hampered by utility company policy and state or local regulation. Planning for and investing in building and community-scale distributed generation is essential step to reducing climate pollution. **The LGAC recommends that distributed renewable energy generation and community solar projects be eligible uses for the Climate Pollution Reduction Grants.**

Agricultural and Rural Locations

Finally, the LGAC wishes to note the opportunity to reduce GHG emissions through adapting agricultural practices. EPA's own report in 2020 attributed 11.2 percent of U.S. emissions to agriculture, and a report from McKinsey & Company[1] predicts that agricultural emissions could be reduced 20 percent by 2050 through adopting a set of proven GHG-efficient farming technologies and practices. Climate-smart agriculture will allow farmers and ranchers to increase productivity while strengthening their climate resilience and minimizing climate impacts to meet food security needs.

The LGAC recommends that EPA work closely with USDA to leverage program funding, and with its Farm, Rural and Ranch Advisory Committee, local and tribal governments, and municipal leagues such as the National Association of Counties and the National Association of State Departments of Agriculture, to support the development and adoption of lower-emission and zero-emission on-farm machinery and equipment. Additionally, EPA should work with these entities to invest in research and technologies that allow for the adoption of land use practices to increase the carbon stored in soil or vegetation, and production practices that reduce methane emissions from managed livestock manure and nitrous oxide emissions from cropped and grazed soils. There are notable technological innovations taking place to make fossil fuels less carbon intensive, and in some cases, the most efficient path to lowering emissions may include adopting these practices, coupled with geological sequestration. **Where GHG emissions can be achieved, the LGAC recommends allowing such projects as eligible costs under IRA funding.**

Several LGAC members also emphasize the need for any federal action to include an appreciation for the unique paradigm that rural communities face. Where there is limited existing infrastructure for electrical transmission and charging stations, there is a longer and more arduous timeline ahead for implementing such technology. At the same time, the lack of such infrastructure means that improving air quality is

[1] Agriculture and climate change: Reducing emissions through improved farming practices. McKinsey & Company. 2020.
https://www.mckinsey.com/~/media/mckinsey/industries/agriculture/our%20insights/reducing%20agriculture%20emissions%20through%20improved%20farming%20practices/agriculture-and-climate-change.pdf

less of a concern in such locations and additional strategies may be as impactful as making a swift transition away from fossil fuels.

2. *How should the EPA integrate the needs of underserved communities into the design of this program, taking into consideration:*
    a. *What equity and justice concerns, opportunities, or priorities are most relevant for this program and how can EPA best help address them?*
    b. *How can EPA best address the statutory requirement to consider the "degree to which greenhouse gas air pollution is projected to be reduced in total and with respect to low-income and disadvantaged communities"?*

There are three ways the LGAC believes that EPA should integrate the needs of underserved communities into this grant program. First, include communities in the planning process for grant-funded plans and projects. Second, ensure that the benefits and co-benefits of funded projects accrue to underserved communities. Third, ensure that underrepresented businesses and individuals can compete for any contracted work on funded projects.

Recommended Actions from Eugene Equity Panel

- Provide public transportation subsidies for people living with disabilities
- Provide multilingual education about climate change in community spaces
- Provide incentives for climate change education and adaptive actions in workspaces (both public & private sector)
- Encourage affordable, multi-use, ADA compliant, energy efficient buildings near public transportation
- Use radio, media, and trained community advocates to share information about climate change, emergency preparedness, and adaptation

Eugene, Oregon has an effective model for including underserved communities in the planning process. In 2019 they worked with the Urban Sustainability Director's Network to recruit individuals from sixteen community groups that demonstrated a commitment to equity, social justice, and/or environmental justice. Each organization was paid $3,000 for their participation – similar to compensation for other consultants hired by the city – and were offered free childcare during their meetings. Meetings were facilitated by a consultant but driven by the panel members' conversations, which focused on their lived experience. The immediate benefit from the panel was to provide tangible input on the City's Climate Action Plan. Over time, the panel also built capacity in organizations represented, so that they better understood how to engage with and get support from the City. The City of Eugene has now integrated this approach into other parts of its work. **The LGAC recommends requiring such engagement efforts for any planning grants, allowing stakeholder engagement expenses as eligible costs, and providing technical assistance to communities who do not have prior experience authentically engaging underserved communities. Further, the LGAC recommends giving preference to implementation grant applications that show tangible, authentic engagement with underserved communities.**

The second part of this issue is how to ensure that benefits accrue to underserved communities. One available tool is to overlay socioeconomic data with GHG emission intensity maps. This could lead to prioritization of air quality programs in legacy energy communities, the capping and capture of methane from a landfill that is located near a disadvantaged community or prioritizing the electrification of low-income housing units that are served by older gas appliances. **LGAC recommends that EPA give prioritization to applications that demonstrate they used not just GHG emission intensity maps, but**

also socioeconomic data, to identify projects. In turn, EPA must provide technical assistance to develop and use this data.

A related example to consider is the Philadelphia Energy Authority, a multi-faceted program created in 2016 to create jobs, strengthen communities, cut energy bills, and reduce Philadelphia's carbon footprint. The program has multiple aims, detailed to the right. Beyond the obvious climate benefits of this program, one of its greatest successes is workforce development. By investing in these projects, they have created demand for skilled labor and then trained members of the community to fill more than 2,500 positions over ten years. This can and should be replicated in other locations. In 2019, solar installer was the fastest growing occupation in the country, and rooftop solar creates the most jobs per dollar invested compared to other energy projects.

Goals of Philadelphia Energy Authority

- Promote economic development by brining established companies and investors to new neighborhoods
- Create clean energy jobs and careers
- Reduce the energy burden for Philadelphians by updating homes with more efficient and safer technology
- Improve public health by supporting more clean energy

Finally, underrepresented individuals and businesses must be able to compete for and benefit financially from these projects. EPA can support contract language that requires or gives preference to local businesses and workforce. More detail is included below in the response to question 9.

Across many sectors, members of the LGAC have effectively supported workforce development through procurement policies. For example, as Detroit invested in lead sewer line replacement, they put language in the bid solicitations that gives preference to bidders who employ workers living in Detroit. When the bid is awarded, that requirement is then written into the contract with the City. This kind of policy ensures that the local community is not only receiving an infrastructure upgrade, but also receiving the income from good-paying jobs. **The LGAC recommends requiring or giving preference to applications that adopt a similar approach to hiring local, especially from low-income or disadvantaged communities. At the same time, EPA should provide language and technical assistance for applicants seeking to pursue this.**

3. *This program consists of $250 million in planning grants, $4.607 billion in climate implementation grants, and $142.5 million for administrative funding. How should EPA implement and coordinate planning and implementation funding to make the greatest impact with the funds as a whole?*

<u>Planning Grants:</u>

Nationwide, communities are at very different points of addressing climate change. Further, overlapping levels of government in one place may be taking significantly different approaches; a state government may have aggressive climate goals, while local governments in that state have none, and vice versa. Accordingly, **the LGAC believes that EPA funding should be directed to where it can do the most good – including the local level**. Local plans are more likely to be actionable and implemented because they can be more specific, more responsive to on-the-ground opportunities and challenges, and more quickly developed and deployed. Failing that, **we recommend that any funded planning efforts be required to include the relevant jurisdictions in the planning process**. For example, a county level plan should include the municipalities in that county as part of the planning process.

Climate-related planning has an unfortunate history of focusing on the details of carbon inventories but failing to identify and prioritize implementation steps that measurably reduce future GHG emissions. **To promote action-oriented funding, the LGAC recommends that EPA require any plans contain and prioritize specific projects or actions for implementation, as well as specific goals and metrics**. To that end, we recommend that the EPA provide technical assistance both with GHG inventories and with plan templates. See below for more details on those recommendations. Towards the goal of identifying impactful, implementable projects, we encourage the EPA to work with communities to look at capital improvement plans that already have a pipeline of projects, which can be matched with funding and implemented at any time. These projects may not be designed in a way that explicitly reduces GHGs, but they present an opportunity to insert adjustments to greenlit projects that can have major climate impacts, with limited administrative work.

Funding for climate action planning through the Climate Pollution Reduction grants will provide unprecedented support for state, local, and tribal governments to strategically address climate change. It is imperative that these plans capture the essential and strategic approaches for tackling climate change – goals and actions to ***both*** reduce GHG emissions ***and*** improve resilience to current and future climate change impacts are critical components of such plans. **Therefore, we encourage EPA to support inclusion of climate vulnerability assessments and adaptation measures into climate action planning. Bifurcating mitigation and adaptation planning slows progress toward resilience, misses opportunities for innovative projects that provide co-benefits, and can even result in achieving one aim at the expense of the other, producing untended financial, health, and safety consequences.**

<u>Implementation grants:</u>
Implementation grants should support recipients of planning grants, proposals that focus on underserved communities, and/or projects that provide multiple co-benefits. For example, a building decarbonization project that focuses on affordable housing and includes indoor air quality improvements might receive preference over one that focuses on market rate housing. However, the LGAC is aware that there is a need to expedite the allocation and expenditure of some of these grant funds. **We recommend that communities who have existing GHG reduction plans and can identify projects that will measurably reduce emissions, be eligible for implementation grants without first receiving planning grants.** We are confident that, if given the opportunity, local governments can supply existing projects and programs that can reduce GHG emissions, improve air quality and thus community health, and provide other co-benefits.

Finally, it's important to note that for many communities, the need to match any funding can be a major barrier. **The LGAC recommends that EPA set aside a portion of funding for 100% grants based on need. Additionally, EPA should allow other federal funding to be used for any required match and encourage** communities to stack funding from multiple sources to achieve multifaceted, multi-benefit projects.

<u>Administrative funds</u>
Many communities want to take climate action but lack the staff to make it happen. In these places, the ideal would be for EPA to establish a program where communities identify their overarching climate goals and/or specific climate-smart projects, and EPA help identify the various components of realizing that program, and the funding streams to support it. Specifically, EPA could use the allocated administrative funding to work across the federal family – and with input from nonprofits and advisory

groups – to create templates for common climate action plan projects, such as decarbonizing buildings or fleet, creating transit-oriented development, increasing tree canopies, or creating more sustainable solid waste management plans. Like the U.S. EPA Indian Environmental General Assistance Program, EPA could identify capacity indicators for each program area that would allow a community to map out and grow a program over time. If these indicators were met, grants could receive prioritization for funding, which would encourage communities previously untouched by EPA to spend the time to develop a program and complete an application.

Similarly, EPA could use administrative funds to provide support for innovation and taking a whole of government approach to GHG reduction in economic development, transportation policy, infrastructure investment, equitable development, land use policy, climate adaptation and resilience, and more. EPA would likely need to contract with technical assistance providers to assist communities. In general, local governments lack the capacity to do this work on their own, but we believe that many would be eager to participate if given the opportunity to do so.

The EPA already has infrastructure to provide this level of support (e.g. Environmental Finance Centers, Thriving Communities Technical Assistance Centers, Brownfields Technical Assistance Centers), but it must leverage and coordinate these resources to deploy real-time support services to local governments and community groups wishing to support EPA's programs.

EPA staff can also be utilized for capacity building, as they were in previous administrations. **LGAC recommends that EPA invest early in hiring staff to manage and coordinate program activities, targeting full program staff by July 2023.** This should include at least one national liaison for local governments and one for community-based organizations, plus one position within each EPA Regional Office. Additionally, **LGAC recommends that EPA utilize part of this funding (coupled with administrative appropriation from other sections of IRA) to create an Interagency Office with US DOT, US DOE, US HUD, US Commerce (EDA).** This Office will provide coordination across agencies in the implementation of IIJA and IRA, with a targeted emphasis to work "at all levels of government" and provide coordination assistance with States, municipalities, and Tribes. This will increase the efficiency and effectiveness of both laws, while supporting deep transformations rather than easy "symptom" treatment.

4. *EPA plans to provide technical assistance to grant recipients.*
    a. *What technical assistance would be most helpful to eligible entities as they develop climate plans under the Climate Pollution Reduction Program?*
    b. *What technical assistance would be most helpful as applicants prepare for the implementation phase of the program?*

First and foremost, applicants need an easier way to parse through available federal funding opportunities as well as support in completing complex applications. Refer to the LGAC's past recommendations for more specific details. Beyond that, the LGAC believes that communities need support in accessing emissions data, conducting community engagement, communicating about GHG reduction work, and creating actionable GHG reduction plans. Finally, we believe there is an opportunity to support innovation and a whole of government approach to climate via technical assistance (see above).

As many communities do not have GHG emission reduction plans, **we recommend that EPA work with technical assistance providers or national NGOs with expertise in this area, to create planning templates to support communities in quickly creating prioritized, actionable plans with useable metrics**. **EPA could also support cities by helping to identify policy solutions to reduce GHG emissions,** via both requirements and incentives. This support could come from Regional Office staff pulling together best practices across each region and hosting quarterly workshops/in-services to showcase and explain innovative policy solutions. Requirements might include local building energy codes (where possible) or transportation demand management policies. Incentives might include offering tax incentives to developers who meet certain sustainability goals or sponsoring a climate challenge that compares GHG emissions reductions over a certain time against the other cities in a college sport conference.

Part of this effort includes accessing tangible data points – specifically data that measures the impact of potential projects, how discrete projects will ultimately save money, and a guide for prioritizing projects with the greatest need. The more EPA can help to automate the process of creating a GHG inventory for communities and updating it over time, the better. Similarly, identifying and quantifying the co-benefits of programs and projects that reduce GHG reductions is critical for achieving the multifaceted goals of communities. **The LGAC recommends that EPA create resources like calculators, case studies, and templates that highlight how GHG reduction and other co-benefits can be achieved in common municipal projects** (ex: integrating nature-based solutions into street redesigns can reduce urban heat island, air pollution, and emissions from surrounding buildings). This should include quantifying the economic, health, and other co-benefits of a project.

This data should feed directly into tools for climate messaging, which there is a tremendous need for at the local level. Elected and appointed officials need support explaining the value of pursuing climate projects to fellow elected officials, the business community, and residents, as well as the cost of not taking action. Messaging should focus on examples that people can relate to, like the costs of repairing a basement due to increased flooding, and the health impacts of an increasing number of hot days each summer. **The LGAC recommends that EPA develop communication strategies, tools, and templates for communities to use, and to have EPA staff available to answer questions and tailor strategies to specific locations.** The LGAC would be happy to work with EPA on this project.

Finally, communities need thoughtful and detailed assistance with community engagement, particularly to authentically engage with underserved communities. This could include examples of how to best reach underserved communities, how to structure an engagement meeting to facilitate authentic participation, and how to make it easier for community members to actively participate (i.e. offering childcare, food, etc.). More importantly, communities need assistance with how to explain to residents that despite urgent, day-to-day challenges like the rising cost of food and housing, it's important to talk about climate change, and in fact those daily challenges are often related to larger climate issues.

5. *How can EPA facilitate coordination and leveraging of other available funding and planning efforts to maximize effectiveness of the program (e.g., timing of implementation grant solicitations, time needed to complete a plan, guidance on program interactions, etc.)?*

Any advance notice of funding opportunities is helpful for communities – especially small communities. EPA funding announcements typically start immediately and run for 30 days. This timeline leaves

communities in a scramble to piece together an application and receive internal approvals. Communities that can afford it turn to consultants to help with this task, but many more either lack that funding or won't take a risk on spending that money when they know the odds of receiving funding are limited. The LGAC references its recent Small Communities Advisory Subcommittee recommendations (https://www.epa.gov/ocir/small-community-advisory-subcommittee-scas) to underscore this point. EPA should also include links to similar funding sources in any communications about grant opportunities, so that communities can easily find the source that best fits their need.

The LGAC recommends that the federal family coordinate on cross-cutting issues and develop an intuitive way for local governments to stack funding for a specific goal. For example, if a community wants funding for weatherization, they can apply (with one application) for relevant funding and support from EPA, HUD, and DOE.

Lastly, recognizing that the state of climate action across the country is as diverse as our nation, **LGAC recommends that EPA approach the timing of implementation grants with an understanding that some states, local governments, and tribes will have "shovel ready" projects now and that there will be more comprehensive longer-term projects that arise out of the planning grants, as well as regional collaborations that are now starting to occur due to ARPA, IIJA, and IRA.**

6. *What internal capacity challenges do you face regarding the development and implementation of GHG reduction plans? How can EPA help address those challenges?*

Many local governments lack the capacity or expertise to develop GHG inventories or GHG reduction plans (thus the need for technical assistance, see above). Similarly, local governments may lack capacity to take on a large, new implementation project. Allowing project management costs to be covered by grant funding could help fill this gap. **The LGAC also recommends supporting capacity to re-orient existing projects toward GHG reduction** – for example, to support the use of low-carbon concrete in infrastructure projects, or to support the addition of efficiency and renewable generation on building projects. Pivoting or expanding projects that a local government is already committed to undertaking could save staff time and money. Finally, supporting local governments in updating their codes, design guidelines, and infrastructure project standards to account for GHG emissions – and providing staff training to implement these standards - could have a significant long-term impact.

The LGAC **also recommends providing better and more streamlined access to available resources. EPA has the expertise, but local governments not knowing how to access it effectively, makes this an information problem**. The site https://www.epa.gov/statelocalenergy was removed in 2017, and should be re-instated and built upon.

7. *What metrics should this program use for measuring success and ensuring accountability?*

The LGAC recommends that EPA consider metrics that cover the following areas:

- GHG emissions
- Air quality
- Efficiency of emissions reductions (e.g. support conversion of vehicles/buildings that are heavily used over those that are not)

- Impact on underserved communities and equity
- Positive local economic impact (via contracting and workforce)
- Co-benefits such as climate resilience, health improvement, financial savings, workforce development, etc.
- Measures of partner and community engagement, including active participation and how input informed plans and projects

These metrics are already included in many federal and state programs. Above all, EPA should ensure that reporting metrics under this program align with existing reporting metrics for other federal and/or state programs. **Strive for efficiency and redundancy with existing efforts**. If there is the need for a new metric, ensure that the process for data collection is realistic, reasonable, and achievable by the grantees.

8. *How can EPA structure this program to facilitate cooperation and coordination within and across tribal, local, regional, and state agencies to implement climate policies?*

As noted above, the most promising GHG planning and reduction opportunities will occur when the "whole of government" is coordinated across federal, state, and local levels. Therefore, **we highly recommend that EPA view the State Planning Grant as the opportunity to create alignment and coordination across state agencies and with units of local governments, tribes, community groups, and private business to increase the efficacy of the implementation grants, as well as other funding available via the IIJA/BIL and IRA**. To accomplish this coordination, **LGAC recommends that EPA require any states receiving funding to demonstrate how local and tribal governments within their jurisdiction have been engaged in the planning of the projects, and how they will be integrated into the implementation.** At the same time, local and tribal governments should be encouraged to demonstrate how they have worked with the state, if their state has a climate action plan. However, they should be in no way penalized if that option is unavailable in their state.

Another opportunity is to incentivize a holistic approach that uses multiple federal IRA funding streams to achieve more effective and efficient planning and implementation. For instance, a planning grant awarded to a state should showcase how the state, tribes, local governments, community groups, and private sector are maximizing the GHG reduction impact of federal rebates, tax incentives, and competitive funds such as the GHG Reduction Fund. As noted above, the **LGAC recommends that funding under this section focus on developing a strategic plan that maximizes federal incentives; ensures co-benefits and advances for underserved communities;** showcases the opportunities for new domestic production and manufacturing of solar energy components, heat pumps, and other innovative energy saving technologies; and creates a road map and investments for building the regional workforce across all sectors within the plan.

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9. *What should EPA consider in the design of the program to encourage grantees to support high quality jobs and adhere to best practices for labor standards, consistent with guidance such as Executive Order 14063 on the Use of Project Labor Agreements and the Department of Labor's Good Jobs Principles?*

Wherever possible, the **LGAC recommends that EPA align with requirements and incentives already included in the IIJA and IRA.** This will reduce the administrative burden of local governments in both

applying for and managing grants. **The LGAC also recommends supporting existing community-driven, workforce development programs**. Many communities already have job centers and workforce development agencies that are doing good work. EPA would go a long way to support communities by encouraging applicants to partner with these organizations when implementing their projects. In many cases, this leads to more than just a one-time job opportunity, but the development of a career, as there is an influx of investment in clean energy projects.

10. *How could EPA design this program to align with any legal, regulatory, or voluntary obligations state, local and tribal governments – or regional planning bodies -- may have to quantify and reduce emissions including potential requirements from proposed rulemakings?*

EPA should consider that proposed grants be **additive** and not funding existing programs or operations, unless additional GHG or co-benefits can be shown by the influx of new funding.

11. *EPA wants to ensure applicants have adequate time and funding to develop their climate action plans before the deadline to apply for implementation funds. In your experience, how much time and funding is required to complete a state, municipal, or tribal climate action plan?*

Comprehensive climate planning efforts take time simply because the climate emergency cuts across all sectors of the economy and society, and actions to reduce GHGs impacts all community members. Based on anecdotal information, the average time is 18 months, although that can be much longer, especially when including robust community engagement that represents disadvantaged communities and receiving approval from the local decision-making body. This timeframe is too long, and EPA should focus resources on reducing it in an effective manner. The comments and recommendations provided above will assist greatly in reducing these timelines.

The cost of a climate plan at the local level is completely dependent upon the size of the community, the scope of the plan, and the integration of regional and/or state efforts. Additionally, many communities' current climate plans are based on the work of prior planning efforts including those in the transportation, housing, economic development, and air quality regulatory sectors. A quality plan and effort takes time and resources. **LGAC recommends that EPA engage LGAC on this question further in 2023 to gather insight and information to inform on-going program decisions.**

Clean Heavy-Duty Vehicles

In addition to the noted funds, the LGAC believes that **the biggest contribution the federal government could make towards transitioning fleets to clean vehicles would be to rapidly and comprehensively transition its own fleet.** Local governments lack the purchasing power the federal government has, so a clear signal to the market backed by federal purchasing power could help move manufacturers, spur innovation, and bring prices down.

1. *How do you see this program working in conjunction with the existing Diesel Emissions Reduction Act (DERA), the Bipartisan Infrastructure Law (BIL) Clean School Bus program, and programs at other agencies given the overlap in vehicles that could be funded?*

All too often, local governments find the current programs impenetrable or require too much work to access because of the length of applications, unclear eligibility, and/or the complexity of reporting requirements. **The LGAC recommends that EPA take this opportunity to develop a single, simple application that covers all of these programs, allowing applicants to describe their fleet, desired conversion, and other relevant information.** EPA staff would then evaluate the applications and make awards from the most applicable funding source. If it is possible to include relevant programs from other agencies, that would be ideal. At a minimum, the application should be the same across all agencies.

DERA could serve as a complement to the Clean Heavy-Duty Vehicles (HDV) program, but because they would address air pollution from medium and heavy-duty (MHD) vehicles in different ways, DERA and Clean HDV are more likely to serve as complementary strategies for eligible entities to address air quality in non-attainment and poor air quality areas than to be used in conjunction with each other. Additionally, DERA legislation requires EPA to offer 30% of the annual appropriation to states and territories to implement their own diesel emissions reduction programs. While state agencies must select projects according to EPA's eligibility and cost-share requirements for DERA, selections are made entirely by the states to suit state needs. If DERA serves to inform any of the design and implementation of Clean HDV, **the LGAC recommends that EPA find ways to ensure funding goes directly to local governments. If money goes to a state program to then disburse to eligible entities, EPA should include program guidance that requires recipients to partner with local governments when identifying or prioritizing communities and needs.**

Some smaller communities may have difficulty meeting the annual mileage requirements found in some grant programs like DERA, so **LGAC recommends that EPA develop eligibility criteria to enable communities whose MHD vehicle service territories or duty cycles may limit annual miles driven the opportunity to pursue resources or not include a mileage requirement similar to that in the Clean School Bus Rebate Program.**

Community Air Monitoring

The IRA provides $3 million for disadvantaged and low-income communities to benefit from improved air quality sensors, along with $117 million for fenceline air pollution monitoring and $50 million for multi-pollutant monitoring stations. Community air monitoring is an important tool to assess air quality and inform the development of emission reduction strategies for frontline and overburdened communities. Identifying communities that are disproportionately exposed to diesel MHD vehicle pollution is essential for local governments to effectively address environmental justice issues, including investments in zero emission vehicles and infrastructure operating in and near these communities.

Leveraging funding, technical assistance and basic training on air monitoring science to build the community capacity and knowledge necessary to support successful community-led monitoring programs would be an important element of measuring and demonstrating the air pollution benefits of MHD clean vehicle and infrastructure deployment. Some grants programs such as the DERA program prohibit use of grant funding for air monitoring, so the ability to take advantage of these air monitoring resources in conjunction with Clean HDV will be critical, in particular if there are air quality metrics associated with tracking program impact.

2. *For which significant Class 6/7 vehicle sectors should EPA prioritize funding?*

Overall, the LGAC **recommends that EPA prioritize replacing vehicles that are used more within a community (thus generating more emissions) over those that are less frequently used**. Examples would be transit busses over school busses or garbage trucks over snowplows. However, this should in no way exclude or impede small communities that simply do not have many miles to cover. We also **recommend prioritizing vehicles that are more often used in low-income communities**, to ensure that the benefits of reduced emissions benefit these communities.

In terms of specific vehicle sectors, there is already significant funding dedicated to school buses under EPA's Clean School Bus Program and DERA. In addition, based on the number of electrified school bus models currently available for purchase and those projected to be available in the next 3-5 years based on manufacturer announcements, the market for zero-emission vehicle (ZEV) school buses is well developed and fast approaching (if not at) life cycle cost parity with internal combustion engine (ICE) vehicle options. The LGAC recommends focusing on other, non-school bus MHD vehicle-types such as construction trucks and Class 6-7 stake and refuse trucks. These all play a significant role in local air quality, and have high visibility and generally low charging barriers based on likely duty cycles (i.e. can typically be charged overnight at their "home base"). The LGAC recommends that EPA ensure non-school bus vehicle types in both classes be considered as viable award options to help drive new model availability and market demand for MHD vehicle segments that will be increasingly important for fleet decarbonization.

EV Charging Infrastructure

The cost of MHD EV charging infrastructure can add overwhelming expenses to local government fleets already struggling to procure zero emission vehicles with high upfront costs. Local government fleets must also coordinate with utilities to ensure sufficient electricity is available to operate charging stations, meaning an increased number of stakeholders, prolonged timelines and steep "make-ready" deployment costs. The **LGAC recommends that EPA make available sufficient resources to support clean MHD vehicle infrastructure** in addition to the vehicles themselves as the charging infrastructure will be important for continued ZEV adoption by municipal fleets and help drive vehicle and charger manufacturer response to meet growing demand and the coevolution of the vehicle and charging infrastructure markets.

Additionally, because it less expensive to dig once and install all the electrical capacity and conduit that might be needed in the future for EV charging infrastructure rather than go back and dig a second time to build out additional or higher-powered charging stations, the LGAC encourages EPA to give consideration to charging infrastructure projects that include the ability to build out infrastructure requirements that are not necessarily needed at the outset of a project but will help build infrastructure capacity for eligible entities to help push future MHD vehicle demand and market options.

Vehicle Scrappage

Scrappage requirements, a common feature of truck and bus incentive programs such as DERA, could preclude some local government or other eligible entity fleets from participating in a program like this because they may not have eligible older vehicles to scrap depending on their asset management practices. Scrappage requirements can also be a disincentive to local government fleet operators that may rely on other funding strategies (e.g. lease to own) rather than purchased MHD vehicles.

Similarly, some federal grant making programs, for example FTA-funded transit bus projects, have useful life replacement requirements based on years of service or accumulation of miles which can hinder the ability of some local governments to purchase new, leading edge clean MHD vehicle technologies under a timeline faster than a vehicles minimum useful life requirement. The LGAC recommends EPA carefully consider the scrappage requirements for the program and explore options for flexible scrappage requirements (for example, consider the Clean School Bus Program option to donate or sell and document newer diesel vehicles) that can maximize both air emission reductions and fleet participation.

3. *How can EPA ensure the benefits of this program reach low-income and disadvantaged communities?*

The reason many local governments haven't upgraded from diesel to zero-emission vehicles is not because they lack the will. In reality, a new diesel sanitation trucks costs $350,000 while an electric one costs $500,000. The funding in the IRA provides only incremental funding – rather than the full cost of a new vehicle. This means that communities who weren't already budgeting upgrades will be unable to take advantage of the funding. It also means that low-income communities will be ineligible. **LGAC recommends that the EPA design this program to account for asset management cycles and provide a long time frame for expending grant funds so that communities on long replacement cycles can still benefit. We further recommend that EPA identify financing options for communities that are unable to budget for the base cost of the vehicle.**

EPA could consider prioritizing grants to areas with high asthma rates, poor air quality, or other indicators of high negative impact from existing dirty vehicles. To ensure that these grants do not simply move the problem around, **EPA should either replicate guidance in DERA that prohibits resale of dirty vehicles or consider adding the resale cost of the replaced vehicles to the grants and requiring that replaced vehicles be taken out of service and recycled, rather than being sold to a different user.**

In addition to the up-front cost of zero-emissions vehicles and their fueling/charging infrastructure, the ongoing cost of operation is a major consideration and sometimes barrier to affordability. In many states, the utility regulatory landscape and rate structure have not been updated to account for and support the electrification of light and heavy-duty vehicles. As a result, high electricity rates and demand charges can be prohibitive for charging fleets, high-use vehicles, and heavy duty-vehicles, precisely the types of vehicles this program seeks to decarbonize. Similar to recommendations above to support development and adoption of building codes that support EPA climate goals, **the LGAC recommends that EPA dedicate staff and other resources to encourage state utility regulators and utilities to adopt rate structures that support EV charging** by making it affordable and accessible, building on models of success found around the country.

EPA could prioritize investments in overburdened and underserved communities by allowing project funding to cover deployment of make-ready infrastructure and investment of incentive funding to focus on fleets operating in or near these communities. At the same time, EPA could prioritize projects that address last-mile zero service areas or vehicle types to reduce polluting truck traffic in a congested areas and heavily trafficked corridors, which can have disproportionate impact on low income and disadvantaged communities.

Finally, workforce development needs to be considered. Workers currently employed in the automotive sector—specifically truck and bus maintenance and repair —will need customized training to upskill and successfully navigate job transitions tied to fleet turnover. In addition, many jobs tied to EV maintenance and EV charging infrastructure deployment and maintenance will require electrical, mechanical, and other specialized skills. EPA should support opportunities to stand up training and retraining and workforce development programs in overburdened, underserved, and low-income communities.

4. *What should EPA consider in the design of the program to encourage grantees to support high quality jobs and adhere to best practices for labor standards, consistent with guidance such as Executive Order 14063 on the Use of Project Labor Agreements and the Department of Labor's Good Jobs Principles?*

The LGAC recommends that EPA provide standard contract language that grantees could adopt when issuing RFPs or soliciting bids, as well as requirements for grantees regarding labor conditions in garages/fleet centers, supported by spot check enforcement.

EPA should also **support the development and distribution of resources that eligible entities need to successfully plan and deploy clean MHD vehicles and infrastructure** (e.g., vehicle basics, charging equipment, utility connections, vehicle performance and operational considerations like duty cycles and maintenance). This would help to ensure support of high-quality jobs tied to both charging infrastructure deployment and maintenance and ongoing fleet maintenance.

EVI Installer and EVSP Selection

For eligible entities dependent on outside vendors for planning and hardware deployment or for managing or optimizing fleet and charging utilization, having a pre certified set of EVI installers and EVSPs to utilize that have demonstrated they can or already meet desired best practices and labor standards and provide workforce development and training opportunities, including paying prevailing wages and ensuring its workforce is certified and/or licensed could help streamline project development, interconnection and implementation processes.

5. *What metrics should this program use for measuring success and ensuring accountability?*

LGAC recommends considering the following metrics:

- GHG reductions (taking into account the emissions from charging electric vehicles)
- Efficiency of emissions reductions (fuel use/engine time)
- Number of fossil fuel vehicles removed from, and zero emission vehicles added to service
- Air quality benefits

- Projected GHG reductions vs. reductions achieved
- Geography of emissions reductions relative to vulnerable populations
- Impact on underserved communities and equity
- Co-benefits such as climate resilience, health improvement, financial savings, workforce development, etc.
- Measures of partner and community engagement, including active participation and how input informed plans and projects
- Harmful criteria air pollutant emissions reductions in disadvantaged communities (e.g., NO_X, $PM_{2.5}$)
    - Air monitoring that includes before and after measurement in particular in nonattainment areas and underrepresented communities would be helpful in assessing program impacts in these communities.
- Life cycle emissions impacts or benefits, in particular GHG emissions looking upstream and across the full energy and transportation cycle
- Charging hardware utilization metric (e.g. uptime and downtime data)
- Workforce diversity in employee recruitment, training, and retention for both charging infrastructure and vehicle maintenance related jobs