Nebraska Dept. of Environment & Energy (NDEE) Climate Pollution Reduction Grant

Environmental Protection Agency (EPA)

NPPD Board of Directors Meeting Strategic Business Matters August 2024

THE

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Agenda

- What is Climate Pollution Reduction Grant (CPRG)
- Nebraska Department of Environment and Energy (NDEE) Led Grant Program
- Timeline
- Grant Application Measures
 - ✓ Focus towards ag industry grants
- Next Steps

Basic Principles of CPRG

- 1) Environmental Protection Agency (EPA) Program -\$5 billion in grants to states, local governments, tribes, and territories
- 2) Phase 1 provides funding for plans to reduce greenhouse gas (GHG) emissions
- **3)** Phase 2 is for implementation grants which is the focus of this update

NDEE Solicits Public Input

- EPA award of \$3 million to NDEE in January 2023 for Phase 1
- NDEE hosted public and virtual meetings with stakeholder workgroups from November 2023 to February 2024 to receive input on NDEE priority measures for inclusion in the state's planning and CPRG grant application
 - ✓ NPPD participated in meetings and provided input in development of many of the priority measures

EPA CPRG Implementation Grant

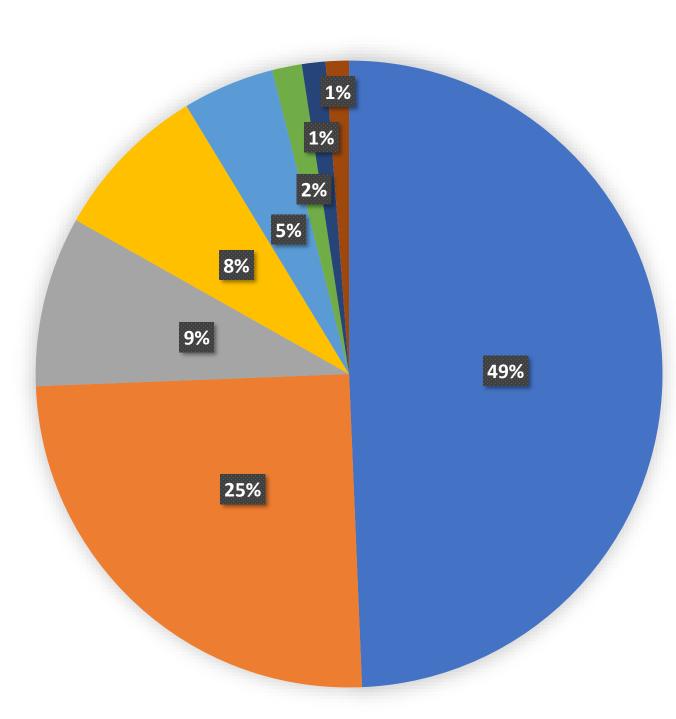
- NDEE submitted CPRG Implementation Grant March 29, 2024, for \$341 million
- 300 applications submitted to EPA for a total of nearly \$33 billion in requested funding - highly competitive program
- On July 22, 2024, EPA announced \$307 million in funding for NDEE
 - ✓ 90% of requested amount
 - ✓ Nebraska was 1 of 25 successful applications
 - ✓ Largest grant to be received by NDEE to date
 - ✓ 6th highest grant
 - ✓ Grant will be administered by NDEE ONE RED (Opportunity for Nebraska: Reducing Emissions and Decarbonization) Program

Timeline of ONE RED

- NDEE will work with EPA Region 7 in coming weeks to negotiate final grant agreement
 - ✓ Two meetings per week for next 4 to 6 weeks

Official award anticipated October 2024

- NDEE will implement funded incentive programs after official award
 - 5-year program
 - Voluntary participation through financial incentives
 - ✓ No NDEE regulations tied to CPRG
 - Program goal to reduce emissions through 2050



NDEE Requested Funding Breakdown by Measure

Establish Hub-and-Spoke Anaerobic Digester/Biogas Hubs for Agricultural Waste

Reduce Emissions in Agricultural Production

Promote Energy Efficiency and Electrification Upgrades for Non-Residential Facilities

- Funding for Solar Projects on Unused/Contaminated Land, Ag & Industrial Facilities and Parking Lot/Feedlot Solar Canopies
- Incentives for Micro-Solar Arrays for Critical Infrastructure in Low-Income Rural Communities
- Incentives for Irrigation Well Conversion from Diesel to Electric
- Incentives for Production and Use of Biochar to Reduce Organic Waste and Sequester Carbon in Soil

Residential Pre-Weatherization Program

Grant Application

Measures submitted include:

- 1. Establish Hub-and-Spoke Anaerobic Digester/Biogas Hubs for Agriculture Waste
 - Establish three regional biogas cleaning facilities near existing natural gas pipelines, with biogas supplied by digesters at nearby animal feeding operations to benefit multiple producers.

Grant Application (Cont'd)

Measures submitted include:

2. Reduce Emissions in Agricultural Production

- ✓ Three interdependent strategies:
 - a) Develop a Carbon Intensity (CI) Score Registry with incentives for participation;
 - b) Incentives for adoption of Regenerative Agriculture Practices to improve soil health and reduce N fertilizer use;
 - c) Incentives for Precision Agriculture equipment for more efficient production.

Grant Application (Cont'd) Measures submitted include:

- **3. Promote Energy Efficiency and Electrification Upgrades for Non-Residential Facilities**
 - Projects for industrial, commercial, agricultural, public, and nonprofit buildings and facilities.
- 4. Funding for Solar Projects on Unused/Contaminated Land, Ag & Industrial Facilities and Parking Lot/ Feedlot Solar Canopies

Grant Application (Cont'd) Measures submitted include:

- 5. Incentives for Micro-Solar Arrays for Critical Infrastructure in Low-Income Rural Communities
 - ✓ Solar arrays to provide partial power to water and waste-water facilities, reducing energy cost.
- 6. Incentives for Irrigation Well Conversion from Diesel to Electric

Grant Application (Cont'd) Measures submitted include:

- 7. Incentives for Production and Use of Biochar to Reduce Organic Waste and Sequester Carbon in Soil
- 8. Residential Pre-Weatherization Program
 - Provide funding to address critical home repairs for low-income residents to allow eligibility for the Weatherization Assistance Program.

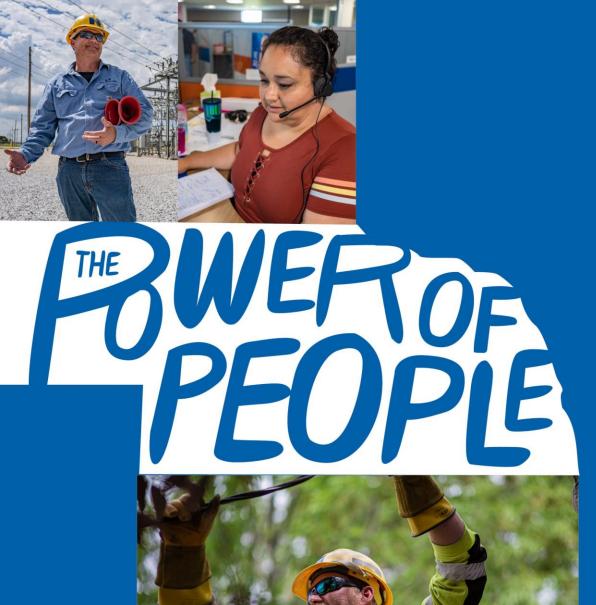
Next Steps

• NPPD

- 1) Work with NDEE to implement measures for the benefit of our customers
- 2) Share CPRG update with wholesale customers

• NDEE

- 1) Final implementation grant workplan submitted to EPA Region 7 by September 2024
- 2) NDEE plans to reduce greenhouse gas (GHG) emissions (Phase 1) due August 2025





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