



Clean Air Act Grants Under the Inflation Reduction Act

Program Guidance for Air Pollution Control Agencies

United States Environmental Protection Agency
Office of Air and Radiation

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Program Guidance for Clean Air Act (CAA) Grants under the Inflation Reduction Act (IRA)

Section 60105(f) of the Inflation Reduction Act provides \$25M for “grants and other activities authorized under subsections (a) through (c) of section 103 and section 105 of the Clean Air Act.” EPA has elected to issue these grants non-competitively to eligible air pollution control agencies under CAA Section 103, and they may be used for any activity authorized under CAA Section 103. No cost share is required. CAA section 103 authorizes “the coordination and acceleration of, research, investigations, experiments, demonstrations, surveys, and studies relating to the causes, effects (including health and welfare effects), extent, prevention, and control of air pollution.”

The term “grant” in this guidance refers to both grants and cooperative agreements, as defined by [2 CFR 200.1](#). Eligible entities will receive a grant or cooperative agreement depending on whether EPA will be substantially involved in the project(s) funded by the assistance agreement. These grants may include any cost category (e.g., personnel, supplies, contractual) provided: 1) the costs are eligible under CAA Section 103; 2) the costs are reasonable; and 3) the costs are incurred directly or indirectly to carry out the activities included in the work plan. Applicants should consult EPA’s “[Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance](#)” for assistance with developing their budget.

Contents

I. Assistance Listing	3
II. Statutory Authority	3
III. Eligible Entities	3
IV. Application Package and Submission Information.....	3
V. Work Plan Contents	4
VI. Reporting Requirements.....	6
VII. Questions and Answers	7

I. Assistance Listing

66.034 – Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act

II. Statutory Authority

Section 60105(f) of the Inflation Reduction Act provides \$25M for “grants and other activities authorized under subsections (a) through (c) of section 103 and section 105 of the Clean Air Act.” The statutory authority for this action is the Clean Air Act Section 103, which authorizes “the coordination and acceleration of, research, investigations, experiments, demonstrations, surveys, and studies relating to the causes, effects (including health and welfare effects), extent, prevention, and control of air pollution.”

III. Eligible Entities

“Air pollution control agencies” as defined by Section 302 of the Clean Air Act who are eligible to apply for CAA grants include air agencies of states (including the District of Columbia, American Samoa, Commonwealth of the Northern Marianas, Guam, Puerto Rico, and the U.S. Virgin Islands), local governments, and federally recognized Tribes. Eligible air agencies for the purpose of this funding opportunity are those air agencies currently receiving a CAA Section 105 grant.

IV. Application Package and Submission Information

Applicants must apply electronically through [Grants.gov](https://www.grants.gov) for IRA CAA grants based on the Grants.gov instructions in this guidance. The following forms are required for your application and will be accessible through the funding announcement in Grants.gov. Applicants may work with their Region prior to submitting applications via grants.gov

- Standard Form 424, *Application for Federal Assistance*. Please note that the organizational Unique Entity Identifier (UEI) must be included on the SF-424
- Standard Form 424A, *Budget Information for Non-Construction Programs*
- EPA Form 4700-4, *Pre-Award Compliance Review Report* (see [EPA Tips for Completing Form 4700-4](#))
- EPA Form 5700-54, *Key Contacts Form*
- Grants.gov Lobbying Form – for any grant over \$100,000
- Project Narrative Attachment Form, *Project Narrative* – see Section V. Work Plan Contents below
- Budget narrative (Detail budget) Applicants should consult with “[Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance](#)” for assistance with developing their budget.

Use “Other Attachments” Form for any additional supporting documents

V. Work Plan Contents

As required under 40 CFR 107(b) for state and local air agencies and 40 CFR 507(b) for tribal air agencies, all work plans must specify:

- i. The work plan components (i.e., activities) to be funded under the grant;
- ii. The estimated work years and the estimated funding amounts for each work plan component;
- iii. The work plan commitments for each work plan component and a time frame for their accomplishment;
- iv. A performance evaluation process and reporting schedule; and
- v. The roles and responsibilities of the recipient and EPA in carrying out the work plan commitments.

Eligible Activities

Eligible air agencies may use these funds for any eligible activity under CAA Section 103. These may include activities to initiate planning and preparation for implementation of other IRA-related provisions.

Examples of eligible activities include but are not limited to the following:

- Development or updating of pollution source information and/or emissions inventories, including greenhouse gas inventories.
- Studies including modeling of air pollution, including greenhouse gases, and potential reductions under varying control technologies and strategies.
- Research and analysis of the effects or extent of pollution on low-income and disadvantaged communities within the air pollution control agency's jurisdiction. This may include analysis of disparate impacts from pollution sources.
- Research or piloting of new or experimental technologies, methods or approaches for the control of air pollution, including greenhouse gases.
- Training of personnel to advance the knowledge of air pollution sources, including greenhouse gases, and control technologies and mitigation practices
- Planning and preparation for implementing other IRA provisions.
- Fine particulate matter (PM_{2.5}), air toxics, and other air monitoring activities.
- Other activities to “conduct, and promote the coordination and acceleration of, research, investigations, experiments, demonstrations, surveys, and studies relating to the causes, effects (including health and welfare effects), extent, prevention, and control of air pollution”¹

To the extent applicants choose to undertake one or more of the above or similar activities, they should include those activities in their work plan and include associated outputs and outcomes for each activity. Grantees will be expected to submit at least semi-annual progress reports to EPA on progress in meeting the agreed-upon outputs and outcomes.

¹ From Clean Air Act Section 103(a)(1).

Please note that CAA grants under Section 103 cannot fund activities to implement a program for the prevention and control of air pollution under CAA Section 105.

Environmental Results and Strategic Plan Information

Pursuant to Section 6.a. of EPA Order 5700.7A1, “Environmental Results under EPA Assistance Agreements,” EPA must link proposed assistance agreements with the Agency’s Strategic Plan. EPA also requires that grant applicants and recipients adequately describe environmental outputs and outcomes to be achieved under assistance agreements (see [EPA Order 5700.7A1, Environmental Results under Assistance Agreements](#)). Applicants must include specific statements describing the environmental results of the proposed project in terms of well-defined outputs and, to the maximum extent practicable, well-defined outcomes that will demonstrate how the project will contribute to the Strategic Plan goals listed below.

Strategic Plan Linkage

The activities to be funded under this announcement support EPA’s Fiscal Year (FY) 2022-2026 Strategic Plan. Awards made under this announcement will support Goal 4: Ensure Clean and Healthy Air for All Communities, Objective 4.1: Improve Air Quality and Reduce Localized Pollution and Health Impacts. For more information see [EPA’s FY 2022 - FY 2026 EPA Strategic Plan](#).

Outputs

The term “output” means an environmental activity, effort, and/or associated work product related to an environmental goal and objective that will be produced or provided over a period of time or by a specified date. Outputs may be quantitative or qualitative but must be measurable during an assistance agreement funding period.

Applicants should identify outputs in their work plan associated with the eligible activities they choose to undertake. Expected outputs from the projects to be funded under this announcement include, but are not limited to:

- Reports of modeling, research, demonstrations, or analyses
- Number of trainings and dates held
- New or updated emission inventories
- Research of new or experimental technologies, methods or approaches for the control of air pollution, including greenhouse gases
- Study that utilizes EPA’s Averted Emissions and generation tool (<https://www.epa.gov/avert>) to compare the emission impacts of different types of energy programs and policies

Outcomes

The term “outcome” means the result, effect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes may be environmental, behavioral, health-related, or programmatic in nature, but must also be quantitative. They may not necessarily be achievable within an assistance agreement funding period.

Applicants should identify outcomes in their work plan associated with the eligible activities they chose to undertake. Expected outcomes from the projects to be funded under this announcement may include, but are not limited to:

- Number of staff trained to improve air quality
- Increased community awareness
- Increased access to information so that community can have accurate understanding of air quality in their community
- Informed policy and decision making by local/state agencies
- Increased number of citizens have access to more local scale air quality data
- Identification of areas experiencing air quality issues where data was previously unavailable
- Advanced knowledge on the role air pollution plays in development of various diseases, biological effects and groups who are most susceptible resulting from studies
- Modeling results that help estimate the relationship between sources and their effects on ambient air quality and inform policy decisions
- Air monitoring data that supports decision making by local/state agencies

VI. Reporting Requirements

Semi-annual progress reports and a detailed final report will be required. Semi-annual reports summarizing technical progress, planned activities for the next six months and a summary of expenditures are required. The final report shall be submitted to EPA within 120 calendar days of the completion of the period of performance. The final report must include a summary of the project or activity, advances achieved and costs of the project or activity. In addition, the final report shall discuss the problems, successes, and lessons learned from the project or activity that could help overcome structural, organizational or technical obstacles to implementing a similar project elsewhere. The schedule for submission of semi-annual reports will be established by EPA, after the grants are awarded. Award recipients may be provided with additional information and guidance on reporting performance measures and project progress after award.

Performance Measures. The applicant should also develop performance measures for key outputs and outcomes they expect to achieve through the proposed activities and describe them in their application. These performance measures will be the mechanism to track progress concerning successful processes as well as output and outcome strategies and will provide the basis for gaining insights and developing lessons to inform future recipients. It is expected that the description of performance measures will directly relate to the project outcomes and outputs (see previous section). The description of the performance measures will directly relate to the project's planned outputs and outcomes, including but not limited to:

- Overseeing subrecipients, and/or contractors and vendors;
- Tracking and reporting project progress on expenditures and purchases; and
- Tracking, measuring, and reporting accomplishments and proposed timelines/milestones.

The following are questions to consider when developing output and outcome measures of quantitative and qualitative results:

- What are the measurable short-term and longer-term results the project will achieve?

- How does the plan measure progress in achieving the expected results (including outputs and outcomes) and how will the approach use resources effectively and efficiently?

VII. Questions and Answers

1. What does the IRA say about how the Clean Air Grants are to be used?

Section 60105(f) of the IRA states the following:

Clean Air Act Grants: In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$25,000,000, to remain available until September 30, 2031, for grants and other activities authorized under subsections (a) through (c) of section 103 and section 105 of the Clean Air Act.

Please note that the Clean Air Act grants addressed in this guidance are separate and distinct from the Climate Pollution Reduction Grants authorized under Section 60114 of the Inflation Reduction Act.

2. What is the purpose of these funds?

Since EPA has chosen to issue these grants under Section 103 of the Clean Air Act, they may be used for any eligible activity under subsections (a) through (c) of Section 103. Air agencies may use these one-time resources to supplement annual funding and/or to prepare for implementation of other IRA provisions.

3. How are the Clean Air Act Grants being allocated?

The CAA Section 105 allocation process was used to divide the CAA Grant IRA funds as follows:

First, OAR will divide the \$25M minus minor administrative expenses (\$24.3M total) between states and Tribes following the typical percentage split contained in the annual State and Tribal Assistance Grants (STAG appropriation for air program implementation authorized by CAA Section 105), by which 93% goes to states, territories, and local air agencies and 7% goes to Tribes.

Second, OAR will apply the historic allocation methodology used to distribute the annual CAA Section 105 STAG appropriation among eligible air pollution control agencies to determine the amounts they would receive as their IRA CAA Grant. This includes a two-step process whereby Headquarters allocates the funding to the Regions. The Regions then

determine how much funding to award non-competitively to the eligible air pollution control agencies in their Region.

4. Can IRA Clean Air Act grants be added to existing grants?

IRA Clean Air Act grants can be combined with other grants for insular areas (American Samoa, Commonwealth of the Northern Marian Islands, Guam, and the U.S. Virgin Islands) under the Omnibus Territories Act, 48 USC 1469a. There are legal, logistical, and timing concerns that led to a decision to issue IRA CAA grants as stand-alone grants for all other eligible entities under CAA Section 103.

5. Can funds from these IRA CAA grants go to multi-jurisdictional organizations?

These IRA CAA grants are limited to air pollution control agencies, as defined by the CAA. Therefore, multi-jurisdictional organizations are ineligible to receive an IRA CAA grant. However, as with any grant, air pollution control agencies may issue subawards to other entities, such as MJOs, to carry out eligible activities consistent with [EPA's Subaward Policy](#).

6. Can IRA CAA grants pay for air monitoring equipment?

Certain air monitoring equipment (including sensors) can be purchased with IRA CAA funding, provided the equipment is used for an allowable activity under Section 103 of the Clean Air Act. This includes but is not limited to: PM_{2.5} monitoring; air toxics studies or research; criteria pollutant studies or research; or other research, investigations, experiments, demonstrations, or studies relating to the causes, effects (including health and welfare effects), extent, prevention, and control of air pollution

7. Can this funding be used for staffing at air pollution control agencies?

Personnel costs can be included in the budget. Applicants should consult EPA's [Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance](#) when developing their budget. The following cost categories can potentially be eligible – personnel, travel, equipment, supplies, contractual, sub-awards (under “Other”), and indirect costs.

8. How do eligible air agencies apply for an IRA Clean Air Act grant?

Eligible air agencies must have an active SAM.gov and Grants.gov account. Applicants should ensure as soon as possible that their accounts are active. Click this link for [additional information about registering in SAM.gov and Grants.gov](#).

9. Who can I contact for more information?

EPA Region	Point(s) of Contact	Contact Information
1	Jennifer Brady	617-918-1698; brady.jenniferL@epa.gov
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