



# Climate Pollution Reduction Grant: Senate Transportation March 20, 2024

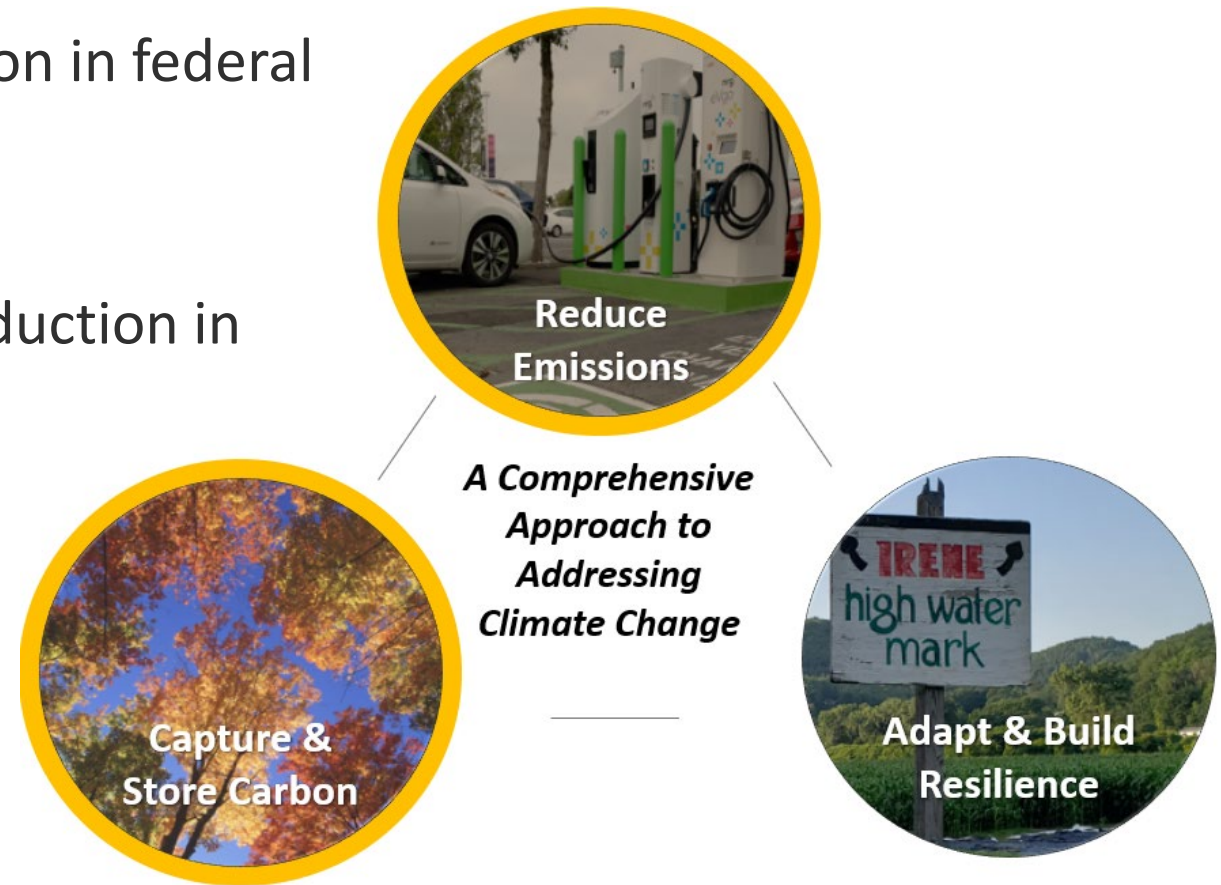
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# Outline

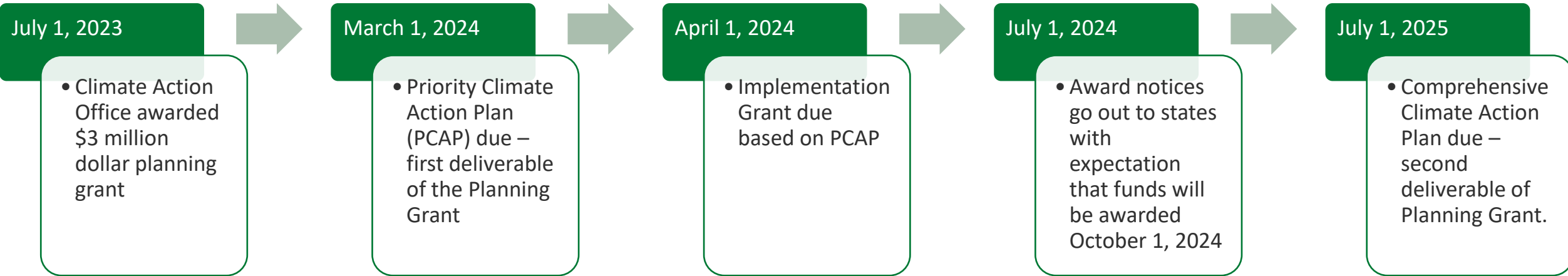
- Overview of Climate Pollution Reduction Grant
- Technical Analysis Funding
- Alignment with Climate Action Plan Addendum
- Study Proposed with ANR, VTrans, and the Treasurer's Office

# What is the Climate Pollution Reduction Grant?

- One-time, competitive process for \$4.6 billion in federal Inflation Reduction Act funds
  - Vermont likely to apply for ~\$90 million
- Eligible actions must show a measurable reduction in climate pollution
- Actions solely focused on adaptation and resilience (preparing for the harmful effects of climate change) are not eligible
- Many actions have co-benefits



# Climate Pollution Reduction Grant



# Implementation Grant

- Roughly \$100 million dollars but details being considered now
- Extremely competitive opportunity
- If successful, transportation share will be roughly 50% of total application
- ANR will serve as fiscal agent but these funds to support transportation measures will also go to VTrans, ACCD, and and other partners



# Transportation



| <b>CPRG Measure Description</b>  | <b>Final funding amount</b> |
|--|-----------------------------|
| <b>PEV Incentive Suite - Continue funding for PEV Purchase Incentive, RYR, Mileage Smart, E-Bike, 200A panel upgrades for at-home charging</b>         | <b>\$30,000,000</b>         |
| <b>Medium- and Heavy-Duty fleet EV point of sale purchase and EVSE incentive, including infrastructure, technical assistance, and training program</b> | <b>\$10,000,000</b>         |
| <b>EVSE - MUD and other public space Level 2 and DCFC for specific customer classes</b>  | <b>\$2,500,000</b>          |
| <b>Idle-reduction technology deployments for all vehicle weight classes</b>  | <b>\$1,500,000</b>          |
| <b>EV driver and technician educational programming</b>  | <b>\$250,000</b>            |



# Planning Grant – Technical Analysis Funds

- \$ 1 million of the \$3 million set aside for technical analyses needed to support next Climate Action Plan due July 1, 2025
- CAP aligned with major deliverable of the CPR Grant called Comprehensive Climate Action Plan
- \$250,000 held for transportation analysis; with other funding going to update modeling for CAP and other discrete analyses

# Climate Action Plan Addendum

1. An independent analysis be undertaken by an expert in comprehensive transportation policy, with a core focus on emission reductions and economic modeling to understand and compare the following options of Vermont participating in either:
  - a) The Western Climate Initiative (WCI) cap-and-invest program with Quebec, California and Washington State, or
  - b) New York's impending cap-and-invest program (NYCI)
2. Vermont initiate discussions with New York State to more closely understand current program development and rulemaking processes, including relevant modeling and analysis.



# Study Specifics

- Projected emissions reductions in accordance with target year(s)
- Revenue generation, allocation, and ability to invest resulting revenues
- Potential cost per ton/per pollution allowance
- Potential resulting benefits beyond emissions reduction
- Consideration of all fuels and other sectors
- Implementation/administrative questions
- Economic impacts and benefits to Vermonters
- Total administrative resource cost estimates
- Potential timeline for program participation, implementation, and ability to make investments with resulting revenue
- Qualitative discussion of Clean Transportation Standard and a Low Carbon Fuel Standard

# Timeline

- ANR will grant funds to VTrans in next 1-2 months
- VTrans to utilize existing retainer contracts to expedite timeline
- Scope of work being drafted by VTrans and ANR now
- Scope will be shared with Treasurer's Office and Cross Sector Mitigation Subcommittee prior to soliciting bids
- Anticipate beginning work in late May with the goal of completing analysis next winter