



CENTER FOR COALFIELD JUSTICE

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December 5, 2022

Michael S. Regan, Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

RE: Docket ID No. EPA-HQ-OA-2022-0859, Request for Information - Greenhouse Gas Reduction Fund

Thank you for the opportunity to provide feedback on the design and implementation of the Greenhouse Gas Reduction Fund, administered by the Environmental Protection Agency (“EPA”). The Center for Coalfield Justice (“CCJ”) respectfully submits the following comments.

CCJ is a Pennsylvania-incorporated not-for-profit organization with federal Internal Revenue Service § 501(c)(3)-status recognition located in Washington, PA. Our mission is to “improve policy and regulations for the oversight of fossil fuel extraction and use; to educate, empower and organize coalfield citizens; and to protect public and environmental health.” CCJ has over three thousand members and supporters and is governed by a volunteer Board of Directors.

The need for a Greenhouse Gas Reduction Fund (“the Fund”) is evident, and CCJ is committed to ensuring the benefits of the program flow to the communities we represent. The Fund will help transition our communities from fossil fuel dependence to clean energy, creating jobs and economic opportunities in the process. To ensure the Fund is implemented equitably, CCJ offers the following comments.

Section 1: Low-Income and Disadvantaged Communities

1. 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?

The communities that CCJ represents are energy communities¹ located in a region that is the third greatest emitter² of greenhouse gases worldwide, for which the oil and gas industry is responsible. Our service area also includes the largest emitter of methane³ in the United States, Consol Energy’s Bailey Coal Mine. However, most of the communities we represent are not designated as disadvantaged or environmental justice communities.

¹ *Priority Energy Communities*, Interagency Working Group on Coal & Power Plant Communities & Economic Revitalization (<https://energycommunities.gov/priority-energy-communities/>).

² *Map of Emissions*, Climate Trace (<https://climatetrace.org/map>).

³ *Greenhouse Gas (GHG) Emissions Data from Large Facilities*, Environmental Protection Agency (https://ghgdata.epa.gov/ghgp/main.do?site_preference=normal).

To ensure our communities can benefit from the Fund, low-income and disadvantaged definitions should include communities with a median household income within 250% of the federal poverty level. While many of our communities would not benefit from the Fund if the cap to be designated as a low-income or disadvantaged community is at 200% of the federal poverty level, setting a cap at 250% for designation with a tiered system to receive benefits would aid many. Under a tiered approach, those with the most need would see the greatest benefit. For example, communities with a median household income within 100% of the federal poverty level should receive the most targeted outreach and funding opportunities. Those communities with a median household income between 200% and 250% should receive more targeted outreach and benefits than those who are not designated as disadvantaged, but less than those with greater need.

Along with income, other factors need to be considered cumulatively. The Department of Energy (“DOE”) does a good job of considering cumulative impacts when identifying Disadvantaged Communities for Justice40 purposes. However, our communities are still not designated as disadvantaged under their methodology. One fix to this issue is not to give equal weight to all indicators, as DOE does. Instead, EPA should give greater weight to indicators for fossil fuel dependence, energy burden, and environmental and climate hazards. For the Fund, it is logical to give the greatest weight to environmental and climate hazards such as levels of Particulate Matter, Air Toxics Cancer Risk, and Traffic and Hazardous Waste proximity as measured by the EPA⁴.

2./3. 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 and support and/or prioritize businesses owned or led by members of low-income or disadvantaged communities?

EPA must commit to targeted outreach in low-income and disadvantaged communities. Many of these communities do not have internet access, so simply posting an announcement on a government website is not accessible. Thus, at a minimum, advertising funding opportunities in local newspapers and gathering places is necessary. Additionally, public meetings about the program at accessible locations will allow community members to ask questions about the program and how to receive funding.

Additionally, easy-to-understand documents about the program and how to apply, including simple financial information, should be created and distributed in low-income and disadvantaged communities. Lengthy, technical information often takes too much time and effort to understand, limiting participation. Along the same vein, long applications to the program can be intimidating, time-consuming, and complex. A streamlined process would see more applications to the program.

Employing a program like the Thriving Communities program⁵ administered by the United States Departments of Transportation and Housing and Urban Development would help organizations in low-income and disadvantaged communities participate in the Fund. The program pairs communities with capacity builders who help facilitate projects. Facilitation could include help with applications, project ideas, project implementation, etc. The program provides grants to the Capacity Builders⁶ who would provide such support to communities and help deliver transportation projects in disadvantaged communities.

Finally, EPA should release a portion of funding as soon as practicable for community engagement and capacity-building purposes.

⁴ *Environmental Justice Screening and Mapping Tool*, Environmental Protection Agency (<https://ejscreen.epa.gov/mapper/>).

⁵ *Thriving Communities Program*, U.S. Department of Transportation (<https://www.transportation.gov/grants/thriving-communities>).

⁶ *Information for Capacity Builders*, U.S. Department of Transportation (<https://www.transportation.gov/grants/thriving-communities/information-for-capacity-builders>).

Section 2: Program Design

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

EPA should favor grants and forgivable loan programs like the Paycheck Protection Program over other loan and financial assistance programs. Loans are not optimal because non-profit organizations, other community organizations, and small businesses in low-income and disadvantaged communities may have difficulty repaying them. Any unforgivable loans distributed to these entities should be low-interest and have generous grace periods before a default occurs.

However, the same standards that apply to small businesses and community organizations should not apply to large businesses and corporations with much greater profits. These businesses often want taxpayer support through government financing but may not need it for project completion. If a large business or corporation receives funding from this program, it should pay back the taxpayers with interest.

Section 3: Eligible Projects

1. 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?

EPA should prioritize projects that will deliver direct benefits to low-income and disadvantaged communities. Examples of direct benefits are jobs and economic benefits for community members, reductions in air pollution, and decreased energy burdens.

Additionally, no project financed by the Fund should employ false solutions to reduce greenhouse gas emissions. False solutions include carbon capture and storage technologies⁷, grey and blue hydrogen⁸, and any other attempt to burn fossil fuels and purport the energy as clean.

Section 4: Eligible Recipients

2. 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?

EPA should prioritize organizations and businesses with demonstrated ties to the low-income and disadvantaged communities they work in for funding. Such prioritization will bring direct benefits to the communities the Fund is targeting.

3. 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?

⁷ *Carbon Capture: The Fossil Fuel Industry’s False Climate Solution*, Earthjustice (<https://earthjustice.org/from-the-experts/2022-september/carbon-capture-the-fossil-fuel-industrys-false-climate-solution>).

⁸ *Regional Clean Hydrogen Hub in Western Pennsylvania Will Keep the State Dependent on Fossil Fuels for Decades*, The Center for Coalfield Justice (<https://centerforcoalfieldjustice.org/2022/11/regional-clean-hydrogen-hub-in-western-pennsylvania-will-keep-the-state-dependent-on-fossil-fuels-for-decades/>).

As discussed above, the United States Departments of Transportation and Housing and Urban Development have teamed up to administer the Thriving Communities program⁹ which pairs communities with capacity builders who help facilitate projects. Facilitation could include help with applications, project ideas, project implementation, etc. The program provides grants to the Capacity Builders¹⁰ who would provide such support to communities and help deliver transportation projects in disadvantaged communities. Eligible Capacity Builders include non-profit organizations; state or local governments and their agencies; Indian Tribes; philanthropic entities; and other technical assistance providers with a demonstrated capacity to develop and provide technical assistance, planning, and capacity building.

The Fund could implement a similar program to provide financing to Capacity Builders to help deliver projects that reduce greenhouse gases in low-income and disadvantaged communities.

5. 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?

As discussed above, the Thriving Communities program¹¹ provides disadvantaged communities with a capacity builder that helps design projects, apply for funding, and see the project through to completion. Technical assistance such as this would help small businesses and community organizations in low-income and disadvantaged communities deliver benefits to their residents.

Section 5: Oversight and Reporting

1. 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?

We recognize that oversight and reporting are necessary to ensure funding is spent as intended. However, reporting requirements can be extremely burdensome for small businesses and community organizations lacking capacity. Thus, reporting requirements should be as simple and streamlined as possible and EPA should provide additional funding to small businesses and community organizations to ensure they can comply.

3. 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?

Metrics and indicators to measure the allocation of benefits to low-income and disadvantaged communities can include the number and type of jobs in the communities; the average income of individuals and families; property values; the number of reclamation projects; the number of greenspaces in the community; a measurement of how much energy is supplied by clean, renewable sources versus fossil fuels; access to EV charging infrastructure;

⁹ *Thriving Communities Program*, U.S. Department of Transportation (<https://www.transportation.gov/grants/thriving-communities>).

¹⁰ *Information for Capacity Builders*, U.S. Department of Transportation (<https://www.transportation.gov/grants/thriving-communities/information-for-capacity-builders>).

¹¹ *Thriving Communities Program*, U.S. Department of Transportation (<https://www.transportation.gov/grants/thriving-communities>).

the number of orphaned and abandoned wells plugged; and, the number of times the communities were engaged in project implementation.

4. What should EPA consider in the design of the program to ensure community accountability for projects funded directly or indirectly by the Greenhouse Gas Reduction Fund? What if any existing governance structures, assessment criteria (e.g., the Community Development Financial Institutions Fund's Target Market Accountability criteria), rules, etc., should EPA consider?

EPA should consider requiring Community Benefits Agreements in funding applications. Community Benefits Agreements¹² are binding legal documents between community stakeholders and developers used to guarantee benefits to communities where large-scale projects are located. At a minimum, a Community Benefits Plan, which is not legally binding, should be required to accompany all applications. The United States Department of Energy requires such plans to be submitted as part of funding applications¹³, and the plans represent 20% of an application's score. Thus, the better the plan, the higher the likelihood that a project will receive funding.

Thank you for your consideration. If you have any questions, please contact me anytime.

Respectfully,

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¹² *Community Benefit Agreement (CBA) Toolkit*, U.S. Department of Energy Office of Economic Impact and Diversity (<https://www.energy.gov/diversity/community-benefit-agreement-cba-toolkit>).

¹³ *Community Benefits Plan Frequently Asked Questions*, U.S. Department of Energy Office of Clean Energy Infrastructure (<https://www.energy.gov/clean-energy-infrastructure/community-benefits-plan-frequently-asked-questions-faqs#:~:text=What%20is%20the%20Justice40%20Initiative,see%20pages%208%2D10>).