



National Association of State Energy Officials

May 12, 2023

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

Dear Administrator Regan:

The National Association of State Energy Officials (NASEO) appreciates the U.S. Environmental Protection Agency's (EPA's) important efforts to shape the Greenhouse Gas Reduction Fund (GGRF) created by Section 60103 of the Inflation Reduction Act (IRA). As the national association for the nation's 56 governor-designated energy officials from the states, territories, and District of Columbia, NASEO closely tracks states' efforts to mobilize public and private investment in support of clean energy, equity, and economic development goals.

We believe the GGRF can accelerate the important progress states, cities, and community-based financing institutions have made in funding and financing energy efficiency, rooftop PV, and community solar projects. Recognizing that state and local entities play a pivotal role in the development of these markets, NASEO's priority recommendation to EPA in the design of the GGRF is to afford maximum flexibility, capacity-building, and partnership-building opportunities so that GGRF recipients can adapt projects and programs to state, local, and community needs and priorities.

We offer the following feedback on EPA's Implementation Framework for the GGRF:

- 1. Coordinate with the U.S. Department of Energy (DOE), U.S. Department of Housing and Urban Development (HUD), Internal Revenue Service (IRS), and other federal agencies to provide clear guidance on whether and how GGRF funds may be integrated with other federal programs, rebates, and incentives.
Both the Infrastructure Investment and Jobs Act (IIJA) and IRA direct significant levels of investment through states, localities, utilities, and private businesses to projects in renewable energy generation, storage, building energy efficiency and beneficial electrification, and clean transportation. There is great potential to integrate various streams of funding and incentives to provide maximum impact, particularly for communities and households in the greatest need; however, there remains confusion about the legality, mechanisms, and timing of doing so.
2. Clarify the distinction between "funds" and "benefits" in tracking the impacts of GGRF Zero-Emissions Technologies funds on low-income and

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*disadvantaged communities.* In its description of the Solar for All competition, EPA notes that “in line with the statute, EPA expects to require 100% of funds be used to enable low-income and disadvantaged communities to deploy or benefit from zero-emissions technologies....In addition, in line with the Justice40 Initiative, EPA expects to require that 40% of the benefits from financial assistance and technical assistance (and any associated administrative costs) used to support these zero-emissions technologies flow to disadvantaged communities.” NASEO requests clarity on whether recipients would need to report separately on these two requirements, or if meeting the statutory requirement that 100% of funds be used for low-income and disadvantaged communities automatically satisfies the Justice40 goal that at least 40% of benefits flow to disadvantaged communities.

3. ***Provide the option for Solar for All competition awards to use state definitions and tools to identify disadvantaged and low-income communities.*** While NASEO recognizes that EPA intends to use the Climate and Economic Justice Screening Tool and EJScreen to identify low-income and disadvantaged communities, this approach may inadvertently exclude high-need households and communities from the benefits of the program. First, these nationally-determined maps may not align with carve-outs, definitions, and rules that **are already being used at the state and local level and have been extensively informed by stakeholder engagement** to ensure that energy assistance, rooftop solar, and community solar participation goals and incentives meet those with the greatest needs. Additionally, nationally-developed maps and definitions may lack the nuances that states and localities have in understanding low-income and disadvantaged populations that are geographically dispersed, stunting program impact in rural and remote communities where clean energy investments and energy burden reduction may be most impactful. For this reason, NASEO strongly recommends that GGRF recipients have the option to use state-level maps and screening tools, provided they offer a justification and explanation for doing so in their application.
4. ***Clarify whether Solar for All projects and programs will need to be accessible to Tribal communities.*** EPA notes that “the equity accountability plan [for Solar for All applicants] describes how the applicant will ensure equitable access to, participation in, and distribution of benefits produced by the program. The plan should ensure Tribal nations can access, participate in, and benefit from new and existing Solar for All programs.” NASEO strongly supports the consideration of Tribal communities in the Solar for All competition; however, it is not feasible for every state program to be accessible in this way. Federally-recognized tribes exist in 35 of the 56 states, territories, and District of Columbia, and, as sovereign nations, they may own and operate their electric systems through a tribal utility. In this regard, even if they are geographically near a Solar for All project, tribal communities may not be able to access and participate in it directly.
5. ***Clarify minimum levels of household energy savings and require consumer protections for Solar for All projects.*** NASEO supports the 20% minimum savings requirement in the Meaningful Benefits Plan guidance of the Solar for All competition but requests that EPA provide further detail on how it would be calculated. For community solar participants, for example, it is unclear whether it would be calculated as a percentage of the entire utility bill, the subscription cost, or another baseline. NASEO also recommends that GGRF-supported projects meet minimum consumer protections, including no upfront or cancellation fees, transparent and verifiable subscription payment and billing processes, and strategies to ensure that savings materialize for low-income participants, such as audits or spot-checks of bills. Finally, we suggest EPA permit GGRF recipients to use program funds to translate materials and contracts into additional languages spoken by local community members.

6. ***Coordinate with DOE and the U.S. Department of Health and Human Services (HHS) to protect Weatherization Assistance Program (WAP) and Low Income Home Energy Assistance Program (LIHEAP) benefits from inadvertent reductions.*** State Energy Offices (in approximately 20 states and territories) and other state agencies administering weatherization and LIHEAP benefits may rely on certain savings-to-investment ratios and/or energy burden thresholds to qualify applicants. Especially for low-income community solar subscribers, the solar generation credits may result in a significant reduction of their electric utility bill and could potentially disqualify them from receiving WAP or LIHEAP benefits. EPA should coordinate with DOE and HHS to promote alignment among GGRF, WAP, and LIHEAP so that low-income households are not pushed out of these critical assistance programs as a result of their participation in a GGRF Solar for All project.

Thank you for considering NASEO's comments on the GGRF. We look forward to working with EPA and other federal partners to make the most of this important program.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Terry', with a long horizontal stroke extending to the right.

David Terry  
President, NASEO