

April 8, 2024

David Widawsky
Director, Greenhouse Gas Reduction Fund
Environmental Protection Agency
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Re: Agency Information Collection Activities; Proposed Information Collection Request; Comment Request; Greenhouse Gas Reduction Fund Accomplishment Reporting, EPA-HQ-OA-2023-0393-0004

Dear Director Widawsky:

On behalf of the Opportunity Finance Network (OFN), I am pleased to respond to this information collection request on Greenhouse Gas Reduction Fund reporting requirements. OFN is a network of over 410 mission driven community lenders, providing responsible finance in underserved communities to further the goals of economic and environmental justice and an awardee under the Clean Communities Investment Accelerator (CCIA). OFN is a certified community development financial institution (CDFI) providing intermediary lending to our members to support their work. OFN's members are community lenders with a mission to provide fair, responsible financing to rural, urban, Native, and other communities that mainstream finance does not traditionally reach.

OFN is committed to deploying CCIA capital to our mission-driven community lenders in a responsible, transparent, and accountable manner. OFN and our members have a multi-decade track record of managing federal funds and providing robust reporting to federal agencies. Transparency, strong reporting requirements, and accountability are cornerstones to building a successful program and gaining trust in the low-income and disadvantaged communities that CCIA aims to serve.

However, this robust reporting must not become a barrier that prevents small mission-driven community lenders from accessing the program or dissuades lenders from investing in incredibly impactful but small-scale projects. As the Carsey Institute notes in the context of small-scale solar projects, a "variety of obstacles contribute to the scarcity of financing for low-income solar, including small project sizes, lack of developer balance sheet capacity, both real and perceived issues with credit risk, elevated technical assistance needs, and greater subsidy requirements to pursue goals such as deep energy affordability, climate resilience, or job creation." Adding significant reporting burden on top of these existing obstacles may result in fewer projects being funded, jobs being created, and home and business owners being able to reduce their energy burden.

Opportunity Finance Network strongly encourages EPA to ensure that reporting does not become a further burden that prevents low-income and disadvantaged communities from participating in this program.



In response to the specific information laid out in the Information Collection Request, OFN offers the following comments:

- We strongly encourage EPA to provide further clarity about which organization—the grant recipients or the EPA—will be responsible for conducting program evaluations of GGRF. On page three of the supporting statement for this request for comment, it states that the EPA will use the information collection to “to evaluate program implementation and effectiveness,” whereas page four says that recipients are going to be required to report on “program evaluation and other evidence-building activities” once per year in their quarterly performance reports. Award recipients need greater clarity on the program evaluation requirements of GGRF. It would affect information collection, and potentially having several different organizations collect similar information from recipients (and subrecipients) for overlapping program evaluations would be an unnecessary and confusing burden. In addition, the cost burden will vary based on who is conducting the program evaluation and with what frequency.
- The EPA should extend the 30-day deadline for submitting quarterly and annual performance reports. Doing so would lessen the burden on recipients and subrecipients. It would also improve the accuracy of the collected information because recipients would have more time to review and conduct quality control on the data submitted by subrecipients; they will also need time to compile and analyze the data and then summarize the report in the narrative. As noted in the previous bullet, not all quarterly reports will be the same, with EPA requesting recipients report on some items in their quarterly reports on only an annual basis. We recommend that EPA provide *at least* 60 days for quarterly reports and *at least* 90 days for annual reports. OFN and the other recipients need sufficient time to allow subrecipients to report, process that information, compile it, and format it in the ways that will be required. In addition, we recommend allowing *at least* 120 days for the submission of the final report.
- The cost estimates provided by EPA for the reporting requirements are extremely low. Building a system to collect reports from subrecipients will cost significantly more than the estimate in the request for information. OFN and other applicants included estimates for this cost in the application budget tables and we strongly encourage EPA to review those numbers and consult further with awardees to get a revised estimate for the cost.
- Similarly, the labor hour and cost estimates throughout the document are exceedingly low. For example, EPA estimates that the quarterly reports will only require four staff hours to complete. Under CCIA, we estimate making hundreds of awards to mission-driven community lenders, each of which could, in turn, finance dozens of projects. Compiling and reviewing data from the subawardees and then drafting a narrative to cover all of the data points EPA will require awardees to track will take significantly longer than four hours. Based on the information available to date, for the quarterly reports, we estimate it will take over 87 hours of staff time to complete.



- Additional clarity is also needed regarding reporting on Scopes 1, 2, and 3 emissions. OFN recommends delaying the requirement of Scope 1 and 2 emissions until the second reporting year and recommends delaying the reporting of Scope 3 emissions to the fourth reporting year, allowing for additional time for awardees to understand the data needed and appropriate methodology to accurately capture Scope 3 emissions. Additional clarification is also needed around whether the requirement to report on all three Scopes applies to both the awardee and subawardees.
- Finally, OFN strongly recommends that EPA scales the level of reporting detail required on a project to the scale and size of the project. Under CCIA, community lenders will fund a high volume of impactful small-scale projects. It is simply not practical to require the same level of reporting on a \$30,000 residential solar installation as a multi-million-dollar large renewable energy development.

Thank you again for the opportunity to provide feedback on the Greenhouse Gas Reduction Fund reporting requirements. OFN looks forward to working with EPA to learn more about the proposed reporting requirements, share additional feedback, and develop robust reporting requirements that ensure the integrity of the program while not placing an undue burden on low-income and disadvantaged communities.

Sincerely,

Amber Kuchar-Bell
EVP, Chief Strategy and Operations Officer
Opportunity Finance Network