

# UNITED STATES CLIMATE ALLIANCE

The Honorable Michael S. Regan, Administrator  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20004

January 18, 2023

Docket Number: Posting EPA-HQ-OAR-2022-0873

Dear Administrator Regan,

I write to you on behalf of the U.S. Climate Alliance (Alliance), a bipartisan coalition of governors committed to climate action that together represent about 60 percent of the U.S. economy and 55 percent of the U.S. population. As states and territories with substantial experience advancing policies that reduce greenhouse gas (GHG) emissions, we welcome the opportunity to provide input on the design and deployment of the U.S. Environmental Protection Agency's new Climate Pollution Reduction grants. Like you, we understand that tackling the climate crisis requires both state and federal action, and we look forward to working collaboratively to ensure Alliance members can harness these unprecedented resources to accelerate action and achieve our shared net-zero climate goals.

Alliance states and territories are already moving full speed ahead. We collectively reduced GHG emissions by 24 percent between 2005 and 2020, and notably, 23 of our members have economy-wide emissions reduction goals and 22 have economy-wide climate action plans. This progress is intentional and is the product of bold climate policies and programs developed and executed by Alliance members.

However, we know we're just getting started and in enacting the Inflation Reduction Act (IRA) — with \$5 billion in planning and implementation grants directly for states and other governments to develop strong climate pollution reduction strategies — Congress also recognized that we have much more work to do. Designed appropriately, these grants can supercharge our work in the years ahead and help Alliance members update and build out existing climate plans; incorporate additional sectors and policy considerations; raise ambition; conduct more robust technical and legal analysis; increase stakeholder engagement; advance environmental justice; and importantly, address critical capacity constraints across state government to do the work of putting our goals and plans into action.

Below, please find specific recommendations to ensure these grants are designed effectively to support this important work, drawing from our deep experience developing and implementing climate plans.

## Overall Principles for Planning and Implementation Grants

- **Bolster State Climate Capacity.** Accelerating climate action requires expanded capacity across state government to support development and implementation of ambitious climate policies, including hiring and retaining staff in multiple state agencies and governmental bodies; performing underlying technical analysis; conducting participatory stakeholder engagement processes; and coordinating ongoing implementation efforts. Above all, these grants must support staffing and other capacity needs that are essential to advancing economy-wide and sector-specific climate solutions, providing maximum flexibility to recipients.
- **Ensure Support for States Committed to Climate Action.** EPA should strive to fund applications widely across all states and territories that demonstrate a commitment to achieving the U.S. Nationally Determined Contribution and mid-century decarbonization targets, while addressing the applicant's most pressing challenges in meeting these targets. Planning grants can enable recipients to either develop and revise economy-wide plans or build on those plans through new sector-specific strategies. Likewise, implementation grants should be flexible to allow each recipient to tailor funding to address their particular circumstances, needs, and goals.
- **Support State Definitions, Tools and Considerations to Advance Equity and Justice.** EPA should work collaboratively with states and territories in our shared goal to advance environmental justice and ensure equitable outcomes with these grants. We encourage EPA to provide guidance on how recipients can use state-specific definitions, frameworks, and screening tools for low-income and disadvantaged communities — often developed

with local data sources and in partnership with communities — in addition to national tools like EJScreen and the Climate and Economic Justice Screening Tool. EPA should also preserve flexibility of these funds to address locally determined and contextually appropriate climate equity and justice concerns.

### Planning Grants

- **Support Development of Both New and Revised Plans.** To ensure the effective, efficient and equitable distribution of funds across states and territories while maximizing opportunities for nationwide emission reductions, planning grants should allow each state and territory the opportunity to develop or revise economy-wide plans, conduct further modeling such as decarbonization pathways analysis, or develop new or updated sector-specific strategies.
- **Expedite Awards for Planning Grants.** EPA should award initial planning grants as soon as possible in early 2023 to ensure states and territories have adequate time to secure implementation grants. Developing new comprehensive climate plans is a lengthy process, typically lasting between 18–24 months. Conducting participatory stakeholder engagement is particularly time-intensive and recipients will need sufficient time to meaningfully engage communities, stakeholders, and partners to develop new and revised plans.
- **Support Whole-of-Government Approach.** EPA should support applicants in taking a collaborative, multi-agency approach to climate planning in states and territories. Based on the experience of Alliance members, economy-wide strategies are often most effective and cohesive when developed across multiple state agencies and in direct coordination with governors' offices.
- **Foster Collaboration Between State and Non-State Entities.** EPA should consider whether applications from local, municipal, or other non-state entities enable, align with, meet or exceed statewide goals established through existing comprehensive climate and pollution planning processes.

### Implementation Grants

- **Support Implementation of Current Plans.** We encourage EPA to develop a pathway for implementation grants to be used to fund strategies in existing climate plans, provided that they meet certain stringency requirements, in addition to new climate plans developed under this program. Such a pathway is critical to enable Alliance states and territories with existing economy-wide climate plans to expeditiously reduce emissions across sectors and ensure the prior work of climate-leading states and territories is not discounted.
- **Prioritize Environmental Justice and Multiple Benefits.** State-level GHG inventories and projections are often the most effective way of monitoring GHG emissions reduction. As such, in addition to considering GHG reductions, EPA should prioritize programs and projects that build climate resilience and advance environmental justice in low-income and disadvantaged communities, as well as deliver co-benefits such as better air quality and public health, job creation, and economic growth.
- **Maintain Funding Flexibility.** EPA should maintain maximum flexibility to support recipients in tackling a wide range of economy-wide and sector-specific strategies — including natural climate solutions — to allow states and territories to fill critical resource gaps and most effectively leverage other sources of federal, state, and private sector funding.

The Alliance stands ready and eager to collaborate on maximizing the impact, efficacy, and equity of the new Climate Pollution Reduction grants. Thank you again for the opportunity to comment and for the Administration's collaboration with states and territories to confront the climate crisis.

Sincerely,



Casey Katims  
Executive Director  
U.S. Climate Alliance