



May 12, 2023

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

Re: Request for Comment on Greenhouse Gas Reduction Fund Implementation Framework

Dear Administrator Regan and EPA Staff,

Americans for Financial Reform Education Fund (AFREF), Public Citizen, and WE ACT for Environmental Justice thank the Environmental Protection Agency (“EPA”) for recognizing the critical need for stakeholder input and the value it provides particularly from environmental justice communities and allies throughout its development and implementation of the Greenhouse Gas Reduction Fund (“GGRF”). **We do not intend to apply for funds from any of the GGRF program competitions listed in the Implementation Framework (“Framework”).** As advocates, we write to offer recommendations in furtherance of GGRF’s goals to “...catalyze investment in thousands of clean energy projects, build the capacity of community leaders to drive local economic growth, and deploy cost-saving solar energy on rooftops and in communities across the country.”¹

The comment is organized by 1) general feedback on the overall Framework and 2) recommendations and questions specific to each of the three competitions.

¹ “EPA Releases Framework for the Implementation of the Greenhouse Gas Reduction Fund as Part of President Biden’s Investing in America Agenda,” *EPA*, April 19, 2023. <https://www.epa.gov/newsreleases/epa-releases-framework-implementation-greenhouse-gas-reduction-fund-part-president>

General Feedback on the Implementation Framework - Across Competitions

Fair Geographical Distribution: In order to become the “backbone of the American clean energy finance ecosystem,”² the EPA must require that grantees in each competition strategically prioritize diverse geographies (*across* all states and territories and the District of Columbia, as well as diverse geographies *within* states, territories, and the District of Columbia) and rural, urban, and suburban representation in their coalitions, networks, and ultimately their financed projects. Uneven distribution may result in individuals, small businesses, and communities in some states being left behind, particularly states with governments less willing or able to engage with climate-related programs, or fewer existing resources, infrastructure, and capacity (including green banks). A just and equitable green transition will not occur if all components of publicly-funded programs like the GGRF do not support communities in every state and territory.

The EPA should provide more technical assistance services and awards to community organizations, public, quasi-public, or other nonprofit entities in states where state or local governments do not apply for funds or do not submit robust applications, so that no communities, particularly low-income and disadvantaged communities, in the country are left behind. However, while achieving geographic distribution, it is critical that the most vulnerable communities maintain prioritization and are not under-represented for the sake of geographic representation.

Relationship Between the National Clean Investment Fund and the Clean Communities Investment Accelerator: More clarity is needed in the notice of funding opportunity (NOFO) or supplemental guidance on the relationship between direct recipients of the National Clean Investment Fund and indirect recipients (community lenders) of the Clean Communities Investment Accelerator. In particular, the EPA should provide more details on the expectations and requirements for the direct recipients to reach out and provide financing to community lenders, as referenced in the Framework:

- “Note that EPA expects community lenders will have access to additional capital to finance emissions and air pollution reducing projects from grantees of the National Clean Investment Fund competition. Those grantees will together be awarded \$14 billion to provide financial products for emissions- and air pollution-reduction projects, which may include providing capital to community lenders through structures such as warehouse facilities and loan purchasing programs so that community lenders can finance additional projects. EPA intends to evaluate National Clean Investment Fund competition applications based in part on the extent to which they plan to provide these financial products to community lenders” (Pg. 29).³

² Ibid.

³ Page numbers listed in this comment are a reference to the Implementation Framework provided by the EPA: “EPA’s Implementation Framework for the Greenhouse Gas Reduction Fund,” *EPA*, April 19, 2023. https://www.epa.gov/system/files/documents/2023-04/GGRF%20Implementation%20Framework_730am.pdf

Plan Requirements for Applicants: All plan details listed in the “application components” and “transparency” portions of the Framework for all three competitions should be required of applicants. This is especially true for the Equity and Community Benefits Plans and Equity Accountability Plans. The GGRF is entrusting billions of dollars to nonprofits, and for the Fund and the Accelerator competitions in particular, the funds are being distributed in a relatively concentrated way to a select number of recipients. Without requiring these applicants to be thoughtful and intentional on details like community outreach, labor standards, consumer protections, and everything else listed in the plans, the EPA will be unable to judge applicants effectively across these components. As a result, the GGRF may fail to accomplish all three of its stated objectives.

We strongly encourage the EPA to update the stated objectives in all of the plans from requested (“may”) to required (“must” or “should”) to create a gold standard for how justice should be front and center in a successful climate policy program. For example, the word “may” should be replaced with “must” in the following text:

- “The equity and community benefits plan explains how the portfolio strategy delivers benefits to low-income and disadvantaged communities (such as those mentioned in the definition of qualified projects). This may include specifying why the types of counterparties, including small businesses and low-income and disadvantaged community-led businesses, as well as Tribal communities, described in the portfolio strategy deliver these benefits” (Pg. 18).
- “This plan may include formal structures to obtain input from low-income and disadvantaged communities and the institutions that serve those communities, such as an independent stakeholder advisory committee with representation from community-based organizations, environmental justice advocates, Tribal-serving organizations, and others that advises on organizational decisions...” (Pg. 21)

Technical Assistance Needs: The EPA must require more technical assistance (TA) in all three competitions to minimize gaps in program participation, particularly in the National Clean Investment Fund and the Clean Communities Investment Accelerator. Successful implementation of the GGRF will only occur with a rigorous TA and pipeline development strategy for capacity and workforce development, predevelopment, market analysis, energy assessments, and related supports that are especially critical to homes and small businesses in low-income and disadvantaged communities.⁴

Governance, Accountability, and Public Reporting: Please see our comment submitted to the EPA’s December 2022 request for information for more detail on the need to consider oversight commissions, community accountability boards, a central web page portal and dashboard, and third-party evaluation.⁵ Direct recipients or a coalition’s lead applicants for the National Clean

⁴ We support the detailed technical assistance recommendations put forth by the Natural Resources Defense Council in its comment on this Framework, section: “I. GGRF Ecosystem Development and Demand Generation.”

⁵ “Comment in response to the Environmental Protection Agency’s Request For Information on the Greenhouse Gas Reduction Fund program design and implementation,” *Americans for Financial Reform Education Fund, The Chisholm Legacy Project, The Greenlining Institute, Public Citizen, and WE ACT for Environmental Justice*, December 5, 2022.

Investment Fund and the Clean Communities Investment Accelerator should be required to meet with their peers and designated EPA staff quarterly to align with their reporting requirements. The EPA should also direct all lead applicants of coalitions to set up and implement governance structures with a focus on accountability to and across their coalition members. In the case of ‘lead applicant of a coalition’ recipients, especially where the coalition members will offer significant direct project financing, members should have transparency and power in the decision making of the coalition.

In order for the GGRF to promote transparency and knowledge-sharing, case studies, white papers, and other public documents should not only reveal best practices; the EPA should also require recipients (direct and indirect) to report on projects that received pre-development expenditures but were never realized, and other challenges that recipients, lenders, and communities face in attempting to build out the United States’ first national climate bank network. Relevant sections of the Framework include the following:

- “EPA expects to require grantees to accompany this reporting with publication of select case studies (or white papers) to support additional financial market transformation, which may showcase demand for financing of emissions and air pollution reducing projects, highlight the financial performance of the grantee’s financial products (e.g., risk-return profile), and share best practices on product structuring” (Pg. 23).
- “EPA expects to require grantees to accompany this reporting with select case studies (or white papers) on the market transformation of the community lending ecosystem, including best practices that community lenders can replicate to build capabilities for and ultimately deploy financial products for emissions and air pollution reducing projects in low-income and disadvantaged communities” (Pg. 39).

Defining Low-Income and Disadvantaged Communities: The EPA’s proposed definitions of low-income and disadvantaged communities are sufficient, with the understanding that much needed additional guidance on disadvantaged communities is forthcoming in the NOFO. The EPA should explicitly include manufactured housing and community-friendly ownership models, like non-profits, community land trusts, and resident owned co-operatives, in future guidance as low-income and disadvantaged community housing for the purposes of these competitions,⁶ as they may be excluded when not explicitly named as eligible. EPA staff should also work with the Council on Environmental Quality (CEQ) to incorporate a cumulative impacts approach in its next version of the Climate and Environmental Justice Screening Tool (CEJST).⁷ In addition, the

https://ourfinancialsecurity.org/wp-content/uploads/2022/12/GHGRF_RFI_Equity-Technical-Comment_12.5.2022.pdf

⁶ “Affordable Housing Solution: Manufactured Homes,” *Manufactured Housing Institute*.

<https://www.manufacturedhousing.org/affordablehousing/>; “Affordable and Energy Efficient Manufactured Housing,” *U.S. Department of Energy*.

<https://www.energy.gov/eere/buildings/affordable-and-energy-efficient-manufactured-housing>

⁷ Naveena Sadasivam, “Why the White House’s environmental justice tool is still disappointing advocates,” *Grist*.

February 27, 2023. <https://grist.org/equity/white-house-environmental-justice-tool-cejst-update-race/>; Rajat Shrestha, Sujata Rajpurohit and Devashree Saha, “CEQ’s Climate and Economic Justice Screening Tool Needs to Consider How Burdens Add Up,” *World Resources Institute*, March 15, 2023.

<https://www.wri.org/technical-perspectives/ceq-climate-and-economic-justice-screening-tool-cumulative-burdens?emci=777d78e0-31e5-ed11-8e8b-00224832eb73&emdi=54613b75-35e5-ed11-8e8b-00224832eb73&ceid=8716954>

EPA should facilitate an accessible avenue for communities to submit an application to CEQ for inclusion as a disadvantaged community in the CEJST, recognizing the inherent nature of any tool being unable to capture the nuanced realities of individuals and small businesses in every community. All recipients of the GGRF should be required to use the latest version of the CEJST now and in the future.

We thank the EPA for thinking critically about how on-the-ground implementation for the GGRF might look by including geographically dispersed low-income households in addition to communities:

- “In the NOFO, EPA expects to provide additional guidance on the definition of low-income and disadvantaged communities that may also incorporate geographically dispersed low-income households, and properties providing affordable housing to low-income residents, located outside of geographies identified by CEJST” (Pg. 13).

The EPA should maintain this definition in the NOFO and future guidance. Two other broad categories of cases that the EPA should consider in its definition are: 1) how to ensure that high-income households which happen to be located in low-income or disadvantaged communities do not receive substantial benefits, and 2) how small businesses could also be fit into this “geographically dispersed” language. Small businesses and cooperatives—such as developers, contractors, or electricians—who currently serve low-income and disadvantaged communities or are made up of individuals from these communities should be prioritized in green financing projects supported by the GGRF.

Consumer Protections: The Solar for All competition includes additional detailed considerations such as language access, and the EPA should use it as a baseline model when developing the Equity Accountability Plans for the National Clean Investment Fund and the Clean Communities Investment Accelerator. We support the EPA’s inclusion of a Consumer Financial Protection Compliance Plan. Financial product materials (applications, pamphlets, etc.) across all three competitions should be developed in Spanish and other languages and the EPA should offer live interpreter services⁸ to minimize predatory lending or other harmful practices that may result from language barriers.

The EPA needs to incorporate anti-displacement measures across the three competitions so that affordable housing efforts are not undermined by energy efficiency measures and other upgrades to homes resulting from GGRF financing. Rental homes and tenants should be top of mind for

⁸ “EPA Order: Compliance with Executive Order 13166: Improving Access to Services for Persons with Limited English Proficiency,” *EPA*. https://www.epa.gov/sites/default/files/2017-03/documents/epa_order_1000.32_compliance_with_executive_order_13166_02.10.2017.pdf; Examples from other agencies: “Complaint Filing in Languages Other Than English,” *HUD*. [https://www.hud.gov/program_offices/fair_housing_equal_opp/complaint_filing_languages_other_english#:~:text=I%20you%20believe%20you%20have.927%2D9275%20for%20TTY](https://www.hud.gov/program_offices/fair_housing_equal_opp/complaint_filing_languages_other_english#:~:text=I%20you%20believe%20you%20have.927%2D9275%20for%20TTY;); “Language Assistance Services,” *US Department of Health and Human Services*. <https://www.samhsa.gov/language-assistance-services>; “If You Need an Interpreter,” *Social Security Administration*. <https://www.ssa.gov/multilanguage/interpreter.html>

the EPA, in part because rental homes consume, on average, 15% more energy per square foot than owner-occupied homes. This also means a higher energy burden for renters who spend more than 6% of their income on their energy bills,⁹ with Black, Hispanic, and Native American households facing the highest energy burden.¹⁰ In addition, BIPOC individuals have lower rates of homeownership, inversely meaning they have higher rates of home rentership than white individuals, and they spend more money on rent.¹¹ Renters should therefore be key end beneficiaries for GGRF financing and their situations considered holistically so that renters' utility savings are not overshadowed by higher rents.

Justice40: The EPA should seek direct input from various stakeholders in communities across all states and territories when developing future guidance on the types of metrics that best reflect and demonstrate benefits (alleviated burdens) to communities, particularly those that are supposed to accrue in disadvantaged communities, as listed in the Framework text below. At minimum, forty percent of overall benefits from each competition must flow to Justice40 communities and therefore it is imperative for these communities as beneficiaries to provide direct input and feedback to help guide the EPA and other federal agencies should they consider expanding such programs in the future.

- “Note that when assessing and reporting benefits to low-income and disadvantaged communities, 40% of benefits from these competitions must accrue to communities identified as disadvantaged through CEJST, consistent with the Justice40 Initiative. EPA expects to define benefits for the purpose of the GGRF as relief of the burdens identified in the Methodology section of the CEJST, as discussed later in this document” (Pg. 9).
- “Deployment of the proposed project, technology, or activity will deliver benefits to American communities by alleviating two or more of the following categories of burdens, as defined in the Methodology section of the CEJST: climate change, energy, health, housing, legacy pollution, transportation, water and wastewater, and workforce development” (Pg. 15).

Project Exclusion: We support NRDC's recommendation for developing a list of eligible and ineligible projects and technologies for use across competitions.¹² The EPA should explicitly clarify for applicants that carbon capture technologies, biomass from wood pellets, and hydrogen technologies produced through polluting processes¹³ are excluded as projects that can benefit

⁹ “Energy Equity for Renters,” *American Council for an Energy-Efficient Economy*. <https://www.aceee.org/energy-equity-for-renters>

¹⁰ “Energy Burden Report,” *The American Council for an Energy-Efficient Economy*, September 10, 2020. <https://www.aceee.org/energy-burden>

¹¹ “More Americans Own Their Homes, but Black-White Homeownership Rate Gap is Biggest in a Decade,” *National Association of Realtors*, March 2, 2023.

<https://www.nar.realtor/newsroom/more-americans-own-their-homes-but-black-white-homeownership-rate-gap-is-biggest-in-a-decade-nar>; DeArbea Walker, “People of color pay higher rental fees than their white peers,” *Insider*, April 11, 2022. <https://www.insider.com/people-of-color-pay-more-to-rent-an-apartment-2022-4>

¹² Pgs. 31-40. Adam Kent, “NRDC's Response to the EPA's Request for Information on the Greenhouse Gas Reduction Fund,” *Natural Resources Defense Council*, December 5, 2022. <https://www.nrdc.org/sites/default/files/ghgrf-rfi-response-nrdc-comments-20221205.pdf>

¹³ Sasan Saadat and Sara Gersen, “Reclaiming Hydrogen for a Renewable Energy Future,” *Earthjustice's Right to Zero Campaign*, August 2021. https://earthjustice.org/wp-content/uploads/hydrogen_earthjustice_2021.pdf

from the GGRF in any of the competitions. These projects may cause unintended negative consequences for communities, particularly low-income and disadvantaged communities, and should not be supported given their misalignment with the GGRF's environmental justice goals.¹⁴ These projects should also presumably be excluded under the following proposed language:

- “Deployment of the proposed project, activity, or technology will reduce greenhouse gas emissions in line with the U.S. Nationally Determined Contribution as well as Executive Order 14008 **and will reduce emissions of other air pollutants**” (Pg. 15).

Carbon capture and sequestration (CCS) or carbon capture, utilization, and storage (CCUS) projects are likely to extend the lifetime of coal, oil and gas extraction processes that disproportionately burden disadvantaged communities.¹⁵ While point source carbon capture is hypothetically able to remove 85-90% of carbon dioxide (CO₂), the filtering process does not remove simultaneously-emitted air toxics that contribute to the overall public health burden, and levels allowed by environmental regulators still harm public health.¹⁶ In addition, the carbon-reduction benefits are overstated. These projects are overly expensive, have not achieved the capture rates that were anticipated, and most of the captured CO₂ is used to produce additional oil, which means further expanding fossil fuel supply, not reducing overall carbon pollution.¹⁷

Biomass, specifically (but not exclusively) wood pellet production, should be excluded because the production as well as the later burning of biomass increases air pollutant emissions and disproportionately harms the health and well being of low-income communities and communities of color.¹⁸

¹⁴ Field, Sandy. “False Solutions to the Climate Crisis.” *Sierra Club Pennsylvania*. December 2021.

<https://www.sierraclub.org/pennsylvania/blog/2021/12/false-solutions-climate-crisis>

¹⁵ “Carbon Capture: The Fossil Fuel Industry’s False Climate Solution.” *Earthjustice*. September 2022.

<https://earthjustice.org/from-the-experts/2022-september/carbon-capture-the-fossil-fuel-industrys-false-climate-solution#:~:text=CCS%20projects%20are%20energy%20intensive,our%20reliance%20on%20dirty%20fuels>

¹⁶ Liu, Cong, et al. “Ambient Particulate Air Pollution and Daily Mortality in 652 Cities,” *The New England Journal of Medicine*. August 2019. <https://www.nejm.org/doi/full/10.1056/nejmoa1817364>; Hanigan, Ivan, et al. “All-cause mortality and long-term exposure to low level air pollution in the ‘45 and up study’ cohort, Sydney, Australia, 2006-2015.” *National Library of Medicine*. March 2019. <https://pubmed.ncbi.nlm.nih.gov/30878871/>; Jacobson, Mark Z. “The health and climate impacts of carbon capture and direct air capture.” *Energy and Environmental Science*. October 2019. <https://web.stanford.edu/group/efmh/jacobson/Articles/Others/19-CCS-DAC.pdf>

¹⁷ Robertson, Bruce and Milad Mousavian. “The carbon capture crux: Lessons Learned.” *Institute for Energy Economics and Financial Analysis*. September 2022. <https://ieefa.org/resources/carbon-capture-crux-lessons-learned>; Robertson, Bruce. “Carbon capture has a long history. Of failure.” *IEEFA*, September 2, 2022. <https://ieefa.org/resources/carbon-capture-has-long-history-failure#:~:text=Close%20to%2090%20percent%20of%20not%20leak%20into%20the%20atmosphere>.

¹⁸ “SELCC, 95 other groups warn Biden about dangers of biomass.” *Southern Environmental Law Center*. September 2021.

<https://www.southernenvironment.org/news/selcc-95-other-orgs-warn-president-biden-about-dangers-of-biomass-energy/>; “Wood Pellet Production In U.S. South Echoes Legacy Of Slavery,” *Nexus Media News*. October 8, 2020. https://nexusmedianews.com/top_story/racist-wood-pellet-production-echoes-slave-trade/

The EPA and recipients should prioritize financing for more efficient projects before considering any green hydrogen applications, and all non-green hydrogen projects should be excluded. Although production of green hydrogen is not directly polluting, it is energy intensive, and there are better low-cost, energy-efficient electric options readily available such as electric cars and heat pumps.

Climate-related Financial Risk: We appreciate the inclusion of climate-related financial risk in the assessment of applicants for the National Clean Investment Fund and the Clean Communities Investment Accelerator:

- “The financial risk management plan details the applicant’s plan to identify, assess, measure, and manage critical financial risks, including credit, liquidity, market, operational, strategic, and reputational risks; risks associated with climate change and natural disasters; and other risks” (Pg. 22).

The EPA has rightly acknowledged that climate change is a financial risk that should be managed and disclosed, including for organizations and these critical institutions engaged in climate resilience and the green transition. It is critical for recipients of the GGRF to factor in certain physical and transition risks to portfolios and institutions as they develop green financing products so they can remain resilient themselves as they help climate-vulnerable communities in climate mitigation *and* resilience.

Questions/Needs for Clarification

- Are there any requirements for projects to be cost effective for beneficiaries? What is the process or formula for establishing net benefits to communities (beyond the meaningful benefits plan of the Solar for All competition - see Pg. 50)? How do you balance that with enticing private capital?
- In the following passage, what does “legal authority” mean for the GGRF, and what types of entities might it exclude?
 - E.g. “...EPA expects to require each applicant to, at the time of application, provide justifications for and evidence that demonstrate the applicant: ...Has the legal authority to invest in or finance projects” (Pg. 14).

National Clean Investment Fund Competition (\$14 billion)

Projects: The EPA should require that each of the 2-3 eligible recipients for this Fund cover all three project priority categories (distributed power generation and storage; decarbonization retrofits of existing buildings; and transportation pollution reduction). The exact proportion of projects across each category does not need to be prescribed for the GGRF to meet its objectives, but the EPA should not allow any recipient to exclude any project category. Flexibility is critical to the program’s success, but the \$14 billion financing should not be funneled into only one or two project categories.

- “EPA expects each applicant to explain their approach to these priority project categories in their investment strategies, but EPA expects to provide each applicant with flexibility to (1) invest in additional project categories and (2) not invest in any given priority project category, provided this decision is accompanied with a supporting explanation” (Pg. 16).

“Priority project categories” should mean that these types of projects, at minimum, should be included, while still including flexibility for additional types of projects. All three of these priority project categories are necessary to meet the Justice40 goals of this Fund.

Geographic Representation: The National Clean Investment Fund—the competition with the largest pot of money—has the least likelihood of delivering broad inclusion and distribution across states and territories and rural, suburban, and urban communities without further guidance from the EPA in the upcoming NOFO. As written, the Framework creates the possibility of a lead applicant of a coalition and its members receiving these funds and implementing projects only in states where its members currently operate—for instance, with a green bank coalition and its existing members. National and regional projects may be funded and yield widely distributed general benefits, but local projects with more tangible benefits to individuals, small businesses, and communities may be concentrated in particular regions, territories, states, or municipalities. Although there are requirements for benefits to low-income and disadvantaged communities (which widely distributed general benefits should not qualify), the Framework does not require that an applicant or the collection of applicants have coalition members or networks across all geographic areas, much less that projects be implemented across geographic areas. The NOFO should add these requirements.

Questions/Needs for Clarification

- Will the 2-3 national nonprofits or lead applicants for a coalition need to have experience doing direct financing themselves, or will they qualify if the members of their coalition have that experience?

- Will coalitions applying need to consist of green bank members? Are lender intermediary groups excluded?
 - “Has an organizational mission consistent with being “designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low- and zero-emission products, technologies, and services” (Pg. 14).
- How is the EPA defining “private capital providers?” (Pg. 12)
 - The EPA should provide more clarity in the NOFO and prioritize mission-based financing entities such as those already listed as examples of “community lenders—such as community development financial institutions (including Native CDFIs), credit unions, green banks, housing finance agencies, minority depository institutions, and others...” (Pg. 25).

Clean Communities Investment Accelerator Competition (\$6 billion)

Capitalization Funding and Technical Assistance: The \$5 million cap for each community lender and the \$625,000 cap on technical assistance are far too low, and the EPA should raise both amounts. Experienced lenders have expressed concerns that \$5 million is not enough to scale a new financing portfolio. The “hub nonprofit” direct recipients should be allowed to deploy more than \$5 million in specific cases where community lenders have demonstrated an existing knowledge and capacity to deploy capital. In this case, the lender with more experience may not need as much technical assistance. Distribution for technical assistance should be prioritized by need and should have a cap higher than \$625,000 even when only \$5 million in capitalization finance is deployed for a given community lender. In this program, even more so than the National Clean Investment Fund, there is a critical need for capacity building in and with communities to disseminate information on the complex dynamics and opportunities of leveraging different grants, subsidies, tax incentives, and other green financing opportunities.

Projects: The majority of projects financed by the GGRF are anticipated to be from priority project categories, and while it may be complicated to have hundreds of community lenders supporting the deployment of dozens of project types, the Accelerator also offers a great opportunity for innovation. To further innovation, the EPA should permit community lenders in the Accelerator to finance projects outside of the priority projects categories (like the National Clean Investment Fund is permitted to do). This will allow communities and community lenders flexibility to deploy additional community-driven projects that are designed to meet the objectives and burden alleviation (benefits) requirements of the GGRF. Hub nonprofits should provide support to community lenders to evaluate the eligibility of proposed projects outside of the priority project categories.

- “EPA expects to require that capitalization funding, technical assistance subawards, and technical assistance services ultimately support deployment of qualified projects within these three project categories, rather than other qualified projects” (Pg. 31).

Questions/Need for Clarification

- Will the same community lender be permitted to receive funding through the Accelerator from multiple hub nonprofits? If so, how would the capitalization funding and technical assistance caps apply?
 - The Framework is explicit that eligible recipients can apply to multiple competitions, but less clear on the community lenders. And, for example, the hub nonprofits could divide up by the types or sectors of projects that they finance. If the EPA decides to allow it, then a community lender should be required to disclose if it is applying to multiple hub nonprofits.

Solar for All Competition (\$7 billion)

Enabling Upgrades and Energy Efficiency: The EPA should define “enabling upgrades” to include energy efficiency, or at least provide it as an example alongside “...electrical panel upgrades, roof repairs, and individual household access to the internet for system monitoring purposes” (Pg. 45). Energy burden and cost effectiveness of solar panel installations must be considered in order for the Solar for All competition to fulfill its mandate to benefit low-income and disadvantaged communities. “Enabling upgrades” should include improvements to a home that decreases its overall household energy consumption because energy efficiency upgrades complement solar energy economically.¹⁹ In states without beneficial net metering or other similar policies, it may be preferable for low-income and disadvantaged communities to focus on self-supply: sizing the solar panel system to meet the home’s own energy needs.²⁰ Weatherization and energy efficiency will reduce the amount of electricity a household needs to produce with rooftop solar,²¹ and therefore decrease the size of the system and installation costs.

- “Enabling Upgrades: Investments in building infrastructure that support solar deployment; enabling upgrade examples include electrical panel upgrades, roof repairs, and individual household access to the internet for system monitoring purposes. EPA expects each applicant to define enabling upgrades in their application” (Pg. 45).

The EPA needs to increase flexibility in the Solar for All competition in keeping with the statute while recognizing its tension with other purposes of the statute: residential or rooftop solar is not always the best option for low-income households. Rooftop solar is often depicted as a vehicle to increase a home’s property value and build wealth, but that is largely dependent on many factors such as location, marketing and buyer demand, whether the system is bought or leased, and the state utility rate structure.²² To help low-income consumers save money and reduce their energy burden, the program needs to factor in how a geographic area’s utility structures and rates may change over time.²³ Energy efficiency, electrification, and community solar²⁴ may be better suited to meet the needs of low-income households and communities, and so the EPA should implement the Solar for All competition with these priorities in mind.

¹⁹ Christopher Perry, “In a Pinch, Choose Energy Efficiency Over Solar,” *Green Building Advisor*, June 15, 2019. <https://www.greenbuildingadvisor.com/article/in-a-pinch-chose-energy-efficiency-over-solar>; Solar Energy Technologies Office, “Homeowner’s Guide to Going Solar,” *Office of Energy Efficiency and Renewable Energy at the U.S. Department of Energy*. <https://www.energy.gov/eere/solar/homeowners-guide-going-solar>

²⁰ “Self-Supply,” *EPA*, November 21, 2022. <https://www.epa.gov/green-power-markets/self-supply>

²¹ “Planning a Home Solar Electric System,” *Office of Energy Saver at the U.S. Department of Energy*. <https://www.energy.gov/energysaver/planning-home-solar-electric-system>

²² Dinan, Kim, “Do Solar Panels Increase Property Value? Here’s the Whole Truth,” *Homelight Company*, April 6, 2020. <https://www.homelight.com/blog/buyer-do-solar-panels-increase-property-value/>; Tejada, Vivian, “Blog: Do solar panels increase the value of your home?” *Flyhomes*, February 1, 2022.

<https://www.flyhomes.com/blog/do-solar-panels-increase-your-homes-value/>

²³ “Net Metering in Arizona,” *Solar United Neighbors*. <https://www.solarunitedneighbors.org/arizona/learn-the-issues-in-arizona/net-metering-in-arizona/>; Faith Foushee, “Net Metering Changes in California: How Will They Impact You?,” *CNET*. February 18, 2023.

²⁴ “Low- and Moderate-Income Solar Policy Basics,” *National Renewable Energy Laboratory*, <https://www.nrel.gov/state-local-tribal/lmi-solar.html>

Distribution Across Geographies: The EPA should distribute funds for this competition to every geographic area (already defined as every state and territory) proportional to the geographic area’s population of low-income and disadvantaged communities– to minimize the inequitable distribution of funds, particularly in areas that lack capacity or have state and local governments disengaged from climate policy. The current language “depending on the quality of proposals” (Pg. 41) suggests that certain geographic areas may be better positioned to receive much more funding than others due to existing resources and capacity and may minimize communities’ needs and impact. As expressed in more detail on page 2 of this comment, the EPA should fill this gap through technical assistance services and grants to organizations in less engaged geographies to build up competitive applications to ensure low-income and disadvantaged communities from every part of the country are represented faithfully in the applicant pool.

- “EPA expects selections will be made for each geographic area based on program need and vision including geographic factors, solar deployment potential factors, program design components and impacts, and other merit-based factors such as reduction in greenhouse gas intensity of the grid; impact to average low-income energy burden; the reach of the program across low-income and disadvantaged community population; quality and impact of program design; cost-effectiveness; timeline; a strategy to leverage existing federal, state, and local programs and subsidies to complement program deployment; program innovation; and other similar program design components, merit-based factors, and criteria” (Pg. 41).
- “For the geographies in which the state/territorial government does not participate, EPA encourages coalitions of Tribal governments, municipalities, and eligible nonprofit recipients to apply to maximize access to the benefits of solar in every state/territory” (Pg. 46).

Technical Assistance for Potential Applicants: The EPA should provide in-kind technical assistance to help coordinate and support entities within a geographic area (i.e., state or territory) ahead of their submission of applications, especially in cases where a lead applicant of a coalition will be applying and thus a coalition will need to be formed, representatively. The EPA should ensure fair access to the application process, beginning with the applicants for the Notice of Intent.

- “EPA aims to provide in kind technical assistance to support applicants with program planning, ensure national coordination, and share models and best practices” (Pg. 44).
- “EPA expects to require all applicants to submit a Notice of Intent (NOI) to participate in the competition prior to submitting applications” (Pg. 46).

Program Services Plan: The program services plan should emphasize and prioritize that market actors and program partners be residents of low-income and disadvantaged communities to generate long-term benefits for the communities such as skill, knowledge, and wealth building to those communities, as outlined in the equity accountability plan, meaningful benefits plan, and labor and workforce plan. Local and inclusive workforce development should also be required in the language:

- “Program Services Plan: The program services plan details how the applicant will support market actors (e.g., developers, contractors, communities, building owners) to adopt and deploy residential rooftop solar, community solar, associated storage, and enabling upgrades” (Pg. 48).

Questions/Need for Clarification

- Please clarify in the NOFO that the District of Columbia is listed in the following:
 - Number of Awards: Up to 60 awards; depending on the quality of proposals, EPA intends to make at least one award per geographic area; these geographic areas will be defined as every state and territory” (Pg. 41).
- Language should be clarified, e.g. “while ensuring all projects maximize household savings for owners and tenants.” Or, the minimum will need to be defined.
 - “Solar for All financial assistance is intended to enable low-income and disadvantaged communities to deploy or benefit from solar, storage, and enabling upgrades, while ensuring all projects deliver minimum household savings, among other benefits” (Pg. 44).

Obstacles to GGRF Implementation

Finally, the EPA should consider the following obstacles and challenges that may face recipients (direct and indirect) and communities in implementing GGRF projects:

- *High Interest Rate Environment:* After recent interest rate hikes by central banks in the U.S. and abroad, the cost of capital for clean energy has risen. Clean energy development can have relatively high upfront costs (despite its minimal operating costs once built).²⁵ For this reason, financing clean energy may be difficult for the next few years, even with subsidies. Solutions may include loan loss reserves, pooled loan funds, or a role for the federal government to securitize certain loans long term.
- *Worker Shortages:* Rewiring America estimates that the U.S. will need about one million electricians over the next decade to achieve U.S. climate goals.²⁶ In many trades, there is a need for inclusive workforce development across the country, including to those that have historically been excluded— for example, formerly incarcerated individuals. Many programs exist but need to be promoted better, including federal programs like the work opportunity for tax credit (WOTC) program.²⁷
- *Inconsistent Sub-National Laws:* The GGRF is a federal program that will result in green financing across states and locales with vastly different laws and regulations, particularly in utility ratemaking, that can help or hinder the green transition for many of the projects supported by these competitions. The EPA will need to implement the GGRF to maximize collaboration across recipients and lenders within and across the competitions to efficiently work through sub-national barriers.
- *Perception of Risk:* Education to community lender staff will be necessary to alleviate perceptions that there is much greater risk in green portfolios.

²⁵ Thomas Ferguson and Servaas Storm, “Central banks raising interest rates makes it harder to fight the climate crisis,” *The Guardian*, May 6, 2023.

<https://www.theguardian.com/commentisfree/2023/may/06/central-banks-interest-rate-hike-climate-crisis>

²⁶ Cora Wyent, Jamal Lewis, Alexander Gard-Murray, Noah Goldmann, Steve Pantano, Leah Stokes, and Ari Matusiak, “Electrify My Government,” *Rewiring America*, December 2022,

https://downloads.ctfassets.net/v4qx5q5o44nj/4LvLQrqfblcpvgvkiMzI3pQ/64976597b0defff0c484d9aaa6049dbd/Electrify_My_Government_Dec_2022.pdf

²⁷ “Guide to Trade Careers for Formerly Incarcerated People,” *PrimeWeld*.

<https://primeweld.com/blogs/news/trade-careers-for-formerly-incarcerated-people>

- *HOAs*: Although some states have curtailed these practices,²⁸ local Homeowners Associations might prevent homeowners from adding externally visible home upgrades like solar panels for aesthetic reasons.
- *Predatory Providers*: There will likely be an influx of predatory providers alongside the influx of capital for green financing products. The EPA should work with the Consumer Financial Protection Bureau (CFPB) and other relevant agencies to deliver guidance on new green financial products that are developed or scaled as a result of the injection of capital from the GGRF. The agencies should begin work now on initial guidance on consumer protections for green financial products ahead of the products being marketed to consumers. The agencies should educate lenders in all of the competitions and require them to include warning disclaimers of potential scams on outgoing marketing materials in addition to listing the phone number to submit a complaint to the CFPB. The EPA should also engage with CFPB staff on its current rulemaking to establish consumer protections for residential Property Assessed Clean Energy loans.²⁹ Even after guidance, the EPA should support CFPB and other agency enforcement efforts against predatory providers of green financial products.

The EPA and GGRF recipients should seek input from project implementation and consumer protection experts, as well as experienced lenders, to proactively mitigate these challenges.

Conclusion

We thank EPA staff for all the efforts they have made to heed input from stakeholders across the country, and we encourage the EPA to continue the practice of open dialogue and feedback until the last Greenhouse Gas Reduction Fund dollar is awarded and beyond. The Implementation Framework charts a path towards an environmental and climate justice-aligned national climate bank network that can support and uplift the role of low-income and disadvantaged communities in the climate economic transition. We urge you to strengthen the language throughout this Framework for the notice of funding opportunity and to continue to prioritize climate mitigation *and* environmental justice benefits in future guidance. For more information, please contact Jessica Garcia: jessica@ourfinancialsecurity.org.

Sincerely,

Americans for Financial Reform Education Fund

Public Citizen

WE ACT for Environmental Justice

²⁸ “Your guide to HOAs & solar panels: 5 strategies to get approval,” *Aurora Solar*.

<https://aurorasolar.com/blog/how-to-get-hoa-solar-approval-tips-for-success/>

²⁹ “CFPB Proposes New Consumer Protections for Homeowners Seeking Clean Energy Financing,” *Consumer Financial Protection Bureau*, May 1, 2023.

<https://www.consumerfinance.gov/about-us/newsroom/cfpb-proposes-new-consumer-protections-for-homeowners-seeking-clean-energy-financing/>