

**Business Council for Sustainable Energy Comments in Response  
to the Environmental Protection Agency Request for Feedback on the  
Implementation Framework for the Greenhouse Gas Reduction Fund**

May 12, 2023

The Business Council for Sustainable Energy (BCSE) appreciates the opportunity to provide feedback in response to the Environmental Protection Agency's (EPA)'s release of the [Implementation Framework for the Greenhouse Gas Reduction Fund](#) (Framework) in April 2023.

Established by the Inflation Reduction Act (IRA), the GHG Reduction Fund provides competitive funding for financial and technical assistance to enable zero-emission technologies and projects that reduce or avoid greenhouse gas emissions and other air pollution, including in low-income and disadvantaged communities. Congress has appropriated \$27 billion in FY 2022 to implement this new program. These funds are available to EPA to award grants until September 30, 2024.

BCSE commends Congress and the Biden Administration for enactment of IRA and supports its significant funding for grants to low-income and disadvantaged communities to reduce emissions, improve air quality, and enhance the affordability and resilience of their energy equipment, products, and services.

In this submission, BCSE provides general views in response to several aspects of the Framework. For more detailed responses to the questions, BCSE would like to acknowledge the submissions made by the Alliance to Save Energy, among others. BCSE encourages the thoughtful consideration of the issues and recommendations included in these submissions.

Please also see the [submission BCSE made on implementation of the GHG Reduction Fund](#) in response to EPA's Request for Information that closed in December 2022.

### **About BCSE**

BCSE, founded in 1992, is a clean energy trade association spanning a broad spectrum of industry sectors, including energy efficiency, energy storage, natural gas, renewable energy, sustainable transportation, and emerging decarbonization technologies. BCSE also has an independent small- and medium-size businesses initiative under its banner, the Clean Energy Business Network (CEBN). Together, BCSE and CEBN represent the full range of the clean energy economy, from Fortune 100 companies to small businesses working in all 50 states supporting over 3 million U.S. jobs.

## **Feedback on the Implementation Framework for the GHG Reduction Fund**

Related to Implementation Framework for GHG Reduction Fund, BCSE offers the following perspectives. Of note, as a diverse coalition, not all members take a position or endorse the recommendations included in this submission.

### ***Prioritization of Decarbonization of Retrofits of Existing Buildings***

In the recently released Framework, BCSE supports EPA's prioritization to decarbonize retrofits of existing buildings. According to the Framework, prioritization will be given to "projects, technologies or activities that retrofit an existing building to reduce or eliminate greenhouse gas emissions and air pollution, with that project, technology, or activity consistent with the targets and strategies of *net-zero emissions buildings* as specified in Executive Order 14057 (*Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability*) Implementing Instructions.

In addition to the prioritized focus on energy efficiency as identified, BCSE recommends that EPA also prioritize energy efficiency investments in new commercial and residential construction, including single family, manufactured, and multifamily housing, and including in low-income and disadvantaged communities. Similar prioritization should be provided for existing residential, including single family, manufactured and multifamily housing, and including in low-income and disadvantaged communities.

### ***Enable a Wide Range of Project Categories to be Eligible for Grant Funding***

BCSE recommends that EPA adopt an inclusive and flexible definition of the project types that can receive grant funding under the "other GHG reduction activities" and the "other forms of air pollution" categories. This approach is critical to ensuring communities can fully assess their distinct needs and develop projects best suited to address these needs. This method also allows for new technologies and innovative project types to be considered overtime as the program is implemented.

### ***Ensuring Benefits to Low-Income and Disadvantaged Communities***

The GHG Reduction Fund as enacted will allocate at least \$15 billion for financial and technical assistance to low-income and disadvantaged communities.<sup>1</sup> In the recently released Framework, EPA states that "each GHG Reduction Fund competition will align with the President's Justice40 Initiative, ensuring that 40% of the overall benefits from the program **flow to** disadvantaged communities."<sup>2</sup> Similar "flow to" language is used throughout the Framework.

Applying Justice40 Initiative principles throughout the whole of GHG Reduction Fund versus solely in the program areas connected to the \$15 billion appropriations for low-income and disadvantaged communities is significant. As such, BCSE requests that EPA clarify that the statutorily designated appropriations for low-income and disadvantaged communities will be allocated as passed by

---

<sup>1</sup> Public Law 117-169, section 134 (a) (1) and section 134 (a) (3).

<sup>2</sup> EPA's Implementation Framework for the Greenhouse Gas Reduction Fund, page 4, emphasis added.

Congress. We additionally ask that EPA clarify the meaning of “flow to” as used in the Framework. We are concerned that “flow to” would be more difficult to measure in terms of actual allocation of funds to low-income and disadvantaged communities, and we are further concerned how flow to may be defined. Direct funding and benefits to low-income and disadvantaged communities are essential if we are to achieve a just and inclusive energy transition.

***Prioritize Projects that Leverage Public and Private Sector Resources***

The GHG Reduction Fund provides an unprecedented opportunity to invest in emission reduction and air quality improvement projects at the community level. For these federal investments to have their greatest impact, EPA should prioritize project applications that show significant leverage of public and private resources. This is especially important for low-income and disadvantaged communities, in which access to capital is challenging.

As such, direct and indirect awardees should be incentivized to leverage, stack, grow, and recycle received capital. The Infrastructure Investment Jobs Act (IIJA) and the IRA provide multiple resources that can be used in tandem with GHG Reduction Fund capital. For example, GHG Reduction Fund projects could be combined with IIJA grant funds, federal tax credits extended under IRA, energy service company projects, and utility programs, as well as state energy related funding opportunities, among other resources.

Thank you for the opportunity to share BCSE’s views on the proposed GHG Reduction Fund Implementation Framework. Should you wish to discuss these comments further, please contact BCSE President Lisa Jacobson via email at [ljacobson@bcse.org](mailto:ljacobson@bcse.org).