NORTHWEST ARCTIC BOROUGH RESOLUTION 23-27

A RESOLUTION OF THE NORTHWEST ARCTIC BOROUGH ASSEMBLY TO PURSUE AN EPA CLIMATE POLLUTION REDUCTION GRANT TO CONDUCT PLANNING ACTIVITIES.

WHEREAS: the Northwest Arctic Borough Assembly is the governing body for the Northwest Arctic Borough; and

WHEREAS: the Northwest Arctic Borough is a home rule regional government and provides essential programs and services to improve the quality of life for all residents and their 11 communities; and

WHEREAS: the Environmental Protection Agency ("EPA") Climate Pollution Reduction Grant ("CPRG") Program plans to award a non-competitive, formula-based grant between \$100,000 to \$1,000,000 to the Northwest Arctic Borough to develop strong climate pollution reduction strategies as a consortium covering all communities in the Northwest Arctic Borough; and

WHEREAS: any project identified in the EPA CPRG Program funded planning phase will be eligible for \$4.6 billion of construction and implementation funding; and

WHEREAS: the Northwest Arctic Borough intends to leverage the EPA CPRG planning process to develop meaningful energy efficiency and renewable energy projects, among other pollution reduction projects.

- **NOW, THEREFORE, BE IT RESOLVED:** that the Northwest Arctic Borough Assembly approves of the Borough's application for the EPA Climate Pollution Reduction Grant on Grants.gov to be submitted by or before June 15, 2023; and
- **BE IT FURTHER RESOLVED:** that the Northwest Arctic Borough authorizes Mayor Dickie Moto to act as the Business Contact and to represent the Borough in matters related to this grant program; and
- **BE IT FURTHER RESOLVED:** that the Northwest Arctic Borough authorizes Ingemar Mathiasson, Borough Energy Manager, to act as the Project Manager.

PASSED AND ADOPTED THIS 7th DAY OF JUNE 2023. Nathan Hadley, Jr., Assembly President PASSED AND APPROVED THIS 7th DAY OF JUNE 2023. Dickie Moto, Sr., Mayor SIGNED AND ATTESTED TO THIS 7th DAY OF JUNE 2023. Stella Atoruk, Borough Clerk ATTEST:



Climate Pollution Reduction Grant Program: Formula Grants for Planning

Program Guidance for Federally Recognized Tribes, Tribal Consortia, and U.S. Territories

United States Environmental Protection Agency
Office of Air and Radiation

March 1, 2023

CLIMATE POLLUTION REDUCTION GRANTS PROGRAM: FORMULA GRANTS FOR PLANNING

PROGRAM GUIDANCE FOR FEDERALLY RECOGNIZED TRIBES, TRIBAL CONSORTIA, AND U.S. TERRITORIES

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1. Overview

EPA takes seriously its responsibility to protect human health and the environment as we face increasingly more harmful impacts of climate change. Across our country, communities are experiencing more deadly wildfires and storm surges, more extreme drought and water scarcity, and dangerous levels of flooding, among other impacts. The Fourth National Climate Assessment found that intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems, and social systems that provide essential benefits to communities. If unchecked, future climate change is expected to further disrupt many areas of life and exacerbate existing challenges to prosperity posed by aging and deteriorating infrastructure, stressed ecosystems, and long-standing inequalities. However, with this challenge comes an opportunity to invest in a cleaner economy that can spur innovation and economic growth while building more equitable, resilient communities.

Through the Inflation Reduction Act of 2022 (IRA), Congress provided many tools to pursue greenhouse gas (GHG) pollution reductions, including the Climate Pollution Reduction Grants (CPRG) program. In implementing this and many other programs under the Inflation Reduction Act, EPA seeks to achieve three broad objectives:

- Tackle damaging climate pollution while supporting the creation of good jobs and lowering energy costs for families.
- Accelerate work to address environmental injustice and empower community-driven solutions in overburdened neighborhoods.
- Deliver cleaner air by reducing harmful air pollution in places where people live, work, play, and go to school.

This strategy will allow the country to make the inevitable changes needed to address climate change and make them opportunities—to revitalize the U.S. energy and manufacturing sectors, create millions of good-paying jobs throughout the country, and address historic environmental injustices and inequities. The CPRG program will seek those opportunities in partnership with states, territories, local governments, and tribes, which are in touch with the needs of their communities and familiar with the horizons of GHG reduction opportunities for their economies.

In line with this strategy, EPA is committed to supporting the development and expansion of state, territorial, tribal, and local climate action plans and the expeditious implementation of investment-ready policies, programs, and projects to reduce GHG pollution in the near term. Through the CPRG program, EPA will support state, territorial, tribal, and local actions to reduce GHGs and associated criteria and toxic air pollution through deployment of new technologies, operational efficiencies, and solutions that will transition America equitably to a low-carbon economy that benefits all Americans.

Section 60114 of the Inflation Reduction Act appropriates \$5 billion to EPA to support efforts by states, U.S. territories, municipalities, air pollution control agencies, tribes, and groups thereof

to develop and implement plans to reduce GHGs. This program has two distinct but related phases:

- Planning grants: The Inflation Reduction Act provides \$250 million for eligible entities to develop plans to reduce GHGs.
- Implementation grants: The Inflation Reduction Act provides \$4.6075 billion for grants to implement measures from the GHG reduction plans developed with planning grant funding.¹

This guidance is focused specifically on the \$25 million set-aside for tribes and tribal consortia, and the \$2 million set-aside for U.S. territories, under the \$250 million program for planning grants, which EPA will award as cooperative agreements through a noncompetitive process. Cooperative agreements are similar to grants but entail substantial programmatic involvement between EPA and the recipient.² The term "grant" used throughout this document includes both "grants" and "cooperative agreements" as defined by 2 CFR 200.1.

At a later date, EPA will issue a separate notice of funding opportunity (NOFO) regarding the implementation grants, which EPA plans to award under a competitive process. In that notice, EPA will indicate the funding priorities for the implementation grants.

Overall, this dual-phased CPRG program enables EPA to work in partnership with state, territorial, local, and tribal officials to advance important goals by providing substantial funding for climate action planning and implementation, while maintaining recipients' flexibility to pursue activities tailored to their unique resources, delivery capacity, and mix of key sectors responsible for emitting and absorbing GHGs (e.g., industry, electricity generation, transportation, commercial and residential buildings, agriculture, natural and working lands, and waste and materials management).

EPA will be awarding the \$250 million available for planning grants (cooperative agreements) to states, municipalities, air pollution control agencies, territories and tribes via a formula as follows:

- \$25 million to tribes and tribal consortia
- \$500 thousand to each of the U.S. territories (Insular Areas), for a total of \$2 million
- \$3 million to all 50 states, District of Columbia (DC), and Puerto Rico, for a total of \$156 million, and \$1 million to each of the 67 most populous metropolitan areas, for a total of \$67 million.

The CPRG program is designed to provide flexible support to tribes and territories, many of whom have never undertaken climate mitigation planning activities. Under this program for planning grants, federally recognized tribes may be eligible for grants of up to \$500,000 for individual tribes or up to \$1 million for groups of 2 or more tribes (tribal consortium or tribal

¹ Three percent of the \$4.75 billion in implementation funds are reserved for EPA administrative costs.

² See <u>EPA's Funding Instruments and Authorities</u> for additional details.

partnership), to be awarded by EPA Regional Offices as described in Section 5 "Allocation of Funds." The U.S. territories of Guam, American Samoa, U.S. Virgin Islands, and the Northern Mariana Islands are eligible for grants of up to \$500,000 each.

States, municipalities, and air pollution control agencies are also eligible entities; their application process is detailed in a <u>separate document</u>.

Under the grants addressed by this guidance for tribes, tribal consortia, and territories, funding recipients will need to produce and submit two key deliverables (in addition to meeting standard grant reporting requirements) over the course of the program period, which may extend up to 4 years from the date of award:

- 1. A Priority Climate Action Plan (PCAP), due March 1, 2024;3 and,
- 2. A Comprehensive Climate Action Plan (CCAP), due at the end of the grant period, which can be up to 4 years.

These deliverables are described in detail in Appendix 14.2.

EPA encourages eligible entities to develop (or, if applicable, revise their existing) climate plans consistent with the following programmatic priorities:

- Improve understanding of current and future GHG emissions so that tribal and territorial
 governments can prioritize actions that reduce such emissions and harmful air pollution
 (criteria air pollution and toxic air pollutants) where citizens live, work, play, and go to
 school, particularly in nonattainment areas for the National Ambient Air Quality
 Standards (NAAQS) for criteria air pollutants.
- Adopt and implement ambitious policies and programs to reduce GHG emissions and accelerate decarbonization across multiple important sectors (e.g., industry, electricity generation, transportation, commercial and residential buildings, agriculture/natural and working lands, and waste and materials management).
- Collaborate closely with other entities (states, municipalities, air districts, other tribes) as appropriate to develop coordinated plans based on best practices.
- Explore opportunities to leverage sources of funding and financing from the Inflation Reduction Act of 2022, Bipartisan Infrastructure Law of 2021, American Rescue Plan Act of 2021, and Creating Helpful Incentives to Produce Semiconductors and Science Act of 2022.
- Stimulate innovative technologies and practices to reduce GHG emissions and associated co-pollutants in hard-to-abate sectors.
- Prioritize actions and policies that will be durable, replicable, and provide certainty in pollution reductions.
- Reduce climate pollution while building the clean energy economy in a way that benefits all Americans, provides new workforce training opportunities, and effectively addresses

³ Applicants for implementation grant funding under the CPRG program will be required to submit a PCAP along with their application.

- environmental injustices in disadvantaged communities.
- Adopt robust metrics and reporting programs to track emission reductions and important co-benefits throughout Indian Country and territories.

This document describes how the Agency intends to award and manage CPRG planning grants for tribes, tribal consortia, and territories. This document also describes the programmatic requirements applicable to all cooperative agreements awarded through this program to tribes, tribal consortia, and territories. (A separate program guidance is available for states, municipalities, and air pollution control agencies.)

This guidance document explains the key deadlines, framework for preparing applications and workplans, and submission instructions. Grant recipients shall follow the framework for grants management, requirements, and reporting using the Uniform Grants Guidance (UGG) under 2 CFR Part 200 and EPA regulations under 2 CFR Part 1500. Some of the statutory provisions described in this document contain legally binding requirements. However, this document does not substitute for those provisions or regulations, nor is it a regulation itself. Thus, the document cannot impose legally binding requirements on EPA, tribes, territories, or the regulated community, and it may not apply to all situations.

2. Statutory Authority

Section 60114 of the Inflation Reduction Act, Climate Pollution Reduction Grants (Public Law 117–169, title VI, Aug. 16, 2022, 136 Stat. 2076) amended the Clean Air Act (CAA) by creating section 137, 42 U.S. Code § 7437, for Greenhouse Gas Air Pollution Plans and Implementation Grants. Section 137 of the CAA authorizes the EPA to fund climate pollution planning grants and climate pollution implementation grants to states, air pollution control agencies, municipalities, tribes, or a group of one or more of these entities.

See the statutory text for this provision in Appendix 14.1.

3. Justice 40 Initiative and Advancing Environmental Justice

The Inflation Reduction Act can improve the lives of millions of Americans by reducing pollution in neighborhoods where people live, work, play, and go to school. Inflation Reduction Act programs can accelerate environmental justice efforts in communities overburdened by pollution for far too long and can help states, territories, cities, and tribes tackle the country's biggest environmental challenges while creating jobs and delivering energy security.

Environmental justice (EJ) is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation and enforcement of environmental laws, regulations, and policies. Fair treatment means no group of people should bear a disproportionate share of the negative environmental consequences resulting from industrial, governmental, and commercial operations or policies. Meaningful involvement means people have an opportunity to