



Climate Pollution Reduction Grants (CPRG) Program in Texas

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Climate Pollution Reduction Grant (CPRG) Program in Texas – Outline

- CPRG Overview
- Timeline
- Phase 1: Planning Grants
- Phase 2: Implementation Grants
- Texas Greenhouse Gas Emissions
- Preliminary Emission Reduction Measures
- Next Steps and Challenges

CPRG Overview

- Part of the Inflation Reduction Act (IRA) of 2022.
- Provides \$5 billion to support efforts by states, municipalities, air pollution control agencies, and tribes to develop and implement strategies to reduce greenhouse gasses and associated criteria and toxic air pollutants.
- Two phases:
 - **Phase 1 – Planning Grants:** \$250 million noncompetitive grants, \$3 million to each state, \$1 million to the six largest metropolitan statistical areas in each state.
 - **Phase 2 – Implementation Grants:** \$4.6 billion in competitive grants.

CPRG Timeline

- July 3, 2023: TCEQ workplan approved and planning grant awarded
- September 20, 2023: EPA announces implementation grants details
- February 1, 2024: Optional Notice of Intent for implementation grants
- **March 1, 2024: Priority Action Plan is due to EPA**
- March 15, 2024: Deadline to submit implementation grant questions
- **April 1, 2024: Implementation grants applications due to EPA**
- July 2024: Notification of funding selection for implementation grants
- October 2024: Estimated start date for implantation grant awards
- **July 3, 2025: Comprehensive Action Plan is due to EPA**
- July 31, 2027: Status Report is due to EPA

Phase 1 – Planning Grants

Texas Participants

- In addition to the state of Texas, six Texas Metropolitan Statistical Areas (MSAs) have received Phase 1 grants.

Area	Lead Organization
Texas	Texas Commission on Environmental Quality
Dallas-Fort Worth Arlington	North Central Texas Council of Governments
Houston-The Woodlands-Sugar Land	Houston-Galveston Area Council
San Antonio-New Braunfels	City of San Antonio's Office of Sustainability
Austin-Round Rock	City of Austin Office of Sustainability
McAllen-Edinburg-Mission	City of McAllen
El Paso	City of El Paso

Deliverables

- Three main deliverables over the 4-year program running through July 31, 2027:
 - Priority Action Plan (PAP)
 - Comprehensive Action Plan (CAP)
 - Status Report
- Texas plans will focus on strategies that reduce emissions of criteria pollutants with a co-benefit of greenhouse gas (GHG) reductions.
- Plans require coordination with participating MSAs, other state agencies, and a variety of stakeholders.

Texas Priority Action Plan (PAP)

- Overall focus: implementation-ready measures to reduce emissions and GHG together.
- Texas' PAP will include:
 - Examination of emissions using existing EPA GHG emission inventory (EI);
 - Quantified emission reduction measures; and
 - A review of authority to implement each measure.
- Factors to consider for each reduction measure: emissions reductions, cost, economic factors, and funding opportunities.

Texas Comprehensive Action Plan (CAP)

- Overall focus: build on measures from the PAP to identify more significant emissions reductions.
- Texas' CAP will include:
 - A comprehensive GHG EI and a projection of emissions with and without implementation measures;
 - Quantified emissions reduction measures for each sector;
 - A benefits analysis for each measure;
 - A plan to leverage various funding sources to implement each measure;
 - A review of authority to implement each measure; and
 - A workforce planning analysis.
- Factors to consider for each reduction measure: emissions reductions, emissions increases, cost, economic factors, and funding opportunities.

Status Report

- Overall focus: Report the status of Texas plans to EPA.
- Texas' Status Report will include:
 - The implementation status of the quantified emissions reduction measures included in the PAP and CAP;
 - Updated analyses or projections supporting PAP and CAP implementation; and
 - Next steps and future budget/staffing needs to continue PAP and CAP implementation.
- Possible updated analyses include benefits analysis, funding analysis, regulatory analysis, and workforce planning analysis.

Phase 2 – Implementation Grants

Eligibility

- EPA will award 30 to 115 competitive grants ranging from \$2 million to \$500 million. Awards are separated into five tiers.
- Must have a PAP submitted by March 1, 2024, to be eligible.
- In addition to the lead organization, other state, municipal, and tribal entities may apply to implement measures included in the PAP.
- No more than two applications, one as an individual entity and one as the lead for a coalition. No limit to coalition participation.
- No more than two grants will be awarded at the same level of government within a single jurisdiction.
- EPA will not award multiple grants for the same measure in the same location.

Funding Tiers

Tier	Grant Range	Funds Targeted for Each Tier	Anticipated Number of Grants to be Awarded
A	\$200 Million – \$500 Million	\$2 Billion	4 – 10
B	\$100 Million – \$199 Million	\$1.3 Billion	6 – 13
C	\$50 Million – \$99 Million	\$600 Million	6 – 12
D	\$10 Million – \$49 Million	\$300 Million	6 – 30
E	\$2 Million – \$9 Million	\$100 Million	10 – 50

Measures

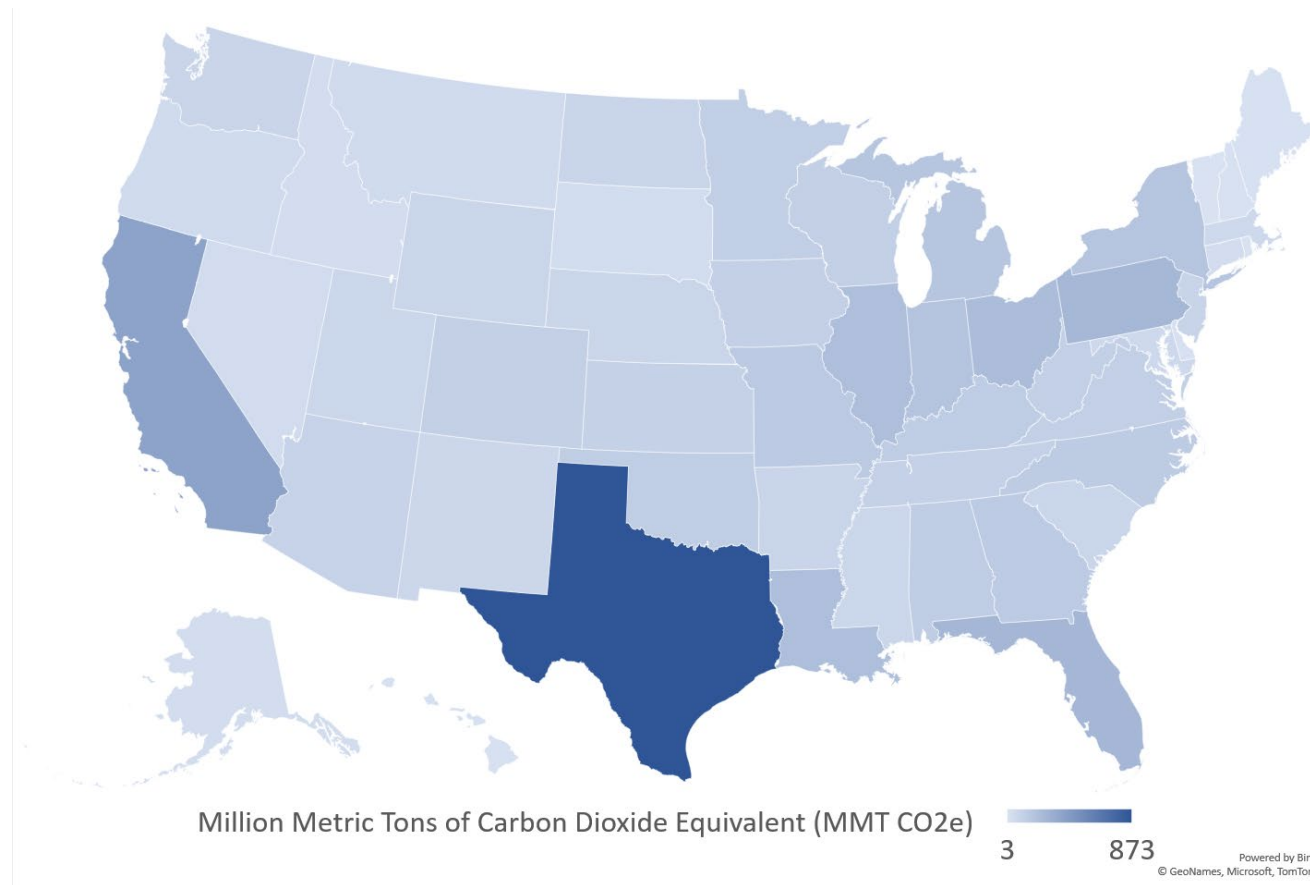
- A measure must be included in the PAP to qualify.
- Applications may seek funding for the following types of measures:
 - A new measure implemented solely through CPRG funding;
 - Expansion of an existing reduction measure; or
 - A new measure that is partially funded from another source.
- Funding to aid regulated entities to comply with EPA regulatory requirements are not eligible.
- Applications can contain multiple measures.

Application Scoring (Based on Workplan)

Overall Project Summary/ Approach (45 Points)	Impact of GHG Reduction Measures (60 Points)	Output, Outcomes, and Performance Measures (30 Points)	LIDAC* (35 Points)	Job Quality (5 Points)	Programmatic Capability and Past Performance (30 Points)	Budget (45 Points)
Description of Measures (20 Points)	Reductions from 2025 through 2030 (20 Points)	Expected Output and Outcomes (10 points)	Benefits (25 points)	N/A	Past Performance (10 points)	Budget Detail (20 Points)
Demonstration of Funding Needs (10 Points)	Reductions from 2025 through 2050 (10 Points)	Performance Measures (10 points)	Engagement (10 Points)	N/A	Reporting Requirements (10 points)	Expenditure of Awarded Funds (15 points)
Transformative Impact (15 Points)	Cost Effectiveness (15 Points)	Authority, Implementation Timeline, and Milestones (10 points)	N/A	N/A	Staff Expertise (10 points)	Reasonableness of Costs (10 points)
N/A	Documentation of GHG Reduction Assumptions (15 Points)	N/A	N/A	N/A	N/A	N/A

*Low-Income and Disadvantaged Communities

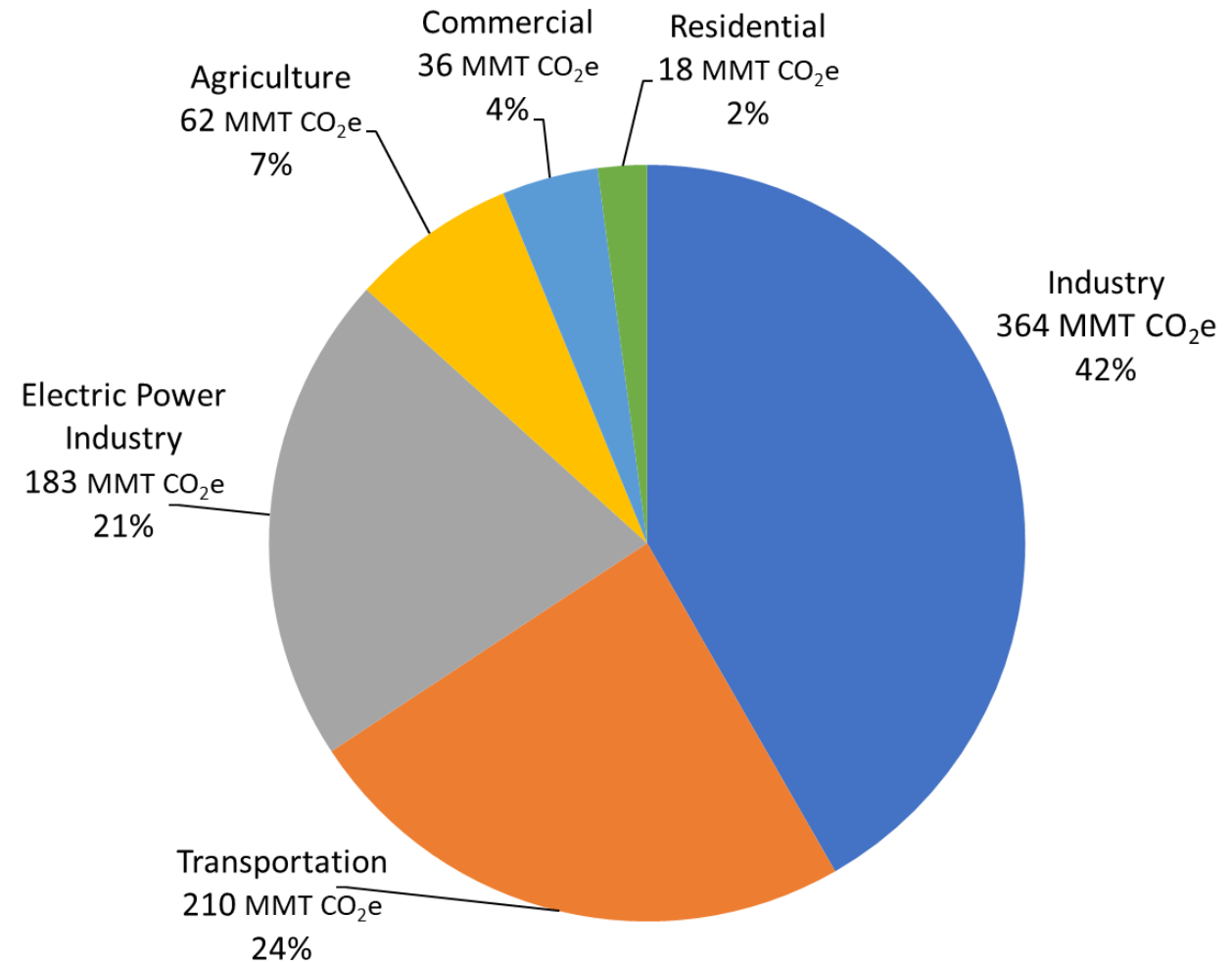
2021 Greenhouse Gas Emissions



*Data from [EPA's State Level GHG Inventory](#).

2021 Texas GHG Emissions by Economic Sector¹

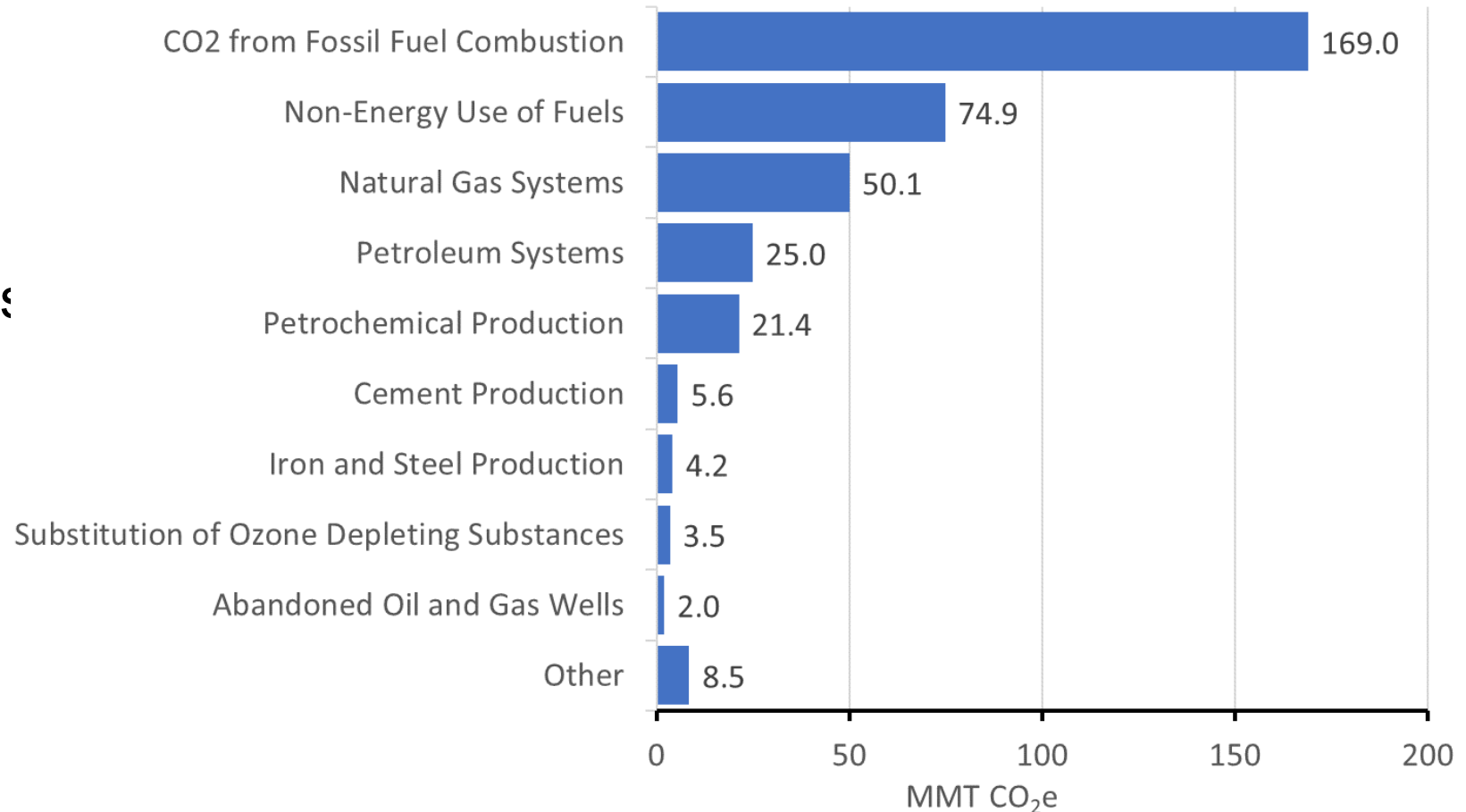
- 87% of Texas GHG emissions are from three sectors: industry, transportation, and electric power.
- 67% of GHG emissions in Texas are from fossil fuel combustion, no matter the sector.
- For the three largest sectors, fossil fuel combustion accounts for:
 - 46% of industrial GHG;
 - 97% of transportation GHG; and
 - 99% of electric power GHG.



¹Data from [EPA's State Level GHG Inventory](#).

2021 Texas GHG Emissions from Industry¹

- 93% of industry GHG emissions are from:
 - Fossil fuel combustion (46%);
 - Non-energy use of fuels (21%);
 - Natural gas systems (14%);
 - Petroleum systems (7%); and
 - Petrochemical production (6%).



¹Data from [EPA's State Level GHG Inventory](#).

Emission Reduction Measures for Texas

Priority Action Plan Measures for Texas

- Priority measures in Texas will focus on incentivized, voluntary measures that will reduce criteria pollutants, hazardous air pollutants, and greenhouse gasses.
- Example measure ideas:
 - Rebates for zero emission or alternative fuel vehicles, trucks, and equipment – would include both stationary and mobile sources.
 - Incentives for storage for renewably generated energy.
 - Incentives for industrial energy efficiency.
 - Incentives for electric vehicle charging infrastructure.
 - Workforce training.

*Measure ideas are not a complete list; they are preliminary and subject to change.

Next Steps and Challenges

- Next Steps:
 - Identify details of priority measures.
 - Quantify emission reductions.
 - Determine regulatory authority for measures.
 - Engage with stakeholders and the community.
- Challenges:
 - Short timeline for PAP and Implementation Grant Application creates challenges for:
 - Community engagement;
 - Collaboration;
 - Measure development; and
 - Measure quantification.
 - Limited TCEQ Resources for implementation.

Questions?

Contact:

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Sign up for updates:

<https://www.tceq.texas.gov/agency/climate-pollution-reduction-grants>