

December 5, 2022

Submitted via regulations.gov

United States Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Re: Request for Information, Greenhouse Gas Reduction Fund, EPA-HQ-OA-2022-0859-0002

The Solar Energy Industries Association (“SEIA”) is the national trade association of the U.S. solar energy industry. Our members promote the environmentally responsible development of distributed and utility-scale solar energy and storage. We are committed to working with federal agencies, environmental and conservation organizations, Tribal governments, state agencies, and other stakeholders to achieve this goal. On behalf of our member companies, SEIA appreciates the opportunity to provide these comments on the Environmental Protection Agency’s (EPA) Request for Comment on the Greenhouse Gas (GHG) Reduction Fund (Docket EPA-HQ-OA-2022-0859-0002)

I. Introduction

SEIA is committed to building a strong solar industry to speed the country’s energy transition and address the climate crisis. As the national trade association for the U.S. solar energy industry, which employs more than 230,000 Americans, we represent over 1,000 organizations that manufacture, install, and support the development of solar energy. We firmly believe that the clean energy transition must be based on principles of equity and opportunity, and that all communities must be included in the energy transition. These values are infused throughout our organization and ones we are actively working to advance within our industry.

The solar industry is deeply committed to helping our nation meet the renewable energy targets set forth by President Biden in a just and equitable manner. In order to modernize the grid and address the climate crisis, solar energy must account for at least 30% of U.S. generation by the end of this decade and 40-50% by 2035. That means roughly quadrupling our current pace of installations by 2030. We are in a race against time, and the GHG Reduction fund can supercharge the nation’s capacity to combat climate change in the very communities suffering the most from it.

Given the significant role in power sector decarbonization that solar energy will have, we believe that every tool in the toolbox – including the GHG Reduction Fund – should be used to spur its development. Promoting clean energy investment activities that will abate the GHG emissions that cause climate change represents a rare opportunity to simultaneously advance three top Administration priorities: advancing environmental justice, combatting the climate crisis, and creating jobs.

II. Executive Summary

The GHG reduction fund promises to play a vital role in ensuring those communities most impacted by climate change are included in the energy transition. This funding, combined with other state, federal or local tax credits or incentives will play a pivotal role in ensuring all communities are included in a clean energy transition. Below, SEIA provides feedback related to program design, eligible recipients, eligible projects, and oversight and monitoring. Broadly, SEIA encourages EPA to ensure that this fund is accessible to all eligible communities, including those in States and municipalities without existing infrastructure, such as State Energy Offices, to deploy funds. We further encourage EPA to prioritize funding programs and projects that would not exist, or be able to expand, without additional funding. We look forward to working with the EPA as it implements this historic program.

III. Responses to Request for Comment

Low Income and Disadvantaged Communities

What should EPA consider when defining “low income” and “disadvantaged” communities for purposes of this program? What elements from existing definitions, criteria, screening tools, etc., - in federal programs or otherwise - should EPA consider when prioritizing low-income and disadvantaged communities for greenhouse gas and other air pollution reducing projects?

Any definition of “low income” and “disadvantaged” community must be sufficiently broad to recognize that these communities are diverse and have disparate needs: for example, the needs of rural communities are different from those of urban communities. In reaching a definition, EPA should look to

- a. 26 U.S.C. § 48(e)(2)(A)(iii)(I), which defines “low-income community” as any community referenced in Section 45D(e) of the tax code, as well as Indian land, as defined at 25 U.S.C. § 3501(2),¹
- b. 26 U.S.C. § 48(e)(2)(C)(i)(ii) and which relies on the thresholds of 80% of area median income or 200% of the federal poverty level, whichever is greater to define “low income.”²
- c. Justice 40 initiative definition of disadvantaged communities
- d. The Whitehouse Climate and Economic Justice (EJ) Screening Tool
- e. State or programmatic definitions of “low income” and “disadvantaged” communities, if such definitions are consistent with the EJ Screening Tool and other definitions above.

¹ Congress has repeatedly recognized the historical disadvantage that Tribal communities have faced; the disproportionate rates of unemployment, poverty, substandard housing, and ill health that the members of those communities endure; and the duty of the United States government to combat these problems using all available means. (*See, e.g.*, 25 U.S.C. 4301.) Therefore, the EPA should recognize that Indian lands, as defined in section 2601(2) of the Energy Policy Act of 1992 (25 U.S.C. 3501(2)), are categorically included as “low-income” and “disadvantaged.”

² While EPA should rely on this definition, it should delay its program for any Department of Treasury Guidance

Ultimately, EPA should balance clarity with flexibility in determining (1) what constitutes a low income and disadvantaged and (2) how communities can easily establish eligibility.

What kinds of technical and/or financial assistance should the Greenhouse Gas Reduction Fund grants facilitate to ensure that low-income and disadvantaged communities can participate in and benefit from the program?

To ensure communities can participate in and benefit from the program, EPA must work to reduce the administrative burden to grant applicants to the furthest extent possible: complicated and prolonged application processes can be a significant barrier to entry to communities with limited resources.

EPA must also ensure that funds are available for high quality, comprehensive technical assistance throughout the life of any project – such assistance will help ensure that low income and disadvantaged communities can participate in and benefit from the program. EPA should work with communities and other stakeholders to determine what type of technical assistance will help guarantee successful deployment of these funds, and the agency should adopt a broad definition of “technical assistance” to ensure a wide diversity of needs are met. As well as assistance identified by community stakeholders, funds should provide technical assistance to help with (1) educating communities, households, and borrowing institutions about the benefits of reducing GHG emissions, energy efficiency, renewable energy, and energy storage; (2) connecting interested eligible entities with vendors and other project development resources; (3) comprehensive project support including workforce development, project scoping, and project finance and asset management and optimization, including software and software services, that maximize project performance, resiliency, and value. Contracted opportunities to provide technical assistance should be prioritized for individuals, companies, or organizations within these communities, or for organizations that have a positive relationship with these communities.

What kinds of technical and/or financial assistance should the Greenhouse Gas Reduction Fund grants facilitate to support and/or prioritize businesses owned or led by members of low-income or disadvantaged communities

To support businesses owned or led by members of low-income or disadvantaged communities, grants should fund programs that help these businesses find and access capital. Such assistance should help companies navigate new market programs, and to better understand incentives, grants, and customer acquisition, among other issues.

Program Design

The GHG Reduction fund represents a historic opportunity to deploy clean energy solutions in low-income and disadvantaged communities, and to invest in projects that would otherwise lack access to funding. This funding, combined with other state, federal or local tax credits or incentives will play a pivotal role in ensuring all communities are included in a clean energy transition. However, EPA has a limited time to distribute these funds. Therefore, the program must be strategically and carefully designed to ensure that the funds are delivered both quickly, and efficiently, and are

deployed in a way that results in tangible, and lasting benefits to the communities it is intended to serve.

The GHG Reduction Fund contains two separate programs. First, \$7 billion is allocated for grants to States, municipalities, Tribal governments, and eligible recipients for the purposes of providing grants, loans, or other forms of financial assistance, as well as technical assistance to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies, including distributed solar technologies. These funds should be allocated to recipients, such as States, to establish programs, or to support existing programs that deploy zero emission technologies in low-income and disadvantaged communities. As distributed solar is the only technology mentioned in this section of the Inflation Reduction Act (IRA), we highly encourage EPA to prioritize the 7 billion dollars for distributed solar and storage.

Second, \$19.97 billion is allocated for competitive grants to eligible recipients for the purposes of providing financial and technical assistance for qualified projects. These funds will be distributed to eligible entities, such as a national green bank, or other non-profit lending institutions to invest in GHG reducing projects. Program design must reflect the differences between these two separate programs. However, for both, SEIA recommends a program design structure that is informed by the following principles

Accessible to all eligible entities: The fund must be designed in a way that allows the full range of eligible entities to participate. To do so, EPA must recognize that needs across these communities vary. Furthermore, EPA must balance the reality that states and communities with policies and structures in place to deploy funding for GHG reduction projects will be better equipped to apply for and successfully distribute funds, with the need to ensure that communities within states that do not have these structures in place, should not be overlooked in this process.

Transparent: The program must have structures and guidelines that provide the public and policy makers with a clear understanding of who is eligible for these funds, and how they will be distributed.

Effective and Easy to Use: The program must efficiently distribute funds in a way that reduces the administrative burden on grant applicants and the EPA. Design of the process should be informed by lessons learned in previous fund distribution and the program must be designed with clear processes in place for community engagement to best understand each community's needs as they relate to financing and technical assistance.

Based on Successful Models: EPA should look to state models such as low income decarbonization programs and green banks that have successfully driven investment in renewable energy and GHG reducing technology in areas that would otherwise be overlooked.

Seven Billion Allocated for Zero Emission Technologies:

For the 7 billion dollars allocated for zero emission technologies in low-income and disadvantaged communities, we recommend that the EPA establish minimum set asides to ensure an equitable

distribution of resources nationally to low-income and disadvantaged communities.³ We also recommend EPA focus these funds on distributed solar technologies and storage, as distributed solar was the only technology specifically named in this section of the IRA.

Our recommended set asides include:

1. (75%) States and Territories
 - a) **Existing Markets:** 50 % of these funds should be distributed to states with existing, robust policies, infrastructure and programs designed to fund zero emission technologies in low-income and disadvantaged communities.
 - b) **New Markets** 25% of the funds should be distributed to support new programs in states that do not have existing policies, infrastructure, and programs, but are committed to developing robust programs.
 - c) Any funds not allocated in the first year of the program should be allocated before the expiration of appropriation authority to the applicants who are most likely to quickly deploy the funds.
2. (25%) Municipalities, Tribal governments, and eligible recipients, such as non-profits in states where there is no robust infrastructure, and no intent on the part of the State to set up infrastructure.

The purpose of these set asides is to ensure that funding is made available to all low-income and disadvantaged communities, including those located in states that have historically under-invested in decarbonization in these communities.

The set asides for existing and new markets recognizes that states with existing infrastructure will be more prepared to apply for, and deploy funds from the GHG fund, and as a result will have a strategic advantage over states without such infrastructure. For example, in the case of distributed solar, state legislatures and local regulatory authorities are responsible for programs, tariffs, and interconnection processes to effectively plug distributed solar into the electric grid. While some states have implemented successful distributed generation programs, such programs are not uniform across the country. Those states with existing distributed generation programs are well set up to successfully deploy funds to modify, supplement, and expand existing programs. States without distributed generation programs will not be as well positioned to deploy such funding immediately, but should be encouraged to create new distributed solar programs.⁴ The set aside for municipalities, Tribal governments, and eligible entities will support the deployment of distributed solar in low income and disadvantaged communities living outside states with established infrastructure, and with no commitment to developing such infrastructure. For example, funds could be distributed to non-profit entities may not have jurisdiction over a particular region, but that can design innovative programs that could support projects in underserved areas.

³ We recommend that the EPA provide standard grant program templates, similar to a rebate type template (\$X by eligible entity with a formula on a per state basis). The grant funding would then get allocated by the eligible entity to consumers in the form of clear, easy-to-apply-for rebates (checks or cash). This will allow the funds to flow quickly as intended. Program administration costs should also be limited to a small percentage – the majority of funds to be delivered directly to end-users.

⁴ For these new programs, EPA should require applicants to demonstrate to EPA’s satisfaction that they have or will soon create robust, transparent, and effective programs for disbursing the funds they request from EPA.

Twenty Billion dollars for General Assistance:

For the almost 20 billion dollars allocated for general assistance, EPA must equally consider how it will distribute funds to eligible entities to ensure that projects receive support all parts of the country. As discussed below, a national green bank based on proven models, such as the New York Green Bank, may be the best way for EPA to distribute these funds successfully and efficiently.⁵ Alternatively, EPA could leverage existing institutional knowledge by establishing an MOU with the Department of Energy's (DOE) Loan Program Office (LPO), which provided the original model for a national green bank. While DOE's LPO has many statutory constraints that make it difficult to finance projects that reach disadvantaged and low-income communities, the GHG reduction fund capital is not only low-cost, but the requirements also target these communities. Therefore, an MOU with the DOE's LPO to manage these dollars could leverage existing institutional financing acumen with the ability to target projects that benefit low income and disadvantaged communities.

Finally, SEIA encourages EPA to extend some the 11.97 billion dollars that is not set aside for low income and disadvantaged communities to middle income communities that would also benefit from investment in distributed solar resources.

What should EPA consider in the design of the program to ensure Greenhouse Gas Reduction Fund grants facilitate high private-sector leverage (i.e., each dollar of federal funding mobilizes additional private funding)

In designing the program to ensure GHG Reduction Fund grants facilitate high private-sector leverage, the program must use funds strategically to make otherwise unprofitable projects profitable for private investors. To do so EPA should consider how funds could be used to address (1) high upfront costs for projects in existing markets, upfront costs may be a significant barrier to entry in low-income and disadvantaged communities (2) provide stability and certainty to financing parties, such as by guaranteeing credit profile or revenue profiles and (3) develop new markets by providing financial assistance to organizations that can help close the gap between low existing rates for renewable energy projects and the required rate to spur project development that would deliver benefits to these customers.

SEIA encourages EPA to require applicants to provide an explanation of (1) how funding will leverage private dollars (2) how the public capital will allow otherwise unprofitable projects to become sufficiently profitable for private investors and (3) why the project would not have access to private financing, absent public dollars.

What should EPA consider in the design of the program to ensure Greenhouse Gas Reduction Fund grants facilitate additionality (i.e., federal funding invests in projects that would have otherwise lacked access to financing)?

⁵ <https://coalitionforgreencapital.com/wp-content/uploads/The-Case-for-the-Accelerator-.pdf>

In designing the program to ensure funds facilitate additionality, SEIA urges EPA to prioritize grants that will (1) expand access to existing programs (as opposed to simply replacing state funds with federal funds while keeping program size the same) and (2) establish new programs or projects that would otherwise not be funded. The intent of the GHG fund is to fund projects that would not otherwise have access to financing. Therefore, funds provided to existing programs should be used to expand access to these programs. Funds provided to for new programs or projects should help create new markets by spurring project development in communities where barriers such as high-up front costs currently prevent adoption of renewable energy projects.

What should EPA consider in the design of the program to ensure that revenue from financial assistance provided using Greenhouse Gas Reduction Fund grants is recycled to ensure continued operability?

For the roughly 20 billion dollars allocated for financial assistance and technical assistance in the form of direct or indirect investment, SEIA supports the establishment of a national green bank. A national green bank will help secure low-cost capital for clean energy projects in traditionally underserved markets across the country. The bank will help maximize the leveraging of private capital investment, ensure efficient distribution of funds within a growing bank network, and create opportunities for large scale, transformational investments in historically overlooked communities.⁶ Further, it would not only be able to provide funding to qualified projects, but it can also provide technical and financial assistance to new or existing public, quasi-public, not-for-profit, or nonprofit entities that provide funding to qualified projects. As such a national green bank will be well positioned to ensure funds reach all types of communities across the country, both those in states with existing infrastructure to disperse funds, and those in states lacking such infrastructure. Several state level green banks have successfully used limited public funding to attract private investment in GHG emission reducing projects. For example, in 2020, Connecticut Green Bank leveraged \$36.7 million in public funds to help bring over \$312 million in total investment in the state.⁷ EPA should look to these successful banks as a model for a national equivalent. Transparency, accountability, and open meetings must be the foundation of any green bank.

As discussed above, if the establishment of a green bank will result in too costly a delay for disbursing funds, SEIA recommends that EPA work with the DOE Loan Program Office to distribute funds.

What should EPA consider in the design of the program to enable Greenhouse Gas Reduction Fund grants to facilitate broad private market capital formation for greenhouse gas and air pollution reducing projects? How could Greenhouse Gas Reduction Fund grants help prove the “bankability” of financial structures that could then be replicated by private sector financial institutions?

⁶ <http://coalitionforgreencapital.com/wp-content/uploads/Written-Submission-of-the-Coalition-for-Green-Capital-to-the-Environmental-Finance-Advisory-Board.pdf>

⁷ <https://www.ctgreenbank.com/about-us/>

In considering design of the program to facilitate broad private market capital formation, EPA should consider how to use funds to bridge gaps that are not being adequately addressed by the private market. For example, the lower societal externalities associated with generating electricity from carbon-free, distributed generation are not adequately accounted for in the electricity market. Providing grants and other assistance to cover the missing market revenues could help encourage private investment in projects that are otherwise uneconomic. In other cases, revenue from customers with no or low credit ratings often cannot be underwritten by commercial banks due to the risk of default or the lack of a credit history. EPA's funds could help to address this market barrier by providing debt or insurance products (via green banks and similar institutions) to allow private banks to underwrite these elements of the revenue for projects such as low-income residential and community solar.

To help prove the “bankability” of financial structures, EPA should establish tracking metrics, reported by state, local and Tribal governments, and eligible recipients. Such metrics could track, among other things, the number of megawatts installed, and the estimated number of jobs created.

Are there best practices in program design that EPA should consider to reduce burdens on applicants, grantees, and/or subrecipients (including borrowers)?

EPA must work to reduce to the extent practicable the administrative burden to both applicants and the agency. From the agency perspective, EPA should avoid creating a program that requires staff to review tens of thousands of individual applications for small decarbonization projects across the country. Instead, EPA should provide block grants to states and other large eligible entities with the capacity to facilitate many projects at a time, and work with states and eligible entities without existing capacity to help develop the necessary infrastructure. From the applicant's perspective, EPA should establish a one-stop online portal for applicants to determine eligibility to the program, and identify best practices for application process, verification, and tracking.

What, if any, common federal grant program design features should EPA consider or avoid in order to maximize the ability of eligible recipients and/or indirect recipients to leverage and recycle Greenhouse Gas Reduction Fund grants?

In disbursing these funds, EPA should consider whether it may be appropriate to apply categorical exemptions to certain federal program requirements, such as NEPA, for certain projects or project types. Federal requirements may delay the approval process and make the application process overly burdensome for low-income and disadvantaged communities.

What should EPA consider in the design of the program, in addition to prevailing wage requirements in section 314 of the Clean Air Act, to encourage grantees and subrecipients to fund projects that create 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?

In developing standards, EPA should look to the Department of Treasury’s forthcoming labor guidance that applies to projects receiving production tax credits and investment tax credits under the tax code. We encourage EPA to follow this guidance rather than requiring recipients to follow different guidance. Creating two standards for projects that will likely use both EPA funds and tax credits will only create confusion and increase transaction costs.

What should EPA consider when developing program guidance and policies, such as the appropriate collection of data, to ensure that greenhouse gas and air pollution reduction projects funded by grantees and subrecipients comply with the requirements of Title VI of the Civil Rights Act, which prohibits discrimination on the basis of race, color, and national origin in programs and activities receiving federal financial assistance?

When developing program guidance and policies, EPA should ensure this data is collected in a way that is streamlined and easy for the grantee to provide. While such data is important, collection requirements must not create further barriers to entry.

What should EPA consider when developing program policies and guidance to ensure that greenhouse gas and air pollution reduction projects funded by grantees and subrecipients comply with the requirements of the Build America, Buy America Act that requires domestic procurement of iron, steel, manufactured products, and construction material

When developing program guidance and policies, EPA should ensure to the extent practicable, that eligibility criteria applied across different IRA incentives are applied consistently. All departments and agencies, including EPA, should avoid creating a patchwork of inconsistent criteria over similar issues.

What federal, state and/or local programs, including other programs included in the Inflation Reduction Act and the Infrastructure Investment and Jobs Act or “Bipartisan Infrastructure Law,” could EPA consider when designing the Greenhouse Gas Reduction Fund? How could such programs complement the funding available through the Greenhouse Gas Reduction Fund?

In establishing a program, EPA should look to and learn from leading states such as New York and Massachusetts for guidance on how to implement successful low income decarbonization programs. For example, NYSERDA’s NY-SUN and energy storage programs are considered some of the best in the nation in terms of market acceptance and deployment. Massachusetts’ SMART solar incentive program has also been successful in driving the development of projects that will reduce emissions for low-income customers. EPA should also consider pay-for performance programs for behind the meter storage.

Eligible Projects

What types of projects should EPA prioritize under sections 134(a)(1)-(3), consistent with the statutory definition of “qualified projects” and “zero emissions technology” as well as the statute’s direct and indirect investment provisions? Please describe how prioritizing such projects would: (1) maximize greenhouse gas emission and air pollution reductions; (2) deliver benefits to low-income and disadvantaged communities; (3) enable investment in projects that would otherwise lack access to capital or financing; (4) recycle repayments and other revenue received from financial assistance provided using the grant funds to ensure continued operability; and (5) facilitate increased private sector investment

Section 1341(a)(1) of the IRA makes available \$ 7 billion to EPA to make competitive grants to enable low income and disadvantaged communities deploy or benefit from zero-emission technologies, including distributed technologies on residential rooftops. As Congress has specifically pointed to distributed technologies, we urge the EPA to prioritize these funds to encourage states, territories, municipalities, Tribal, and other entities to create robust and equitable distributed solar and energy storage programs, including rooftop and community solar and storage projects. Community solar will help augment rooftop solar by extending benefits to residents and communities that cannot install rooftop solar.

In addition to these project types, EPA should designate standalone battery energy storage projects located in low-income and disadvantaged communities as eligible projects. Energy storage projects are already being used to reduce GHG and conventional pollutant emissions during peak periods. Storage projects will also be critical to enabling more renewable energy to connect to the grid reliably and cost-effectively by providing non-emitting balancing capability as more non-emitting, non-dispatchable resources come online.

Section 134(a)(2) makes available \$11.97 billion to EPA for grants to eligible recipients for projects that reduce or avoid greenhouse gas emissions and other forms of air pollution. Section 134 (a)(3) makes available \$8 billion to EPA for the same types of grants specifically for projects that reduce or avoid greenhouse gas emissions and other forms of air pollution in low income and disadvantaged communities. As stated above, we encourage support the establishment of a national green bank to distribute these funds, either directly to projects or to eligible entities funding qualified projects. Projects eligible under section (a)(1), including energy storage projects, should be equally eligible under (a)(2) and (a)(3).

EPA should use funds to encourage states and jurisdictions without policies in place to implement distributed generation policies and programs to deploy local solar and energy storage. Additionally, EPA should consider how funds could be used to deploy a diversity of project types at different scales. For all funds, EPA should require project sponsors show that additional funding is needed to achieve deployment, and that project meets the intent of this fund.

Please describe what forms of financial assistance (e.g. subgrants, loans, or other forms of financial assistance) are necessary to fill financing gaps, enable investment, and accelerate deployment of such projects.

To ensure successful investment of the GHG fund, a mix of grants and other forms of assistance will be needed. This includes loans, grants, investments structures that do not necessarily rely on cash from low-income residents, insurance or other financing mechanisms that allow solar developers to serve customers with below average FIC scores, and financing mechanisms that allow low-income residents to make home repairs necessary to install rooftop solar. We encourage EPA to not over-rely on loans as a mechanism for encouraging more deployment of decarbonization projects in low income and disadvantaged areas. The debt market for solar, for example, is already robust, with many products currently available from private entities. The main barrier for many of these projects is that the societal benefits of such projects are not fully captured by the revenues available to those projects. In such situations, grants are often the most effective means of enabling projects to be financed, and for this reason should not be overlooked. In fact, many successful state programs (including New York’s NY-SUN program) have employed grants and equivalent mechanisms as their primary mechanism for solving the financing challenges faced by these projects.

As discussed above, there are certain situations where market failures may create a need for federally backed financing or insurance products. However, such products could be deployed by green banks and similar entities that are eligible for funds under sections (a)(2) and (a)(3), with grant funding primarily being made available through state block grants authorized by section (a)(1).

For funds directed towards low-income and disadvantaged communities, SEIA urges EPA to work with community stakeholders to best understand what types of financing will be most useful to achieve the goals of the fund.

Beyond financial assistance for project financing what other supports – such as technical assistance -- are necessary to accelerate deployment of such projects?

To accelerate deployment of projects, EPA must ensure funding includes (1) a broad range of technical assistance (2) help with capacity building and (3) help with community engagement, education, and support. More specifically, SEIA encourages the use of GHG funds to develop a grant program for jurisdictions working to adopt SolarAPP+. Launched in 2021 by the National Renewable Energy Lab, SolarApp software allows communities to run compliance checks and process building permit approvals for eligible rooftop solar systems. SolarApp+ helps significantly reduce the time it takes to deploy solar and rooftop solar. SoarAPP+ provides benefits to the jurisdictions that adopt it by reducing staff time and alleviating large volumes of permits, to the consumers that experience a faster installation timeframe, and to installers that see reduced cycle times and consistent permitting requirements.

Eligible Recipients

Who could be eligible entities and/or indirect recipients under the Greenhouse Gas Reduction Fund consistent with statutory requirements specified in section 134 of the Clean Air Act? Please provide a description of these types of entities and references regarding the total capital deployed by such entities into greenhouse gas and air pollution reducing projects.

For the almost 20 billion dollars, we encourage the development of a national green bank that could work with housing financing agencies, public housing authorities, community development financial institutions, or other third-party nonprofit entities to leveraging public funds to leverage private funds for projects that would otherwise not be financed. As stated above, EPA could also work closely with DOE Loan Program Office to distribute funds. SEIA further encourages EPA to consider state solar trade associations as eligible indirect recipients as these associations are well positioned to work with local communities to provide both educational and technical assistance for solar projects.

What types of entities (as eligible recipients and/or indirect recipients) could enable Greenhouse Gas Reduction Fund grants to support investment and deployment of greenhouse gas and air pollution reducing projects in low-income and disadvantaged communities?

To support investment and deployment of greenhouse gas and air pollution reducing projects in low-income and disadvantaged communities, SEIA encourages EPA to work with entities that (1) have a track record of working in low-income and disadvantaged communities, (2) have established lending/ grantmaking infrastructure, including grant making standards (3) have a track record of successfully deploying funds for projects that reduce GHG emissions, or have a credible commitment to invest in such projects (4) have existing reporting frameworks to track performance and (5) have accountability mechanisms in place at the organizational level.

What types of entities (as eligible recipients and/or indirect recipients) could be created to enable Greenhouse Gas Reduction Fund grants to support investment in and deployment of greenhouse gas and air pollution reducing projects in communities where capacity to finance and deploy such projects does not currently exist?

Please see comments above related to the creation of a national green bank. At the State level, funds could be used for the creation of state energy offices in States where such offices do not exist.

How could EPA ensure the responsible implementation of the Greenhouse Gas Reduction Fund grants by new entities without a track record?

While SEIA encourages EPA to work with entities with proven records, we also recognize the importance of supporting new third party-not for profit organizations to serve communities where no such organizations exist. For these organizations, EPA will have to track the program more closely, and require regular accounting from the organization. Such steps will be necessary ensure that the organization is using funds both as intended, and in a way that is successful.

Given the potential for abuse of federal funds, EPA should also establish a mechanism to receive, investigate, and remedy public complaints about recipients.

What kinds of technical and/or financial assistance could Greenhouse Gas Reduction Fund grants facilitate to maximize investment in and deployment of greenhouse gas and air pollution reducing projects by existing and/or new eligible recipients and/or indirect recipients?

Please see comments above related to a grant program for SolarApp+.

Oversight and Reporting

What types of governance structures, reporting requirements and audit requirements (consistent with applicable federal regulations) should EPA consider requiring of direct and indirect recipients of Greenhouse Gas Reduction Fund grants to ensure the responsible implementation and oversight of grantee/subrecipient operations and financial assistance activities

EPA should establish a program review with public review, and community participation. During the review policymakers should work with community stakeholders to assess whether the program is achieving its goals can adjust if necessary.

What metrics and indicators should EPA use to track relevant program outcomes including, but not limited to, (a) reductions in greenhouse gas emissions or air pollution, (b) allocation of benefits to low-income and disadvantaged communities, (c) private sector leverage and project additionality, (d) number of greenhouse gas and air pollution reduction projects funded and (f) distribution of projects at the national, regional, state and local levels?

EPA should track the above metrics, while allowing for flexibility to recognize not only the differences between types of projects (for example some may not need as much private sector leverage to deliver significant GHG reductions/benefits to communities) as well as differences in needs amongst communities (whereas some communities may benefit from a large number of projects, but others may also benefit from a few focused projects).

General Comments

Do you have any other comments on the implementation of the Greenhouse Gas Reduction Fund?

The GHG Reduction Fund represents a historic opportunity to deploy GHG reducing projects and technologies in underserved markets, and to ensure that all communities are included in the energy transition. Given the tight timeline to deploy funds, EPA must work strategically and efficiently, leveraging public funds to drive private investment in the transformation of existing markets and the creation of new markets. EPA must ensure that funds truly create additionality, resulting in the development of programs and projects that would otherwise not be financed, or the expansion of access to existing projects and programs.

We appreciate the opportunity to comment on the GHG Reduction fund and look forward to working with EPA moving forward. If you have any questions, please contact Mary Greene at mgreene@seia.org

Sincerely,

/s/ Sean Gallagher

Sean Gallagher

Vice President, State and Regulatory Affairs

Solar Energy Industries Association

Ben Norris

Senior Director of Regulatory Affairs and Counsel

Solar Energy Industries Association

Mary Greene

Director of Regulatory Affairs and Counsel

Solar Energy Industries Association