

ANALYSIS

Item 57: Department of Environmental Quality Pollution Prevention Program

Analyst: John Terpening

Request: Approve, retroactively, the submission of a federal grant application to the U.S. Environmental Protection Agency (EPA) in the amount of \$1,919,100 over a period of two years for projects under the EPAs' Pollution Prevention Grant Program.

Analysis: The Department of Environmental Quality (DEQ) is requesting authority to apply for \$1.9 million for projects from the Pollution Prevention Grant Program. This program is for practices and investments that reduce, eliminate, or prevent pollution at its source. Specifically, the program assists businesses to reduce toxic pollutants, reduce water usage, improve efficiency, lower costs, and emphasize projects for environmental justice. This request is funded through the recently passed Infrastructure Investment and Jobs Act (IIJA). At the national level, \$100 million is being made available for these competitive grants. DEQ will serve as the grant administrator, but most funds will be passed through to community-based organizations.

Six areas are proposed to be funded if this grant is awarded:

- Deliver an Internship Program placing 16 interns with business to conduct on-site pollution research and prevention site assessments.
- Implement a Certification Assistance Program to assist ten businesses in obtaining the EPA Safer Choice label or add chemicals to the Safer Chemical Ingredient List.
- Establish a metals Manufacturing Outreach Initiative to foster collaboration and provide tools and resources to prevent pollution.
- Provide training and other opportunities for the K-12 community who support using non-toxic chemicals in classroom labs.
- Conduct on-site pollution technical assistance assessments, enhance Oregon's EcoBiz certification program, and support a regional green chemistry collaboration initiative.
- Provide technical assistance by DEQ staff to at least 200 businesses on the initiatives and projects listed above.

DEQ notified the Legislature of its intent to apply for this funding on April 1, 2022 and applied by the April 10, 2022 application deadline. A portion of this funding requires an in-kind match that will be met by existing DEQ staff and through in-kind contributions from project partners. DEQ indicates it will need to return to the Emergency Board or Legislative Assembly for limited duration position authority and additional Federal Funds expenditure limitation if the grant is awarded.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board approve the request.

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Department of Environmental Quality
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Request: Retroactive authorization to apply for two grants totaling \$1.9 million Federal Funds from the Environmental Protection Agency's Pollution Prevention Grant Program for six projects focused on pollution prevention.

Recommendation: Approve the request.

Discussion: The Oregon Department of Environmental Quality is requesting retroactive authority to apply for two grants from the Environmental Protection Agency (EPA) 2022-23 Pollution Prevention Grant Program (P2). P2 grants are provided for source reduction strategies of waste management. P2 has six National Emphasis Areas:

1. Food and Beverage Manufacturing and Processing,
2. Chemical Manufacturing, Processing and Formulation,
3. Automotive Manufacturing and Maintenance,
4. Aerospace Products and Parts Manufacturing and Maintenance,
5. Metal Manufacturing and Fabrication, and
6. Supporting Pollutions Prevention on Indian Country and for Alaskan Native Villages.

The first grant (EPA-I-OCSPP-OPPT-FY2022-001) would provide \$350,000 of Federal Funds with no state matching requirement. The second grant (EPA-HQ-OPPT-2022-01) would provide \$1,569,100 of Federal Funds and would require a 50% state match. The Department has proposed to meet the match requirements through a combination of staff time as well as contributions from community-based non-profit partners.

The Department is proposing to administer both grants through a single full-time, limited duration position. The Department expects most of the funding will be provided to community non-profit organizations to support six separate projects. The grants will support the following projects:

- Create an Internship Program to place students with businesses to conduct on-site research,
- Implement an EPA Safer Choice Certification Assistance Program,
- Create a Metals Manufacturing Outreach Initiative,
- Provide training and collaboration opportunities with K-12 classroom labs,
- Enhance the Oregon's EcoBiz certification program, and
- Provide technical Assistance

The Department submitted a notification letter on April 1, 2022 and applied for the funding on April 10, 2022. Grant awards will be announced in the summer of 2022.



Oregon

Kate Brown, Governor

Department of Environmental Quality

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May 2, 2022

Senator Peter Courtney, Co-Chair
Speaker Dan Rayfield, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs:

Nature of the Request

The Department of Environmental Quality respectfully requests retroactive approval for two related grant applications to the Environmental Protection Agency's (EPA) 2022-23 Pollution Prevention Grant Program. These grants were due April 10, 2022 and final awards will be announced this summer.

- 1) EPA-I-OCSP-OPPT-FY2022-001 is focused on National Emphasis Areas (NEA's) 1-4. The funding level is \$350,000 with no state match.
- 2) EPA-HQ-OPPT-2022-001 is focused on National Emphasis Areas (NEA's) 2, 4 and 5. The funding amount is \$1,569,100 with 50% (\$784,500) match. The match will be achieved through a combination of DEQ staff time (\$258,880), and contributions from project partners (\$525,615), which are community-based non-profits that accrue in-kind match contributions during the execution of grant objectives.

Agency Action

Pollution prevention (P2) is any practice that reduces, eliminates, or prevents pollution at its source. Reducing the amount of pollution produced means less waste to control, treat, or dispose of. Pollution prevention reduces financial costs, environmental costs, and impacts to human health. In November 2021 the U.S. House of Representatives and the U.S. Senate passed the Bipartisan Infrastructure Deal, unlocking billions of dollars to address climate change and protect American communities from pollution. \$100 million was designated to the EPA Pollution Prevention (P2) Grant Program. P2 grants help businesses reduce toxic pollutants, cut water usage, improve efficiency, lower business costs, and place an emphasis on projects and outcomes that prioritize environmental justice.

DEQ submitted applications for both opportunities that total just over \$1.9 million in funding over two years. DEQ will administer both grants under one umbrella to enable efficient scalability of the projects and administration. EPA intends to announce awards this summer 2022.

Proposal

DEQ plans to collaborate with communities, advocacy groups, and agency partners to execute six projects during the grant period:

- Deliver an Internship Program that places 16 paid students with businesses to conduct on-site P2 research and pollution prevention site assessments.
- Implement a Certification Assistance Program that aids ten business in obtaining the EPA Safer Choice label or add chemicals to the Safer Chemical Ingredient List.
- Deliver a Metals Manufacturing Outreach Initiative that will foster collaboration and provide tools and resources to prevent pollution.
- Provide training and collaboration opportunities for the K-12 community who support using non-toxic chemicals in classroom labs and integrate the concepts of green chemistry into classrooms.
- Conduct on-site P2 technical assistance assessments, enhance Oregon's EcoBiz certification program, and support a regional green chemistry collaboration initiative.
- Deliver technical assistance to over 200 businesses by DEQ staff in coordination with our partners for the projects mentions above.

These projects will provide over 200 Oregon businesses with relevant assistance to implement pollution prevention activities. All told, these actions will prevent significant carbon emissions, water discharges, and produce millions in energy savings. In addition, educators will receive resources and training to prevent the use of toxic chemicals in their classrooms and will support environmental workforce development and training.

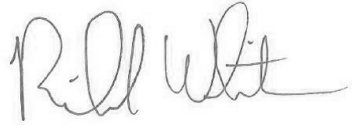
DEQ is proposing one full-time, limited duration, Operations and Policy Analyst 1 in a Pollution Prevention Coordinator (P2 Coordinator) role that will provide support to both grants. The P2 Coordinator's duties include providing direct technical assistance to businesses; monitoring progress and resource needs; organizing coordination meetings; editing and distributing success stories, case studies and web content; assisting with progress reports to EPA and other stakeholders; presenting on grant progress, goals, and objectives; and supporting project management duties.

While DEQ will serve as the grant administrator, the agency will pass-through most funds to community non-profit organizations.

If awarded and depending on the award structure DEQ may need adjustments to its Land Quality Federal Funds limitation in the 2023-2025 and 2023-2025 biennia.

DEQ is very excited for this opportunity to provide a focused number of resources on pollution prevention projects with a strong emphasis to prioritize assistance to underserved communities. Thank you for your review of this request letter. Please do not hesitate to reach out with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Whitman". The signature is written in a cursive style with a prominent initial "R" and a long, sweeping underline.

Richard Whitman
Director