



Maine's Application to the U.S. EPA Climate Pollution Reduction Implementation Grant: Accelerating *Maine Won't Wait* greenhouse gas reduction strategies



Draft Application
Request for Public Comment
Release Date: March 8, 2024
Deadline for comments: March 22, 2024

Summary

The U.S. Environmental Protection Agency is administering the Climate Pollution Reduction Grant (CPRG) program as a one-time opportunity through the Inflation Reduction Act. The CPRG provides grants to states, local governments, tribes, and territories to develop and implement ambitious plans for reducing greenhouse gas emissions and other harmful air pollution. Authorized under Section 60114 of the Inflation Reduction Act, this two-phase program provides \$250 million for noncompetitive planning grants, and approximately \$4.6 billion for competitive implementation grants.

The Governor's Office of Policy Innovation and the Future (GOPIF) coordinates the work of the Maine Climate Council, established in law in 2019, and works with the Maine Department of Environmental Protection (Maine DEP), the Governor's Energy Office (GEO), Maine Department of Transportation (Maine DOT), other state agencies, regional and municipal governments, and key stakeholders on policy issues to advance climate and energy policy. GOPIF serves as the lead agency for the EPA Climate Pollution Reduction Grant (CPRG).

The State of Maine anticipates applying to the CPRG program for \$49 million in implementation funding (Tier D) for priority greenhouse gas emission reduction measures. Competitive applications will reduce greenhouse gas emissions in the near term and cumulatively between 2025 and 2050, be cost effective and leverage or fill gaps in federal funding for greenhouse gas emissions reductions measures, benefit low-income and disadvantaged communities, and deploy measures contained with the state's Priority Climate Action Plan (PCAP), which contains the strategies from *Maine Won't Wait*, Maine's four-year Climate Action Plan released in December 2020.

Maine's application for CPRG implementation funding will include priority measures that reduce greenhouse gas emissions from two primary sectors: transportation and buildings.

- 1) Reducing Emissions in Buildings through "Resilient Community Centers": Public schools and municipal buildings in low-income and disadvantaged communities in Maine will be able to apply for funding for energy efficiency, clean energy and electrification measures to reduce greenhouse gas emissions.
- 2) Reducing Transportation Emissions through support for accelerated electric vehicle market transformation programs. These measures include:
 - a) Expanding incentives and consumer education support for light-duty electric vehicle (EV) purchase
 - b) Piloting Medium- and Heavy-Vehicle Duty zero-emissions vehicle purchase and operation in key geographic hubs
 - c) Extending the state's rural workforce commuting pilot program with electric vehicles

Your input is welcomed! Please submit comments regarding the content of this Draft Program Framework for Maine’s application for CPRG implementation funding by March 22, 2024 via the Survey Monkey link available [HERE](#).

In addition, the State of Maine welcomes letters of support from communities and organizations interested in supporting Maine’s application for CPRG implementation funding. If your organization would like to provide a letter of support, please indicate this in an email to maineclimatecouncil@maine.gov as soon as possible.

Introduction

Governor Janet Mills has prioritized tackling climate change, advancing clean energy, and improving the climate resiliency of Maine’s communities. The Governor’s Office of Policy Innovation and the Future (GOPIF) coordinates the work of the Maine Climate Council, established in law in 2019, and works with the Maine Department of Environmental Protection (Maine DEP), the Governor’s Energy Office (GEO), Maine Department of Transportation (Maine DOT), other state agencies, regional and municipal governments, and key stakeholders on policy issues to advance climate and energy policy. GOPIF serves as the lead agency for the EPA Climate Pollution Reduction Grant (CPRG).

The U.S. Environmental Protection Agency is administering the Climate Pollution Reduction Grant (CPRG) program as a one-time funding opportunity available through the Inflation Reduction Act. The CPRG provides grants to states, local governments, tribes, and territories to develop and implement ambitious plans for reducing greenhouse gas emissions and other harmful air pollution. Authorized under Section 60114 of the Inflation Reduction Act, this two-phase program provides \$250 million for noncompetitive planning grants, and approximately \$4.6 billion for competitive implementation grants.

CPRG Program Goals and Objectives

The CPRG general competition for implementation grants is designed to enable states, municipalities, tribes, and territories to achieve the following goals:

1. Implement ambitious measures that will achieve significant cumulative greenhouse gas (GHG) emissions reductions by 2030 and beyond;
2. Pursue measures that will achieve substantial community benefits (such as reduction of criteria air pollutants (CAPs) and hazardous air pollutants (HAPs)), particularly in low-income and disadvantaged communities;
3. Complement other funding sources to maximize these GHG reductions and community benefits; and,
4. Pursue innovative policies and programs that are replicable and can be “scaled-up” across multiple jurisdictions (can be multiple municipalities, states or territories).

The State of Maine anticipates applying to the CPRG program for \$49 million in implementation funding (Tier D) for priority greenhouse gas emission reduction measures. Maine has prioritized greenhouse gas emission reduction measures that maximize cumulative emission reductions, provide benefits to low-income and disadvantaged communities, and leverage existing programs, policies and federal funding streams to advance climate action in cost-effective measures.

Table 1: CPRG Implementation Grant Ranges and Funding by Tier

Tier	Grant Ranges	Funds Targeted for Each Tier	Anticipated Awards
A	\$200,000,000 – \$500,000,000	\$2 billion	4-10
B	\$100,000,000 – \$199,999,999	\$1.3 billion	6-13
C	\$50,000,000 – \$99,999,999	\$0.6 billion	6-12
D	\$10,000,000 – \$49,999,999	\$0.3 billion	6-30
E	\$2,000,000 – \$9,999,999	\$0.1 billion	10-50

Eligible Applicants

Eligible applicants for the CPRG implementation grants competitions are limited to lead organizations for CPRG planning grants and other executive branch-level agencies, offices, and departments in states, D.C., Puerto Rico, municipalities, tribes, tribal consortia, territories, and groups of such entities applying for funding to implement measures contained in one or more applicable Priority Climate Action Plan (PCAP) developed with funding from a CPRG planning grant.

If awarded, the grant funds must be spent within five years. The anticipated program start date is October 1, 2024, with funds being expended by September 30, 2029.

Please read the [Notice of Funding Opportunity](#) for this competition for the most complete and up-to-date information about eligible applicants for these competitions.

GHG Reduction Measures in CPRG Implementation Grant Applications

The U.S. Environmental Protection Agency encourages eligible applicants to seek implementation funds for GHG reduction measures that will significantly reduce cumulative GHG emissions by 2030 and beyond, and that will accelerate decarbonization across one or more major sectors responsible for GHG emissions (i.e., industry, electric power, transportation, commercial and residential buildings, agriculture/natural and working lands, and waste and materials management).

GHG measures in an implementation grant application under the general competition must be included in an applicable PCAP. An applicable PCAP is one that geographically includes the applicant and contains the GHG reductions measures that can be implemented by the applicant. Link to Maine's PCAP, which contains the strategies from *Maine Won't Wait*, Maine's four-year Climate Action Plan released in December 2020- <https://www.maine.gov/future/climate/climate-pollution-reduction-grant>.

The U.S. Environmental Protection Agency anticipates that applications may seek funding for the following types of measures:

- A new, stand-alone GHG reduction measure that will be implemented solely through CPRG funding;
- An expansion of a GHG reduction measure that is already being implemented, where the expansion of the measure will be funded through CPRG funding; and,
- A new GHG reduction measure for which the applicant has already secured partial funding and needs additional funding from the CPRG program to secure the total funding needed to fully implement the measure.



Data source: Maine Department of Environmental Protection 9th Biennial Greenhouse Gas Emissions Report.
International bunker fuels (1%) are not depicted in the graphic above.

In Maine, most carbon dioxide emissions from fossil fuel combustion come from transportation, followed by residential, commercial and industrial sources.

Anticipated Application Measures

Maine’s CPRG application framework includes measures that reduce greenhouse gas emissions from the two largest sources of emissions in Maine: transportation and buildings. The proposed measures are:

- 1) Reducing Emissions in Buildings through “Resilient Community Centers”: Public schools and municipal buildings in low-income and disadvantaged communities in Maine will be able to apply for funding for energy efficiency, clean energy and electrification measures to reduce greenhouse gas emissions.
- 2) Reducing Transportation Emissions through support for accelerated electric vehicle market transformation programs. These measures include:
 - a) Expanding incentives and consumer education support for light-duty electric vehicle (EV) purchase
 - b) Piloting Medium- and Heavy-Vehicle Duty zero-emissions vehicle purchase and operation in key geographic hubs
 - c) Extending the state’s rural workforce commuting pilot program with electric vehicles

The State of Maine is currently developing the following measures for greenhouse gas emissions reductions activities in Maine. Maine may propose a single measure or a suite of measures.

GOPIF invites specific comments from stakeholders on program design, anticipated challenges or support needed to facilitate deploying these funds in Maine communities and Tribes, potential collaborators or alignment with existing programs to accelerate action, and other innovative ideas to advance these climate action strategies from *Maine Won't Wait*.

Proposed measure: Clean energy, energy efficiency, and HVAC improvements in municipal buildings

The State of Maine is considering investing in cost-effective decarbonization, efficiency, and clean energy projects in municipal buildings, through the State of Maine's existing [Community Resilience Partnership](#) grant program.

The Community Resilience Partnership was established in 2021 to provide grants to municipal and tribal governments in Maine for projects to increase energy efficiency, transition to clean energy, and improve community resilience to the impacts of climate change. In its first two years, the Partnership awarded \$6.1 million dollars in grants to 103 communities and to 21 service provider organizations that assist small, rural, and disadvantaged communities. There are currently 150 communities in Maine that are eligible for the Partnership's grants and nearly 70 more are working to complete the eligibility requirements.

To subgrant the CPRG implementation funds, the Community Resilience Partnership would hold annual competitive grant rounds utilizing a process that is already familiar to communities. Eligible uses would include emission reduction strategies such as clean energy and energy efficiency.

The Community Resilience Partnership is administered by the Governor's Office of Policy Innovation and the Future and the Governor's Energy Office in collaboration with other state agencies.

Proposed measure: Clean energy, energy efficiency, and HVAC improvements in public school buildings

The State of Maine is considering investing in cost-effective decarbonization, efficiency, and clean energy projects in public school buildings.

Energy is an enormous cost for Maine schools, and nearly 30% of that energy is used inefficiently. By being more energy efficient, schools can help prevent greenhouse gas emissions, reduce operating costs, and improve students' learning environment.

The proposed program would provide funding to economically disadvantaged schools in Maine to install solar energy and transition from fossil fuel-based to heat pump/VRF heating and hot water systems. Funding would be deployed through a combination of competitive grants and rebates.

The program would expand technical assistance to schools to invest in clean energy, energy efficiency, and HVAC improvements through this and other federal and state funding, including new federal grant and tax credit programs established through the Inflation Reduction Act.

The program would be administered by the Governor's Office of Policy Innovation and the Future and the Governor's Energy Office, in collaboration with the Maine Department of Education and the Efficiency Maine and would build on and leverage the state's Lead by Example and Community Resilience Partnership programs, the new Green Schools Program at the Department of Education, and the school retrofits program at Efficiency Maine.

Proposed measure: Light Duty Electric Vehicle (EV) Incentives

The transportation sector is the largest source of CO₂ emissions from fossil fuel combustion in Maine (49%), according to the most recent emissions report from the Maine Department of Environmental Protection (DEP). The state's climate action plan, *Maine Won't Wait* includes ambitious strategies to reduce transportation emissions by transitioning to electric vehicles (EV)s.

The State of Maine is considering utilizing CPRG implementation funds to accelerate Maine's electric vehicle market transformation, including vehicle incentives for low- and moderate-income households to ensure an equitable and affordable transition to clean transportation for all people in Maine. The incentives would be provided as increased rebates through Efficiency Maine that can be applied directly to the purchase or lease of a new or used EV.

Efficiency Maine provides rebates to Maine residents, businesses, government entities, and tribal governments for the purchase or lease of a new or used EV or plug-in hybrid electric vehicle (PHEV) at participating Maine dealerships. In 2023, just 16% of EV rebates from Efficiency Maine went to low- and moderate-income households. In addition to increased incentives for low- and moderate-income households, other strategies being considered include financial support for home EV chargers for low-income drivers, and potential incentives for rural and other drivers across the state Maine who drive the most miles.

Funding would also support increased incentives for municipal fleets, and consumer education campaigns and public fleet advisory services.

Proposed measure: Medium and Heavy-Duty Electric Vehicle Pilot

The State of Maine is considering a pilot truck voucher program to provide vouchers, or discounts, to fleets across Maine that purchase or lease medium- and heavy-duty zero-emission battery electric or hydrogen fuel cell electric vehicles.

While innovations in medium- and heavy-duty zero-emission vehicles are progressing rapidly, adoption has been slowed by the comparatively high costs of these new vehicles in the early, low-volume market, as well as planning and paying for infrastructure.

In Maine, medium- and heavy-duty vehicles (MDHV) are responsible for 27% of the state's greenhouse gas emissions associated with transportation. Currently, only 21 total MDHVs are electrified across the entire state, including 17 school buses and 4 transit buses (vehicle registrations as of December 2023).

In addition to funding vouchers for zero-emission MDHV vehicles to be administered by Efficiency Maine, the proposed program will make funding available for MDHV charging infrastructure. A fleet advisory service would serve operators of MDHVs who are awarded vouchers to help them plan for fleet electrification and implement vehicle and charging projects.

The MDHV voucher pilot program will raise awareness about opportunities and benefits of medium- and heavy-duty vehicle electrification, and result in a series of successful case studies.

The program would be administered by the Governor's Office of Policy Innovation and the Future and the Governor's Energy Office, in collaboration with the Maine Department of Transportation and Efficiency Maine.

Proposed measure: Rural Workforce Electric Vehicle Transit Program

The State of Maine is considering investing CPRG funding to grow the state's Workforce Transportation Pilot Program, which expands access to reliable transportation, especially in rural Maine, to connect workers with employment opportunities.

Transit programs reduce greenhouse gas emissions by reducing the number of miles Mainers drive in single-occupancy vehicle. In recent years, Maine businesses have had to look farther afield to connect with job seekers that meet their skillsets. The Workforce Transportation Pilot Program administered by MaineDOT provides workforce support through ridesharing, vanpools, e-bike opportunities, and other subsidized transit options through a competitive grant program.

The proposed funding would support the expansion of the program to include purchase of hybrid or electric transit vehicles and necessary charging infrastructure.

E-bikes could also be purchased through the program. E-bikes can be a lower cost electric transportation solution, and the pedal assist system on electric bikes helps riders get around faster and more easily.