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U.S. Environmental Protection Agency.
EPA Docket Center
Mailcode 28221T
1200 Pennsylvania Ave., N.W.
Washington, D.C. 20460

RE: AGA’s Comments on EPA’s Request for Information about the Climate Pollution Reduction Grants to States, Tribes, Air Pollution Control Agencies, & Local Government under the Inflation Reduction Act §60114

The American Gas Association (“AGA”) appreciates the opportunity to comment on the U.S. Environmental Protection Agency’s (EPA) Request for Information (RFI) in this Docket regarding the design and implementation of EPA’s Climate Pollution Reduction Grants Program under section 60114 of the Inflation Reduction Act. Under that provision, EPA received \$5 billion to provide grants to states, air pollution control agencies, tribes, and local governments to develop and implement their plans to achieve climate emission reductions.

The Climate Pollution Reduction Grant Program was one of several initiatives created by the recent Inflation Reduction Act (IRA)¹ to make significant progress toward the important goal of reducing GHG emissions to net zero by 2050 as well as to reduce climate and air emissions impacts on low income and underserved communities. AGA will focus these comments on Question 1 of the RFI regarding “what are the most promising greenhouse gas (GHG) planning and reduction opportunities that could be catalyzed by the Climate Pollution Reduction grants, taking into consideration total potential GHG reductions and other co-benefits, gaps in existing resources, programs or policies, and availability of other government funding streams.” We also provide additional comments in response to Question 12.

AGA, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 77 million residential, commercial, and industrial natural gas customers in the U.S., of which 95 percent — more than 73 million customers — receive their gas from AGA members. AGA is an advocate for natural gas utility companies and their customers and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international natural gas companies, and industry associates. Today, natural gas meets more than one third of the United States' energy needs.²

¹ Public Law 117-169, 136 Stat. 1818 (August 16, 2022).

² For more information, please visit www.aga.org.

AGA’s Response to EPA’s RFI Question 1 – Most Promising GHG Reduction Opportunities

AGA urges EPA to encourage state, tribal and local governments to design and implement their climate reduction plans to leverage the broad array of technologies and projects – both existing and emerging – that can help achieve GHG reduction goals. A recent White House report, [*US Innovation to Meet 2050 Climate Goals*](#),³ emphasizes the need to take a “portfolio” approach to net zero innovation. The White House report emphasizes that:

“Due to the urgency of the climate crisis and the scale of the challenge, The United States must invest in multiple technological pathways to net-zero. Therefore, a diversified portfolio is needed to ensure success in meeting our climate commitments and capturing the opportunity for American industries to lead the global energy transition.”⁴

Such a portfolio approach will enable optionality so communities can choose beneficial and workable reduction options given local circumstances.

In considering GHG reduction opportunities and technologies, it is important to recognize that almost all GHG reduction measures will require support for further innovation and demonstration projects prior to deployment at scale, which this funding can provide. Within that context, state, tribal and local governments should be aware of and consider all the most promising tools in the toolbox and consider which combination will work best for their communities. This includes leveraging the infrastructure, innovations and customer programs offered by AGA’s member local gas distribution utilities. Our member energy providers have an important role as partners of state, tribal and local governments in improving energy efficiency and reducing GHG emissions.

[*AGA’s GHG Net Zero Pathways Study*](#) prepared by ICF International and released in 2021 demonstrates the value of combining a flexible mix of energy efficiency, hydrogen, renewable natural gas (RNG), other renewable energy sources, leak detection and repairs, system upgrades and innovative technologies to achieve society’s net zero goals affordably and reliably.⁵ We are submitting a copy of the study as Appendix A to these comments in Docket EPA-HQ-OAR-2022-0873.

Below, we provide examples of the portfolio of GHG reduction solutions that EPA should explicitly include as among the “most promising GHG reduction opportunities that could be catalyzed by the Climate Pollution Reduction grants” program. These technologies and projects can reduce GHGs significantly while offering the co-benefits of maintaining and improving energy

³ U.S. Innovation to Meet 2050 Climate Goals, Assessing Initial R&D Opportunities (White House, Nov. 2022), <https://www.whitehouse.gov/wp-content/uploads/2022/11/U.S.-Innovation-to-Meet-Climate-Goals.pdf>.

⁴ Id., p. 6.

⁵ [Pathways to Net-Zero - American Gas Association \(aga.org\)](https://www.aga.org/research-policy/pathways-to-net-zero/), <https://www.aga.org/research-policy/pathways-to-net-zero/>, AGA Comments Appendix A, p. 38.

delivery safety, reliability and affordability, as shown in our GHG Net Zero Pathways Study (Appendix A).

Biogas & RNG

First, renewable natural gas (RNG)⁶ and hydrogen offer very promising GHG reduction opportunities. Grants under this EPA program could help deploy them at scale, in tandem with other EPA and DOE programs. RNG technology is fully demonstrated by successful projects deployed across the country as documented for example by EPA's methane reduction partnerships and biogas association project trackers.⁷ These projects capture methane that would otherwise contribute to GHG emissions from municipal landfills, sewage and wastewater treatment facilities, food waste, and rural farm manure management. Some projects use the raw or somewhat purified biogas to power onsite distributed electricity generation, while many apply a package of clean up technologies to produce pipeline quality RNG for injection in existing natural gas distribution and transmission infrastructure for delivery to industrial, commercial, and residential customers.

Programs such as this grant program advance the production and deployment of clean, renewable fuels in America's existing natural gas distribution infrastructure, which are key to meeting the Administration's climate goals while ensuring a just energy transition. EPA's Net Zero Pathways Study shows that large amounts of renewable and low-carbon electricity and gases, and negative emissions technologies, will be required to meet an economy-wide 2050 net-zero target.⁸ RNG is an essential piece of this puzzle.

RNG Total Potential for GHG Reductions

RNG potential supply is far more robust than many understand it to be. Our Net Zero Pathways Study shows the potential resource is roughly 6,600 trillion Btu (tBtu) by the year 2050. Since RNG is deemed to be a carbon neutral alternative to natural gas, it has great potential to reduce GHG emissions. In AGA's Net-Zero study, RNG deployment in the four pathways modeled in the study resulted in a reduction in GHG emissions ranging from 201 to 295 million metric tons of CO₂e in the year 2050.⁹

In 2019, ICF completed a study of the RNG potential supply for the American Gas Foundation. This AGF Study looked out to 2040 and analyzed data on the resource availability for different RNG feedstock options to develop a 'Technical Potential' for annual RNG production in

⁶ Biogas is derived from anaerobic bacteria that digest renewable organic materials -- such as household waste, food waste, manure, crop waste, or sewage -- and produce methane and other constituents. RNG is biogas that has been purified to meet natural gas pipeline quality.

⁷ See, U.S. EPA Landfill Methane Outreach Program (LMOP) <https://www.epa.gov/lmop>; [US EPA AgSTAR: Biogas Recovery in the Agriculture Sector | US EPA](#). Also see [Biogas Projects | American Biogas Council](#) and [Renewable Natural Gas Projects & Policy | RNG Coalition](#); [Fact Sheet | Biogas: Converting Waste to Energy | White Papers | EESI](#), Environmental and Energy Study Institute (Oct. 3, 2021).

⁸ <https://www.aga.org/globalassets/research--insights/reports/aga-net-zero-emissions-opportunities-for-gas-utilities.pdf>, p. 18.

⁹ [Pathways to Net-Zero - American Gas Association \(aga.org\)](#), <https://www.aga.org/research-policy/pathways-to-net-zero/>, AGA Comments Appendix A, Comments Appendix A, p. 81.

2040 equal to around 14,000 tBtu of combined anaerobic digestion and thermal gasification RNG supplies.¹⁰

Other Co-Benefits of RNG

RNG provides benefits to low-income and disadvantaged communities in both urban and rural areas. Communities near sewage treatment plants, municipal landfills and manure lagoons are typically low-income and disadvantaged, and their residents' quality of life and community vitality can be harmed by the pungent odors that can emanate from these facilities, absent controls. Anaerobic digestion units and gas clean-up equipment at sewage treatment plants and manure lagoons help eliminate these odors, as do methane collection and treatment equipment at municipal landfills. In Nashville Tennessee for example, the community abutting the municipal wastewater treatment facility was relieved by the elimination of odors and significant reduction of heavy truck traffic from the plant, leading to a revitalization of the community's businesses and residential areas.¹¹ Rural communities burdened by odors from manure at pig and chicken farms also benefit from the installation of anaerobic digestion and gas clean up equipment to capture emissions, reduce odors, and process the manure into net zero RNG and solid organic fertilizers.

RNG resource development is a key area of focus for the gas utility industry to develop further emission reductions opportunities. RNG resource expansion (via improved efficiencies, easier access, and lowered costs also represents a significant area for additional research, development, demonstration, and deployment funding to unlock low carbon energy supplies that can make a considerable contribution towards reaching net-zero greenhouse gas emissions.¹²

RNG and biogas projects also benefit the sewage treatment plants, farms and landfills where they are installed by turning a waste into a beneficial, valuable, net zero GHG fuel. Farms and local wastewater treatment plant agencies also benefit from the production and use or sale of organic fertilizers from the residual solids derived from the gas clean-up process.

Gaps in Existing Resources, Programs, or Policies for RNG

There are no government grants or subsidies for RNG to be delivered to residential, commercial or industrial customers. This is a gap that could be filled by potential state programs supported by EPA's Climate Pollution Reduction Grants. As a possible model, there are subsidies available for RNG used as a vehicle fuel through EPA's renewable fuels standard (RFS) program and an analogous California state program. This has allowed projects focused on the vehicle market to 'pencil out.' Where the facility owner has the resources to devote to capital investment, or where the facility is large enough for outside RNG developers to make this investment, based on the anticipated revenue stream from selling valuable RNG for vehicle fuel, these projects have been able to proceed without other types of assistance. Similar state incentives, funded by this grant program, could be designed to catalyze projects that will produce RNG for other applications, such as to inject the RNG into the local natural gas distribution infrastructure to provide reliable, affordable decarbonized gas service to industrial, commercial, or residential customers using net

¹⁰ Id., Table 1, p. 98.

¹¹ See, e.g., [Biosolids For Beneficial Reuse | Nashville.gov](https://www.biosolids.com/news/2019/5/22/biosolids); and Wilmot, "Biosolids Facility Triple Bottom Line Benefits," <https://wimotinn.com/new-blog/2019/5/22/biosolids> (biogas facility reduced GHG and criteria pollutant emissions and reduced community-wide impacts of odors and truck traffic).

¹² [Pathways to Net-Zero - American Gas Association \(aga.org\)](https://www.aga.org/research-policy/pathways-to-net-zero/), <https://www.aga.org/research-policy/pathways-to-net-zero/>, AGA Comments Appendix, p. 99.

zero RNG fuel. This could help leverage other public municipal and/or private investment to make more RNG projects a reality.

Clean Hydrogen & Renewable Power-to-Gas

Hydrogen or power-to-gas offer exciting opportunities to decarbonize the nation's energy systems. Power-to-gas or P2G involves using electrolyzers to split water into hydrogen and oxygen using electricity. Where the electricity is generated from renewable or nuclear sources, the electrolysis hydrogen production process is considered to have zero emissions, and where such electricity can be obtained at times when the electricity production (e.g., solar or wind) is considered excess to grid requirements, this can significantly reduce costs.¹³

As explained in our Net-Zero Study, clean hydrogen production is generally limited only by the extent to which the nation can expand renewable or nuclear electricity generation and expand the reformation of methane coupled with carbon capture. For example, as part of the H2@Scale project, the DOE National Renewable Energy Laboratory (NREL) conducted a 'Resource Assessment for Hydrogen Production' and found that potential hydrogen needs would only require a relatively small percentage of the technical potential for renewable generation in the United States. While the technical potential likely includes many challenging-to-develop projects, some strategies under discussion could result in 'overbuilding' renewable generation capacity and may be synergistic to large-scale hydrogen production.¹⁴

Importantly, forecasted hydrogen prices are declining significantly. The Hydrogen Insights report published by the Hydrogen Council and McKinsey & Company in early 2021 noted that clean hydrogen costs are declining faster than previously expected and could reach cost parity with gray hydrogen before 2030, largely due to declining renewable electricity costs.

The Hydrogen Council's recent projections of renewable energy costs for 2030 dropped by as much as 15%. Anticipated electrolyzer capital cost reductions by 2030 (which are also accelerating at 30-50% lower than projected in the Council's 2020 report) will also reduce the price of clean hydrogen. Through its Energy Earthshots Initiative, the Department of Energy aims to reduce the cost of clean hydrogen to \$1/kg by 2030. This DOE initiative establishes funding and guidance to accelerate the drop in hydrogen prices further. EPA's IRA funding could dovetail with that DOE program to further accelerate clean hydrogen at scale.

In another study for the H2@Scale project, NREL focused on hydrogen *use* rather than production, particularly examining limitations on how hydrogen could be used assuming that up to 20% hydrogen (by volume) could be blended into the U.S. natural gas pipeline system with current infrastructure.¹⁵

For the purposes of customer consumption, hydrogen is treated as zero-emissions fuel use. In AGA's Net-Zero study, hydrogen deployment in the four pathways modeled in the study

¹³ See AGA Net Zero Pathways Study, p. 61, [Pathways to Net-Zero - American Gas Association \(aga.org\)](https://www.aga.org/Pathways-to-Net-Zero), AGA Comments Appendix A, p. 61.

¹⁴ *Id.*, p. 103.

¹⁵ *Id.*, p. 103

resulted in a reduction in GHG emissions ranging from 49 to 216 million metric tons of CO₂e in the year 2050.¹⁶

Total Potential for GHG Reductions from Hydrogen & Power to Gas

Hydrogen production is generally limited only by the rate of expansion for (1) renewable or nuclear electricity generation, and (2) reforming methane coupled with carbon capture. To illustrate, as part of the H₂@Scale project, NREL conducted a 'Resource Assessment for Hydrogen Production' and found that potential hydrogen needs would only require a relatively small percentage of the technical potential for renewable generation in the United States. While the technical potential likely includes many challenging-to-develop projects, there are also discussions of strategies that would 'overbuild' renewable generation capacity and may be synergistic to large-scale hydrogen production.

Further, forecasted hydrogen prices have been decreasing significantly. The Hydrogen Insights report published by the Hydrogen Council and McKinsey & Company in early 2021 noted that green hydrogen costs are declining faster than previously expected such that it could reach cost parity with gray hydrogen before 2030 in some cases, largely due to declining renewable electricity costs.

In the last year, the Hydrogen Council's projections of renewable costs for 2030 dropped by as much as 15%. Anticipated electrolyzer capital cost reductions by 2030 (which are also accelerating at 30-50% lower than projected in the Council's 2020 report) will also reduce the price of green hydrogen." Through its Energy Earthshots Initiative, the Department of Energy aims to reduce the cost of green hydrogen to \$1/kg by 2030. This facilitative initiative establishes funding and guidance to accelerate the drop in hydrogen prices further.

In another study for the H₂@Scale project, in place of hydrogen production limits, NREL focused on limitations on how hydrogen could be used -assuming that with current gas Infrastructure up to 20% hydrogen (by volume) could be blended into the U.S. natural gas pipeline system."¹⁷

Other Co-Benefits of Hydrogen & Power to Gas

Clean hydrogen and power to gas projects can transport their gas energy via existing gas distribution infrastructure. This would have the co-benefit of reducing the cost and increasing the reliability decarbonized energy deliveries to residential, commercial and industrial consumers. In addition, hydrogen and gas projects can be developed on a micro-grid scale, also using existing gas distribution infrastructure. Such micro-distribution grids would also have the additional co-benefit of increasing energy reliability and resilience in the event of disruptions on longer distance energy grids.

¹⁶ Id., Table 1, p. 81.

¹⁷ Id., p. 103.

Gaps in Existing Resources, Programs, or Policies for Hydrogen & Power to Gas

AGA is concerned that existing DOE and EPA programs do not recognize the value that existing gas infrastructure will play in advancing hydrogen production at scale or in decarbonizing the building sector with hydrogen. EPA's new IRA-funded programs could address that gap.

Highly Efficient Gas Heat Pumps & Gas Heating and Water Heating Systems

Gas heat pumps are a promising technology for space and water heating that can achieve high heating efficiencies in the range of 130 percent to 140 percent, because they move heat rather than relying solely on combustion.¹⁸ Gas heat pumps along with efficient gas furnaces can help make net zero goals more affordable and achievable, as compared to attempting to electrify all heat.¹⁹ In addition to standalone projects, these efficient gas appliances can play a critical role in supporting electric heating appliances to avoid costs and potential GHG impacts associated with the significant build out of the electric grid that would otherwise be necessary to serve winter peak heating loads.

Three different configurations of gas heat pumps are currently available: (1) sorption; (2) engine-driven; and (2) thermal compression. Natural gas heat pumps are a promising technology currently available to commercial customers and in the early stages of commercialization in the residential sector. As explained in AGA's Net Zero Pathways Study,

“Particularly when compared with electric heat pumps, gas heat pumps have the potential to offer several benefits to customers and utilities alike, including:

- *High heating performance even at very low temperatures without needing to rely on supplemental heat sources (and without adding the strain of large spikes on the electric grid from winter space heating on very cold days).*
- *Lower operating costs than any other alternative heating systems – including electric heat pumps – due largely to the high efficiencies offered combined with the lower cost per BTU of energy delivered for natural gas compared with electricity.*
- *Reduced GHG emissions in regions where the electricity supply relies primarily on fossil generation, in colder climates where emissions-intensive electric peaker plants are needed to meet winter loads, or where low/no-carbon gas supply is available.*
- *For certain customers (particularly in older homes), avoidance of electric panel upgrades and ductwork upgrades that may otherwise be needed for electric space heating.*
- *In the case of sorption heat pumps, reduced maintenance resulting from having fewer moving parts.*

¹⁸ Id., <https://www.aga.org/globalassets/research--insights/reports/aga-net-zero-emissions-opportunities-for-gas-utilities.pdf>, pp.32, 54.

¹⁹ See [Implications of Policy-Driven Electrification - American Gas Association \(aga.org\)](https://www.aga.org/globalassets/research--insights/reports/implications-of-policy-driven-electrification-american-gas-association-aga.org) (Feb. 2021).

- *For sorption and thermal compression heat pumps, the opportunity to move away from relatively high GWP [global warming potential] refrigerants, further reducing lifetime GHG emissions for the system.”²⁰*

Changes to the 25C Nonbusiness Energy Property Energy Property Credit were made in the Inflation Reduction Act (*Section 13301. Extension, Increase, and Modifications of Nonbusiness Energy Property Energy Property Credit*), now renamed the “Energy Efficient Home Improvement Credit”, makes congressional intent clear that natural gas heat pumps, along with electric heat pumps, are crucial to meeting climate goals. Congress made it clear in the Inflation Reduction Act that natural gas heat pumps have an important role in increasing energy efficiency, lowering energy costs, and fighting the climate crisis. Therefore, Administrative action to encourage increased production/manufacturing of electric heat pumps should also provide the same opportunity for natural gas heat pumps.

New model condensing gas heating and water heating systems are 95 percent efficient and would reduce GHG emissions, primarily carbon dioxide from combustion by approximately 14 percent if replacing an existing 80 percent furnace and about 17 percent to 26 percent if replacing an older model. Providing grants for upgrading existing non-condensing gas heating and water heating systems in low-income and disadvantaged communities would have the added benefit of ensuring continued low energy bills compared to installing electric equipment, and it would reduce heating bills further because less fuel would be needed. Evaluating energy efficiency and GHG emission results should be viewed on a full fuel cycle basis, since using natural gas directly for thermal loads at the customer site is 240 percent more efficient than converting the fuel to electricity and transporting the electricity to the customer.²¹

There are however significant physical and financial barriers to installing a new condensing gas heating or water heating system in an existing home, because unlike traditional non-condensing systems that can be vented vertically via a flue through the roof, a condensing system requires a horizontal vent through a wall to the outdoors. In urban rowhouses or suburban townhouses that share walls, the only avenue outdoors is through a back wall which most likely requires not only new venting but a particularly long horizontal vent through a long narrow dwelling to and through its back wall. This increases the cost as well, which can make it a prohibitive retrofit for low income or even moderate-income homeowners. For lower income rental properties, the landlord typically will seek the least-cost option for replacing equipment, even if that would increase the tenant’s monthly heating bills. In the Department of Energy’s (DOE) July 2022 notice of proposed rulemaking to revise energy efficiency standards for furnaces,²² DOE estimates the cost for purchasing a new 95 percent condensing furnace is \$3727 and that the average incremental installation costs for “difficult” installations is \$1,003.²³ In our comments on DOE’s proposal, AGA demonstrates that the costs for retrofitting existing homes

²⁰ AGA Net Zero Pathways Study, pp. 54-55, <https://www.aga.org/globalassets/research--insights/reports/aga-net-zero-emissions-opportunities-for-gas-utilities.pdf>.

²¹ See Gas Technology Institute’s, Energy Planning Analysis Tool 2022.

²² *Energy Conservation Program: Energy Conservation Standards for Consumer Furnaces*, EERE–2014–BT–STD–0031, RIN 1904–AD20, 87 Fed. Reg. 40590 (July 7, 2022).

²³ Id at 40667 and 40632.

are actually significantly higher.²⁴ For new construction, where builders would ideally have better control over the design and installation of a new vent, DOE estimates the cost of a new horizontal vent is, on average, \$1,520.²⁵

State, tribal or local programs established with climate reduction grants could provide incentives or subsidies to help offset these up-front capital and installation costs in whole or in part for retrofitting existing homes and constructing new homes with 95 percent efficient gas heating and water heating systems. This would both help reduce GHG emissions and provide more affordable energy costs, which would be particularly beneficial in low income and disadvantaged communities that would not otherwise be able to install this new technology.

Other Co-Benefits of Gas Heat Pumps

As mentioned above, using this grant program in part to provide state, tribal or local incentives or subsidies for gas heat pumps would help reduce GHG emissions and provide more affordable energy costs, which would be particularly beneficial in low income and disadvantaged communities that would not otherwise be able to install this new technology.

Gas heat pumps are a technology for space and water heating in the early stages of commercialization that can achieve high heating efficiencies in the range of 130% to 140%. Co-benefits beyond GHG emission reductions include:

- High heating performance even at very low temperatures without needing to rely on supplemental heat sources (and without adding the strain of large spikes on the electric grid from winter space heating on very cold days); and
- Lower operating costs than any other alternative heating systems—including electric heat pumps—due largely to the high efficiencies offered combined with the lower cost per BTU of energy delivered for natural gas compared with electricity; and
- For certain customers (particularly in older homes), avoidance of electric panel upgrades and ductwork upgrades that may otherwise be needed for electric space heating. In the case of sorption heat pumps, reduced maintenance resulting from having fewer moving parts.

Overall, given the substantial energy, emissions, and customer benefits, as well as the many active commercialization efforts currently underway, gas heat pumps represent a compelling opportunity for natural gas utilities to expand DSM programs and support even deeper reductions in customer gas demand in the coming years.²⁶

²⁴ Comments of the American Gas Association, Docket No. DOE-EERE-2014-BT-STD-0031 (Oct. 6, 2022).

²⁵ See DOE Technical Support Document (TSD), Table 8.2.12., p. 90.

²⁶ AGA Net Zero Pathways Study, pp. 55, <https://www.aga.org/globalassets/research--insights/reports/aga-net-zero-emissions-opportunities-for-gas-utilities.pdf>.

Gas Distribution Pipe Replacement and Leak Detection & Repair for Municipal Gas Utilities – GHG Reductions & Hydrogen Readiness

Advanced leak detection and repair as well as gas pipe replacement also offer opportunities to reduce GHG emissions with the significant co-benefit of improving energy delivery safety and preparing distribution systems for transporting higher percentages of clean, displacing significant volumes of natural gas.

EPA’s Gas STAR program and Methane Challenge program have long promoted both leak detection and repair and the replacement or upgrading of more leak-prone pipe such as cast iron, vintage plastic and unprotected steel distribution pipe with new low to zero emitting materials such as polyethylene (PE) plastic or cathodically protected steel pipe.²⁷ These projects help improve energy delivery safety and reliability for the communities they serve – whether low income or not – while also reducing methane emissions.

In addition, pipe replacement projects can help enable the gas distribution system to be ready to transport hydrogen blended into system throughput. As hydrogen percentages can increase, this will increasingly decarbonize the gas delivered to customers, helping them to reduce overall emissions to achieve the nation’s net zero goals. Existing materials have been demonstrated to be able to handle blends of at least 5 percent hydrogen, as well as blends up to 15 percent hydrogen in Hawaii since 1972.²⁸ Grants under this program could help finance upgrades of both pipe materials and components to make systems compatible with transporting higher percentages of hydrogen. While investor-owned gas utilities typically have authorization from state utility commissions that allows them to obtain capital for these projects in the capital market, publicly-owned municipal gas utilities, especially in smaller communities, may have difficulty accessing sufficient funds for such infrastructure modernization projects. EPA’s GHG Reduction Fund could be instrumental in assisting these communities reduce their methane emissions, improve safety and resilience, and prepare their energy systems for the hydrogen future.

AGA’s Response to EPA’s RFI Question 12 –Additional Comments on Consistency

In crafting this program, we urge EPA to foster consistency in definitions for key terms used by EPA and by the state, tribal and local government plans supported by EPA’s grants, while recognizing unique state-level differences. There are a variety of different definitions, screening tools, and programmatic methodologies used to identify, engage, and direct benefits to communities of interest for equity and environmental justice programs at the state and federal level. Community screening tools include but are not limited to EPA’s [EJScreen](#), CEQ’s [Climate and Economic Justice Screening Tool](#), DOE’s [Energy Justice Mapping Tool](#), and many different state level tools, for example: CO’s [EnviroScreen](#), CA’s [CalEnviroScreen](#), MN Pollution Control Agency’s [EJ Map](#). Navigating the application and use of these tools for projects with overlapping

²⁷ See <https://www.epa.gov/natural-gas-star-program> and [Methane Challenge Program | US EPA](#).

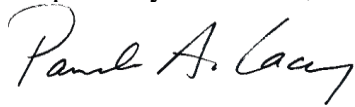
²⁸ See History of Hawaii Gas’ Hydrogen Activities, available at <https://www.hawaiigas.com/clean-energy/hydrogen/>; Southern California Gas, “Power-To-Gas Technology,” available at <https://www.socalgas.com/smart-energy/renewable-gas/power-to-gas>

jurisdiction, such as projects at the state level which are receiving federal funding, can be challenging and warrants further streamlining and guidance.

While we acknowledge these challenges, we also understand the need for different definitions and approaches as desired outcomes and agency jurisdiction vary by program and community level interests vary regionally, between and within states. A one-size-fits-all approach at the federal level is not workable, so state level efforts must also be recognized and encouraged.

AGA appreciates the opportunity to comment. If you have any questions, please do not hesitate to contact me or Tim Parr, Deputy General Counsel, tparr@aga.org.

Respectfully Submitted,

A handwritten signature in black ink that reads "Pamela A. Lacey". The signature is written in a cursive, flowing style.

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