



Legislation Text

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** MARCH 5, 2024

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**THROUGH:** JAMES F. PARAJON, CITY MANAGER /s/

**FROM:** RYAN FREED, CLIMATE ACTION OFFICER

**DOCKET TITLE:**

Consideration of a Grant Application to the U.S. Environmental Protection Agency for the Climate Pollution Reduction Grant.

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**ISSUE:** Should the City seek grant funding from the U.S. Environmental Protection Agency (EPA) to support emission-reduction measures in the City.

**RECOMMENDATION:** That City Council:

- (1) Authorize the submission of a grant application for up to \$10 million in federal funding to the Climate Pollution Reduction Grant programs by April 1, 2024; and
- (2) Authorize the City Manager to apply for the Climate Pollution Reduction Grant (CPRG) and enter into any necessary agreements with U.S. Environmental Protection Agency to accept this funding.

**BACKGROUND:** The U.S. EPA's Climate Pollution Reduction Grant (CPRG) is a new grant program created by President Biden's Inflation Reduction Act to develop and implement plans for reducing greenhouse gas emissions and other harmful air pollution. The Inflation Reduction Act provides \$5 billion for the program, with \$250 million for noncompetitive planning grants and \$4.3 billion for competitive implementation grants.

The EPA expects to award implementation grants from a minimum of \$2 million to a maximum of \$500 million. There is no cost-share or -match requirement-so there are no costs to the City associated with the grant.

Applicants are limited to submitting one application as a *lead* applicant for a coalition, but may serve as a coalition *partner* on multiple applications. Furthermore, EPA anticipates awarding no more than two grants to applicants at the same level of government within a single jurisdiction (e.g., a single state, municipality, tribal area, or territory); will make selections to ensure diverse geographic coverage across the nation; and will not award multiple grants to implement the same measure in the same location. Therefore, it is the most competitive strategy for Alexandria to serve as a partner on a broad coalition of jurisdictions across Virginia.

Grant applications for the competitive implementation funds are evaluated by the EPA with considerations including impact of the greenhouse gas (GHG) reduction measures, benefits to low-income and disadvantaged communities, environmental results, shovel-readiness, and job creation and quality.

**DISCUSSION:** The Alexandria City Council unanimously adopted the updated Environmental Action Plan 2040 (EAP2040) in July 2019. The EAP2040 established a target of reducing community-wide greenhouse gas emissions by 50 percent by Fiscal Year 2030 and 80 to 100 percent by Fiscal Year 2050, relative to 2005. In May 2023, the City updated the Energy and Climate Change Action Plan (ECCAP), which provides further guidance on how to achieve the goals laid out in the EAP2040. This includes retrofitting housing with efficiency and electrification upgrades and building new housing to have high energy performance. The grant funding that the City would receive under the CPRG program would support measures that work towards achieving these goals.

The EPA encourages applicants to form coalitions. Applicants are limited to being the *lead* applicant for a coalition on one application, but may serve as a coalition *partner* on multiple applications. The City is coordinating with the Virginia Department of Environmental Quality, Metropolitan Washington Council of Governments (MWCOG), and other local jurisdictions to determine coalitions and prioritize applications. The specific details for coalition membership and exact projects to be included in the application(s) are still being developed. Currently, the City is working to be a coalition partner on an application led by MWCOG, which will contain projects under the following topic areas:

- Accelerate the deployment of energy efficiency solutions and decarbonization of residential, institutional, municipal, and commercial buildings.
- Accelerate the deployment of clean and renewable energy.
- Accelerate the deployment of low-emission transportation, fuels, and vehicles.
- Reduce GHG emissions from waste and wastewater treatment.

Additionally, the City expects to be party to a coalition of Virginia jurisdictions on an application to fund building energy efficiency projects for municipal, school, and residential buildings, which may include but not be limited to renewable energy; heating, ventilation, and air conditioning upgrades; energy efficient appliance and lighting upgrades; and building envelope retrofits-all in furtherance of the goals of EAP2040.

**FISCAL IMPACT:** The Grant requires no matching funds from the City, so this grant would be additive to our existing efforts. The programs the City will apply for are already within the scope of the EAP2040 and the ECCAP, with appropriate staffing. No additional fiscal impact is expected.

**ATTACHMENT:** None.

**STAFF:**

Ryan Freed, Climate Action Officer

Samantha Heitsch, Sustainability Coordinator, Office of Climate Action

Julian Gonsalves, Assistant City Manager