

November 29, 2023

Via Email:

Indiana Department of Environmental Management  
100 N. Senate Blvd  
Indianapolis, IN 46202  
[cprg@idem.in.gov](mailto:cprg@idem.in.gov)

**RE: Public Comments of the Hoosier Environmental Council (HEC) on the Indiana Climate Pollution Reduction Grant (CPRG) Program Priority Climate Action Plan (PCAP)**

Dear Sir/Madame,

Please accept on behalf of the Hoosier Environmental Council (HEC) comments regarding the Indiana Climate Pollution Reduction Grant (CPRG) Program Priority Climate Action Plan (PCAP). Authorized under Section 60114 of the 2022 Inflation Reduction Act (IRA) and administered by the US Environmental Protection Agency (EPA), the two-phased, four-year climate change program provides \$5 billion of funding to local and state governments for plans and projects that reduce greenhouse gas (GHG) emissions and advance environmental justice.

The first phase provides states with a \$3 million noncompetitive planning grant to create a roadmap for reducing GHG emissions across six specific economic sectors - electricity generation, industry, transportation, buildings, agriculture/natural and working lands, and waste management. Recipients are required to submit three deliverables over the grant period. The first deliverable, the PCAP, due March 1, 2024, must include a focused list of implementation-ready, critical GHG reduction measures, a GHG inventory, a benefits analysis for low-income and disadvantaged communities, and a review of authority to implement GHG reduction measures. The second phase will award \$4.6 billion in funding on a competitive basis to implement the GHG reduction measures detailed in the PCAP.

The CPRG program offers our state an unparalleled opportunity to institute clean renewable energy measures and address historical environmental inequities, which will benefit Hoosiers through improved climate resiliency, energy affordability and reliability, economy, and our overall quality of life. In particular, the program provides substantial resources to simultaneously mitigate the costs of decarbonization across multiple key sectors and reduce pollution exposures in low-income and disadvantaged communities.

Our comments include recommendations to the proposed PCAP, a list of investments we believe can maximize project or program outcomes, and several actions that can advance the CPRG's environmental justice (EJ) goals.

- I. **Indiana CPRG Program.** Flexibility is incorporated in the CPRG program to encourage recipients to pursue bold strategies that will maximize GHG emissions reductions, based on their unique needs and capacity. Indiana should seek to take full advantage of this opportunity to leverage the CPRG to create thousands

of good-paying jobs, grow its economy and protect the environment, while delivering significant benefits to underserved communities. IDEM has identified three programmatic goals: promoting sustainability, strengthening environmental resiliency, and safeguarding Indiana's natural resources.

In line with these factors, a preliminary list of 59 GHG reduction actions have been developed for consideration into the PCAP. From this list, 11 actions were selected for further consideration. The final list of GHG reduction measures will be evaluated by EPA for implementation funding on four main factors: 1) Scale, timing, and cost effectiveness of the reduction measures, 2) Substantial community benefits for low- income and disadvantaged communities, 3) Innovative, achievable, replicable policies and programs, 4) Clear authority to implement the measures.

- II. PCAP Recommendations.** Develop creative, transforaminal decarbonization policies and programs that promote a robust transition away from fossil fuels. An integrated vision and plan that knits together fragmented programs is a must to ensure the CPRG benefits are distributed equitably, otherwise widespread decarbonization is not achievable.
- i) Reduce CO2 emissions through new sources of local clean renewable solar energy.** Enable local distributed solar which provides power close to load and reduces the need for costly upgrades to transmission lines. Local solar helps reduce energy bills, builds resiliency of local grids, and reduces air pollution among other benefits.
  - ii) Reduce CO2 emissions through utility scale wind and solar installations combined with battery storage.** The combination of renewable energy and battery storage offer a clean competitive solution capable of meeting resource adequacy demands, while protecting ratepayers and reducing new investment in fossil fuels. Battery storage can provide rural and low-income communities with cheaper, more reliable electricity than energy produced by fossil fuels.
  - iii) Incentivize natural forms of carbon capture that will both reduce GHG emissions and provide valuable natural infrastructure services.** Policies that increase the conservation and restoration of Indiana's natural and working lands, including wetlands, forests, farmlands, and urban greenspaces are an effective cost-effective, significant climate pollution reduction strategy. Indiana has lost much of its wetland protection through a recent Supreme Court decision so this is a critical time to invest in wetland protection and mitigation.
  - iv) Invest in clean energy workforce development programs.** Existing workforce programs should be expanded to prepare Hoosiers to take full advantage of new clean energy jobs and fully implement the PCAP. This will assist Hoosier communities in building the technical skills needed among Indiana's workforce to help our state transition to electrification powered by clean renewable energy.

- v) **Incorporate EJ policies ensuring meaningful engagement, equitable decision-making and resource allocation occurs with communities disproportionately impacted by GHG emissions and legacy co-pollutants.** Provide transparency and build trust in CPRG based investments by working collaboratively with local community stakeholders on project definition, procurement, and priorities.
- III. GHG Reduction Actions Recommendation by Sector.** Since implementation funding is available to fund only those initiatives identified in the PCAP developed with planning grant funds, it is important Indiana be strategic and direct this funding towards actions that will have a major impact in jumpstarting our state's move towards decarbonization.
- a) **Agriculture/Natural and Working Lands**
    - i) Create a new fund for the protection of wetland habitat. In addition to being one of nature's most powerful forces of carbon sequestration, wetlands provide critical natural infrastructure services. Wetlands serve as an economic force for Indiana by supporting our recreation economy and by providing valuable sources that are costly to duplicate in their absence.
    - ii) Fund the President Benjamin Harrison Land Trust for forest preservation and restoration purposes.
    - iii) Provide funding incentives for cover cropping programs, like the Indiana Department of Agriculture (ISDA) Cover Crop Premium Discount Program. Cover crops effectively sequester CO<sub>2</sub>, reduce erosion, and improve topsoil quality.
  - b) **Buildings**
    - i) Tap into current federal, municipal, and utility programs to incentivize efficiency in new construction and retrofits of buildings and homes.
    - ii) Set efficiency standards for construction that will meaningfully reduce energy consumption and thus greenhouse gas emissions.
    - iii) Create a program similar to the Energy Star program for appliances for new homes and commercial buildings.
    - iv) Require sellers to let homeowners and renters know what their utility energy costs will be and how they rate compared to others available on the market to help consumers make knowledgeable choices about major investments in their lives.
  - c) **Energy Generation**
    - i) Provide state incentives for battery storage to be coupled with utility scale renewable energy. A state-sponsored program incentivizing battery storage

would greatly reduce new investment in fossil fuels while meeting adequacy needs and protecting ratepayers. Batteries offer a competitive clean solution to resource adequacy but are a new technology and thus still need encouragement for adoption. Currently batteries are losing out vs. natural gas on utility RFP's for resource adequacy. Many companies are able to demonstrate the cost competitive and GHG reducing solution of batteries to meet resource adequacy demands on our grid.

- ii) Fund schools across our state to put solar on their rooftops, over their parking areas, and on adjacent space to their buildings which will provide significant reduction in energy bills and cleaner air for our schools.
- iii) Fund solar power combined with battery installations on government buildings and institutions thereby saving taxpayer funds for costly energy bills, increasing reliability, reducing GHG emissions thereby demonstrating the state's confidence in renewable energy. This could be done on state, municipal, and county levels.
- iv) Provide household and small business incentives for the coupling of battery storage and rooftop solar. This would be a step in reducing the ROI timeline in Indiana which currently has policy that discourages rooftop solar.

#### **d) Transportation**

- i) Fund electrification of state, municipal and school fleets. This action will reduce GHG emissions and improve onboard and community air quality, while significantly reducing fuel and maintenance costs.
- ii) Encourage hybrid/flexible work policies which can dramatically reduce vehicle miles travelled (VMT). Working remotely could reduce emissions up to 54% and a hybrid schedule could reduce emissions from 11% - 29% when compared to the traditional five-day onsite work model.<sup>1</sup>
- iii) Expand and improve public transit options to reduce VMT and provide more travel options to Hoosiers, especially in rural areas.

#### **e) Waste and Materials Management**

- i) Increase diversion rate of waste products from landfills to reduce methane emissions and pollution. Encouraging local sustainability initiatives like composting, recycling, single use plastics bans or promoting circular economy programs is an effective, cost-effective mechanism to build overall support for climate actions.

---

<sup>1</sup> Tao, Y., Yang, L., Jaffe, S., Amini, F., Bergen, P., Hecht, B., & You, F. (2023). Climate mitigation potentials of teleworking are sensitive to changes in lifestyle and workplace rather than ICT usage. *Proceedings of the National Academy of Sciences*, 120(39), e2304099120.

**f) Industry**

- i) Electrifying industrial processes using low-cost **renewable power** will significantly reduce the use of fossil fuels, leading to dramatic decreases in GHG emissions.
- ii) Encourage the adaptation of green hydrogen over blue hydrogen. As a key member of the Midwest Hydrogen Hub (MachH2), Indiana should advocate a focus on bringing green hydrogen to market. Lifetime emissions of blue hydrogen could be higher than the current use of fossil fuels for heat.<sup>2</sup> Additionally, blue hydrogen produces other upstream and downstream emissions and pollution that could be avoided through renewables.

**g) Environmental Justice**

- i) Prioritize community-scale funding over individual handouts. Indiana should consider creating a dedicated program office that would coordinate resources like energy efficiency retrofits for the state's most overburdened low-income communities. Rather than offering support through a standard rebate or grant program where applicants must prove their eligibility, benefits should be based on location, without qualification. This approach would ensure widespread participation and greatly help the state meet CPRG pollution reduction goals.
- ii) Invite community stakeholders and resident-led groups to participate in advisory committees that can partner with IDEM on project definition, procurement, and community benefit and support.
- iii) Show real time progress in project selection, planning, and implementation through a publicly available dashboard to provide both transparency and trust in CPRG based investments.

**IV. Additional Recommendations**

- a) Expand on-site solar production through distributive energy resources (DERs) on schools, government buildings, and brownfields. DER companies have the ability to support this action and other models do exist. This would also be consistent with FERC order 2222 which requires states to enable DER's within their electric power systems.
- b) Expand IDEM's GreenSteps program to better support school sustainability projects (solar, efficiency, EV buses and charging stations, gardening, etc.) and introduce young people to careers opportunities in Indiana's green economy.
- c) Fund cities, counties, schools, and non-profits that want to take advantage of the federal Solar Investment Tax Credit (ITC) Elective Pay option, which allows tax-

---

<sup>2</sup> Howarth, R. W., & Jacobson, M. Z. (2021). How green is blue hydrogen?. *Energy Science & Engineering*, 9(10), 1676-1687.

exempt entities that install solar to receive the solar ITC as a direct payment, paving the way for more affordable local clean energy initiatives like DERs or community solar.

- d) Develop a pilot program with select Justice40 and BIPOC communities to develop a resilient microgrid such as rooftop and community solar, battery storage and energy injection through EV's, and load management through smart curtailment programs. Make the microgrid "islandable" so that it may operate separately from the overall grid during an outage. Choose areas that would include needed resources during an outage event such as a neighborhood resource center, a library, a school, or a hospital.
  - e) Support local communities engaged in climate action by partnering with to fund "ready-to-go" climate and sustainability projects, like local recycling and composting programs or micro-mobility transportation hubs.
  - f) Align state, regional, and local plans to leverage the CPRG funding to maximize the impact of the PCAP actions. Confer with regional planning organizations, counties, and municipalities to incorporate their community engagement results and action plans into the PCAP.
  - g) Expand workforce development programs to prepare Hoosiers to take full advantage of the tremendous growth in new clean energy jobs.
  - h) Nuclear energy should not be a priority in the Indiana CPRG program. Solar project timelines can make lasting emission and pollution reductions in the electricity sector much quicker than nuclear projects.<sup>3</sup>
  - i) Prioritize natural carbon sequestration over carbon capture. Current approaches to carbon capture can increase air pollution while nature-based sequestration preserves and restores our ecosystem, providing climate resiliency through increased carbon sink capacity.
- V. **Greenhouse Gas Inventory.** Include Scope 1, Scope 2, and Scope 3 in Indiana's GHG Inventory. If the state chooses to use the EPA Inventory of U.S. Greenhouse Gas Emissions and Sinks by State in their PCAP, IDEM should consider EPA's approach only accounts for Scope 1 emissions which are direct emissions within state boundaries.<sup>4</sup> To achieve a complete look at Indiana's emissions and to accurately evaluate climate action item performance, Scope 2 and Scope 3 emissions should be included in Indiana's GHG inventory.<sup>5</sup> Scope 2 emissions include electricity, heat, and steam purchased by the state.<sup>6</sup> Scope 3 emissions consider indirect emissions,

---

<sup>3</sup> <https://www.seia.org/research-resources/development-timeline-utility-scale-solar-power-plant>

<sup>4</sup> [https://www.epa.gov/system/files/documents/2023-09/StateGHGI\\_Methodology\\_Report.pdf](https://www.epa.gov/system/files/documents/2023-09/StateGHGI_Methodology_Report.pdf)

<sup>5</sup> <https://www.epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance>

<sup>6</sup> [https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc\\_wg3\\_ar5\\_annex-i.pdf](https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_annex-i.pdf)

both upstream and downstream, of purchased materials, outsourced activities, or transport vehicles not controlled by the state.<sup>7</sup>

- VI. Justice40 Communities Benefits Analysis.** The EPA has mandated that CPRG recipients provide quantified information in the PCAP on how the proposed GHG reduction strategies will affect Justice40 communities. HEC encourages IDEM to:
- a)** Include metrics its analysis like health outcomes and projected economic impacts of climate change (household energy costs, mortality rates, poverty rates, employment rates, and natural disaster-related property damage occurrences).
  - b)** Utilize mapping tools to track air quality improvements connected with climate actions to health end points like asthma, kidney disease, and cancer rates. In addition to the assessment tools recommended by the EPA, we suggest incorporating Indiana-specific climate vulnerability and public health metrics tools like the IU Environmental Resilience Institute’s (ERI) Hoosier Resilience Index Tool and the Indiana Equity Portal – Health Dashboard.
  - c)** Include qualitative data in the benefit analysis to help increase community participation. IDEM must aggressively seek input from the public, especially from Indiana’s rural and legacy urban communities. Since, traditional outreach activities like public meetings and surveys have been proven to be an inadequate means to gage public sentiment, we recommend IDEM contract with local consultants to help gather input from community stakeholders and residents. IDEM should are seek out guidance from other agency departments that are actively engaging Hoosiers. IDEM should consider co-hosting engagement events with community groups and seek opportunities to host public “listening” sessions, as opposed to formal public meetings, in local communities to maximize outreach efforts. Promotional materials need to be distributed in both print and audio formats as well as in a variety of languages including Spanish, French, Arabic and Burmese.

Respectfully Submitted,  
The Hoosier Environmental Council

---

<sup>7</sup> [https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc\\_wg3\\_ar5\\_annex-i.pdf](https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_annex-i.pdf)