



Application to the Environmental Protection Agency's Climate Pollution Reduction Grants Program Phase 2 Implementation Grants

Business Item 2024-73



Community Development Committee

March 4, 2024

Today's Discussion



Climate Pollution Reduction Grant Opportunity

- Overview of grant opportunity
 - Project Concept
 - Timelines
- Alignment with climate planning efforts
- Seek Council authorization to apply for grant

Climate Pollution Reduction Grant

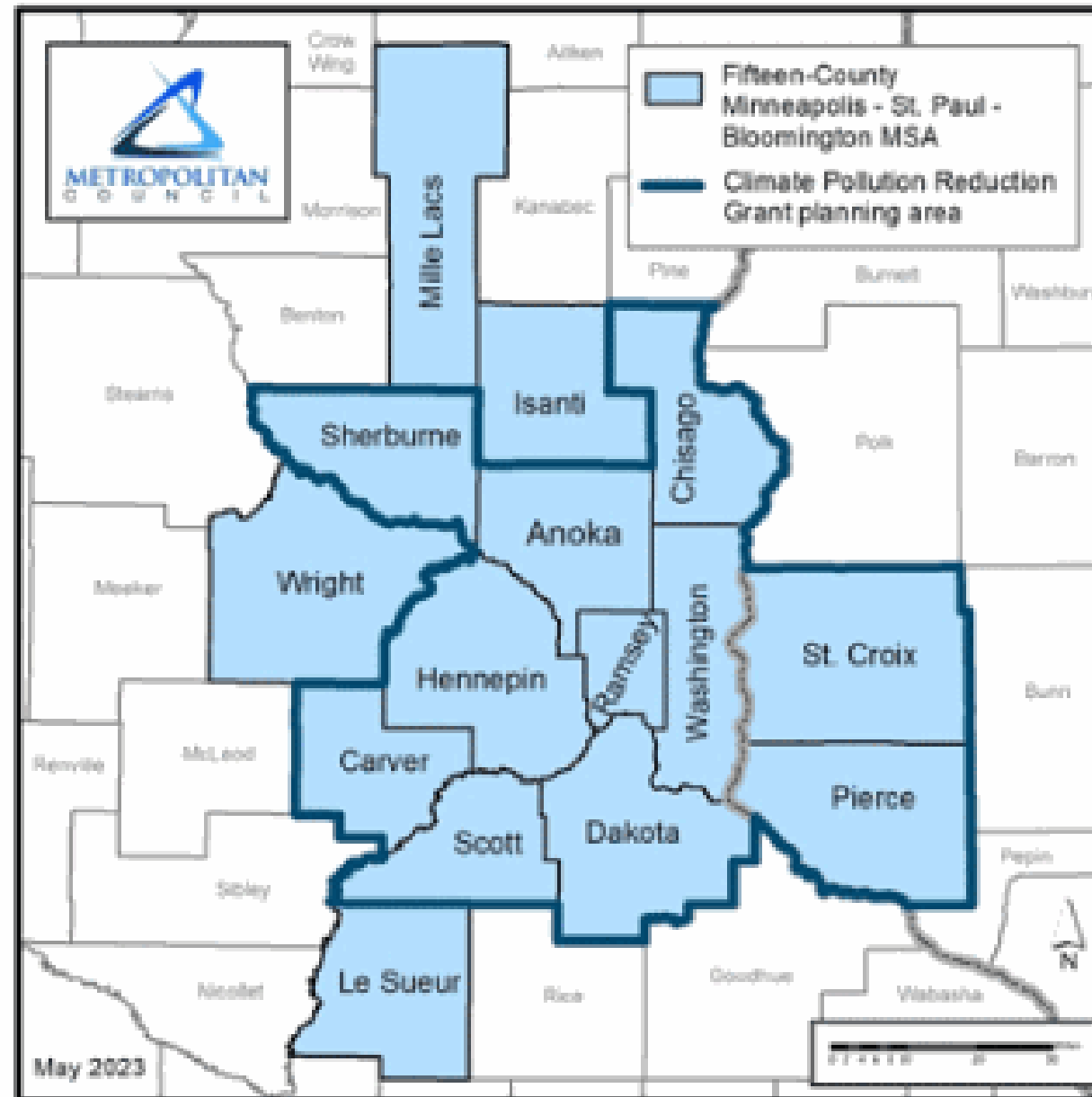
The EPA is funding climate change solutions

Grants are awarded in two phases:

- Phase 1: \$250 million – noncompetitive planning grants
- Phase 2: \$4.3 billion – competitive implementation grants

July 2023: Council was awarded a \$1 million planning grant.

- Phase 2 Implementation Grants are now available



Climate Pollution Reduction Grants

Phase 1 Planning

PCAP – Due March 1, 2024

- Preliminary Greenhouse Gas (GHG) Emissions Inventory
- **GHG Reduction Measures**
- LIDAC Analysis
- Authority to implement

CCAP – Due Summer/Fall 2025

- Complete and updated GHG emission inventories
- GHG emission projections
- Identify near and long term GHG emissions



Phase 2 Implementation

Implementation Grants- Due April 1, 2024

~\$4.3 billion in competitive grant money

Eligible entities:

- Lead CPRG organizations
- Executive branch-level agencies/departments
- Municipalities
- Tribes and tribal consortia
- Coalitions of above groups

Implementation grants **MUST** reference GHG reduction measures in PCAP

Climate Pollution Reduction Grant, Phase 2



Objectives of the Grant

- Implement **ambitious measures** that will achieve significant cumulative greenhouse gas reductions by 2030 and beyond
- Achieve **substantial community benefits**, particularly in low-income and disadvantaged communities (LIDACs)
- **Complement other funding** sources to maximize these GHG reductions and community benefits
- Pursue innovative policies and programs that are **replicable** and be “**scaled up**” across jurisdictions

Phase 2 Funding Tiers

Tier	Grant Ranges (million)	Funds Targeted for Each Tier (billion)	Anticipated Number of Grants to be Awarded
Tier A	\$200 to \$500	\$2.0	4-10
Tier B	\$100 to <\$200	\$1.3	6-13
Tier C	\$50 to <\$100	\$0.6	6-12
Tier D	\$10 to <\$50	\$0.3	6-30
Tier E	\$2 to <\$10	\$0.1	10-50
Totals		\$4.3 billion	30-115

State-MSA Coalition Grant

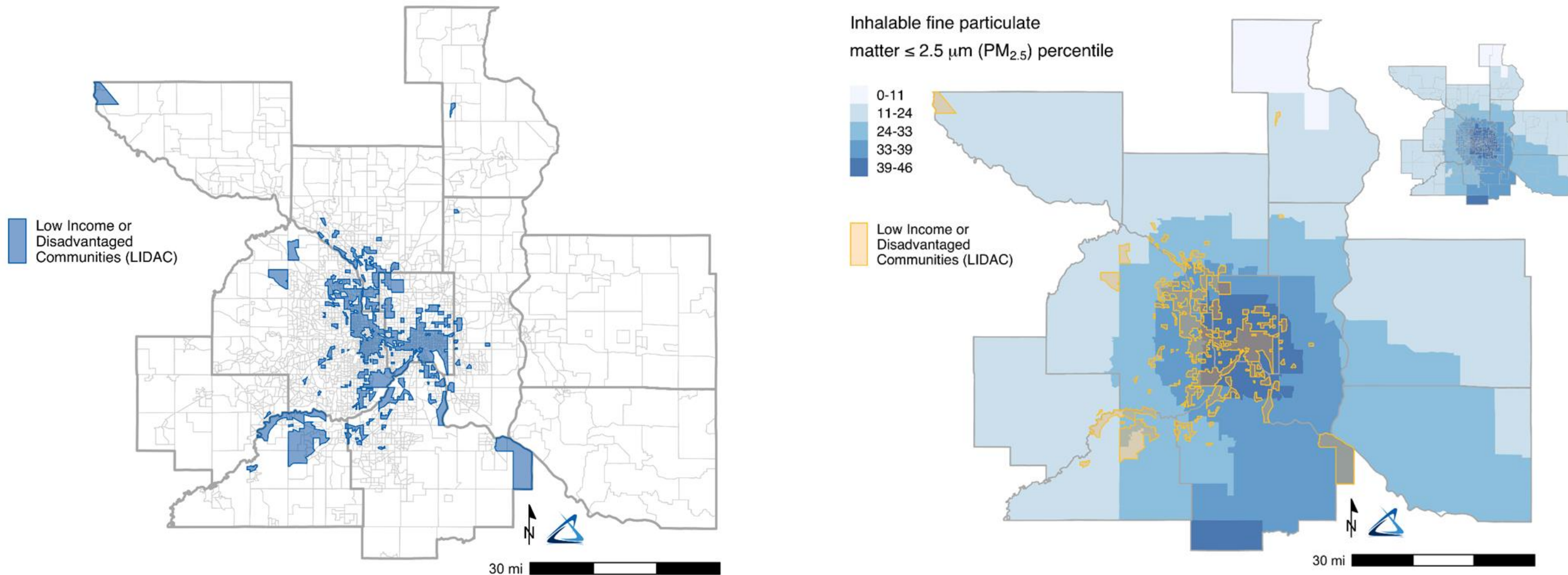


Equitable Residential Decarbonization

- Expanding Energy Navigator program to serve communities statewide
- Expanding existing decarbonization programs with a first cohort of local governments
- Organizing a coalition of Tribal governments to advance residential decarbonization
- Second local and tribal government cohort starting in year two of the grant proposal
- **Grant program for private property residential decarbonization program for communities in the 7-county metro area.**
- Targeted workforce development to support the decarbonization efforts and to hit the project goals for greatest emissions impact.

Low income and disadvantaged communities (LIDAC)

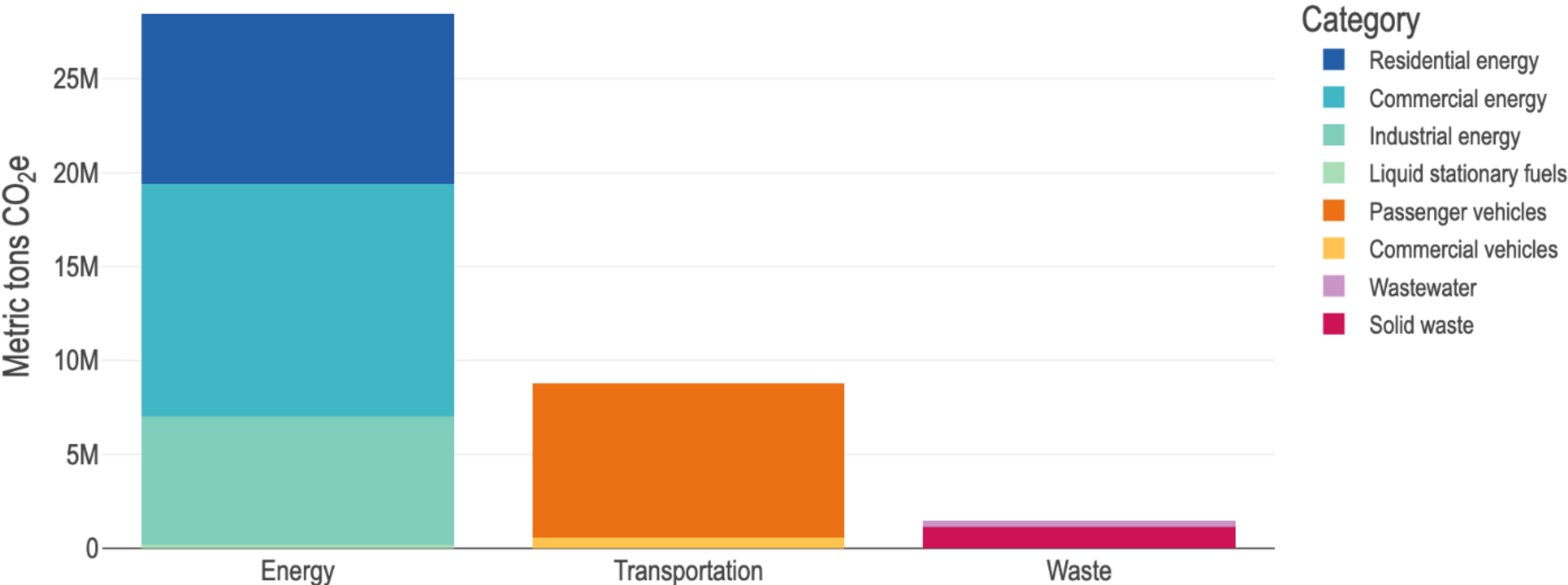
LIDACs bear a disproportionate burden of climate pollution



Maps showing distribution of LIDACs in region and LIDACs overlain on fine particulate matter air pollution

Regional GHG Inventory, 2021

Emissions from Residential Energy Use are a Major Source



Project Concept



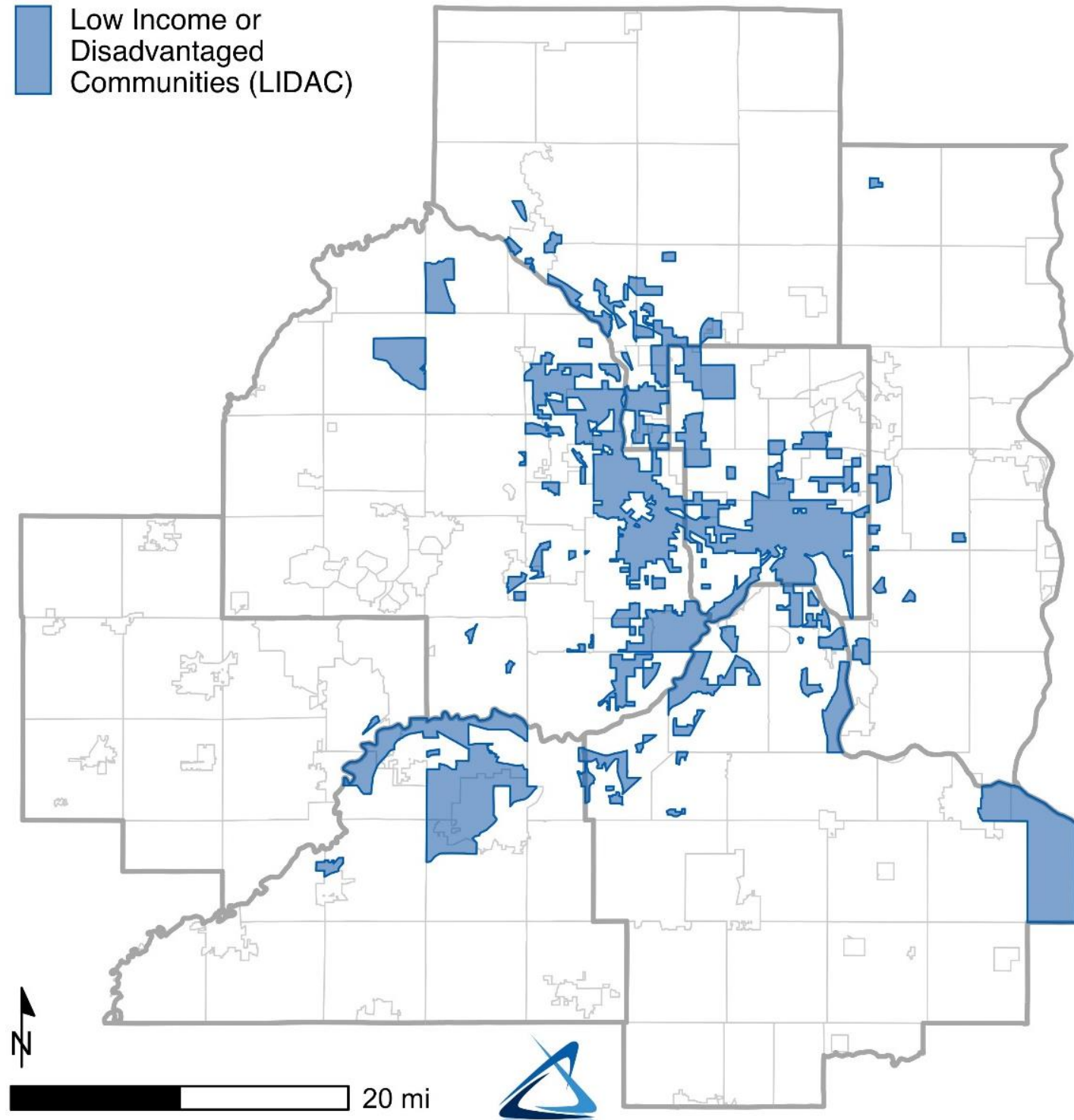
Competitive Grants & Technical Assistance

- \$30 million total, ~\$28M for private property grants
- Grants to local governments to be made available to private property owners for residential decarbonization work
 - Annual program over 3 years, about \$9.4M/year
 - 1-4 unit sized buildings
 - Eligible activities include weatherization and space heating electrification
 - 1 FTE for Grants Administration, 1 1-year FTE to support program development
- Technical assistance team – 2 FTEs
 - Application development process
 - Support implementation private property owners
 - Overall program assistance, partnering with local governments in reaching eligible property owners

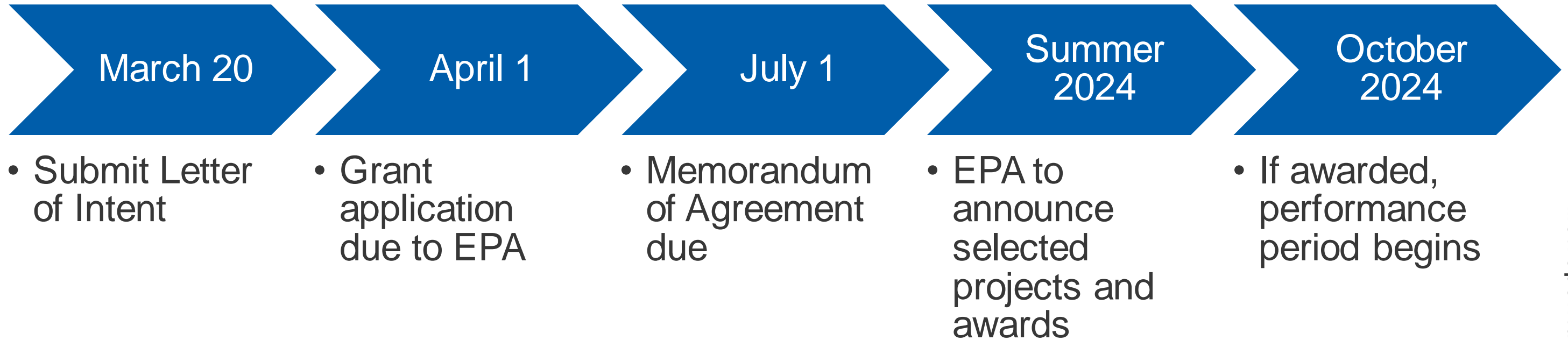
Grant priorities

Residences located in low-income and disadvantaged communities

Residences outside of low-income and disadvantaged communities for households falling below the low-income threshold



Grant Application Timeline



Imagine 2050 Regional Goals

Our Region is Equitable and Inclusive

Racial inequities and injustices experienced by historically marginalized communities have been eliminated; and all people feel welcome, included, and empowered.

Our Communities are Healthy and Safe

All our region's residents live healthy and rewarding lives with a sense of dignity and wellbeing.

Our Region is Dynamic and Resilient

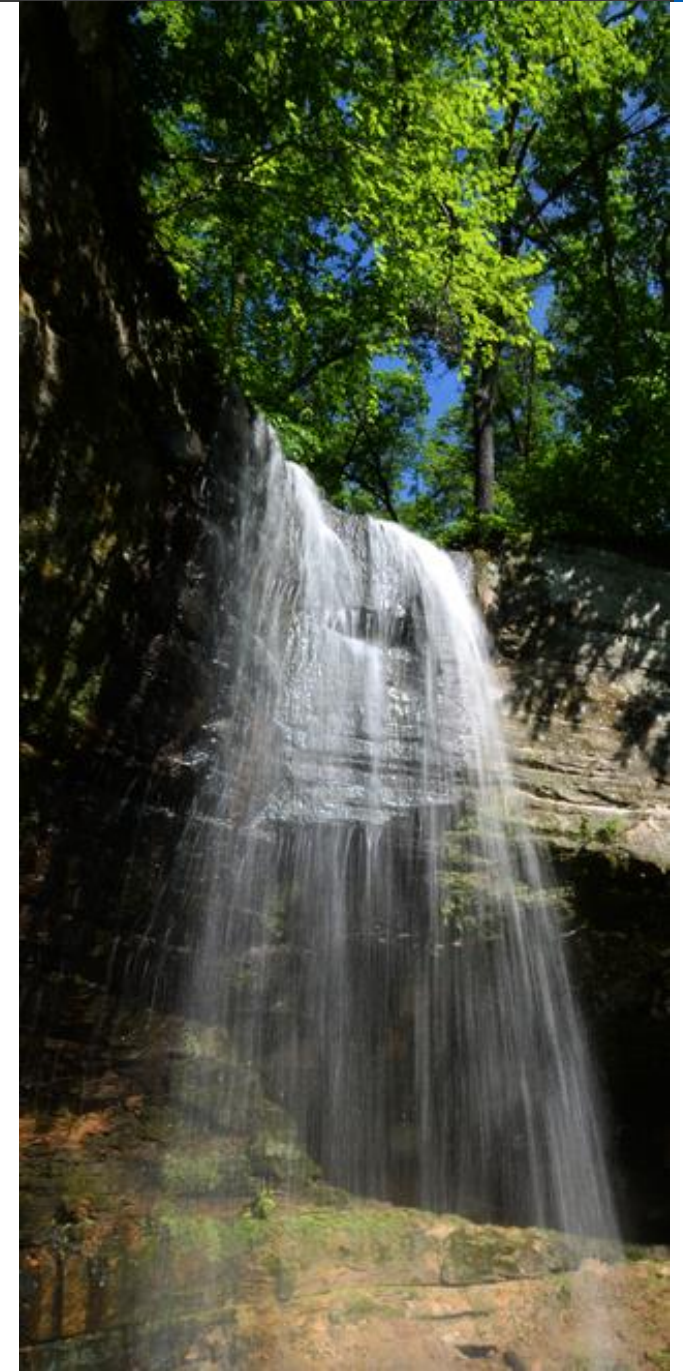
Our region meets the opportunities and challenges faced by our communities and economy including issues of choice, access, and affordability.

We Lead on Addressing Climate Change

We have mitigated greenhouse gas emissions and have adapted to ensure our communities and systems are resilient to climate impacts.

We Protect and Restore Natural Systems

We protect, integrate, and restore natural systems to protect habitat and ensure a high quality of life for the people of our region.



Findings



- Alignment with climate policy work for the Imagine 2050
- Advancing the Council's Equity Framework and Environmental Justice Framework
- Advancing the Sustainability outcome in *Thrive MSP 2040*
- Consistent with Council Policy FM 15-1
 - Consistent with Council's mission and priorities

Proposed Actions

That the Metropolitan Council authorize the Executive Director of the Community Development Division to:

1. Develop grant application and related materials as a partner agency with the State of Minnesota as the lead agency for the Equitable Residential Decarbonization project to be submitted for Phase 2 Implementation Grants of the Environmental Protection Agency's Climate Pollution Reduction Grants Program.
2. Develop and submit a Letter of Intent to participate in the proposal as a part of the application process.
3. Negotiate and execute the memorandum of agreement with the State of Minnesota for participation in the coalition grant.
4. Negotiate and execute the any required agreements with the Environmental Protection Agency.



LisaBeth Barajas

Executive Director, Community Development
Division

Lisa.barajas@metc.state.mn.us

