

# Environmental Settlement Agreements and Funding Wood Burning Appliance Replacement Programs

Residential Wood Smoke Workshop

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## Presentation Overview

- Settlement Agreements:
  - EPA Facts and Figures
  - Supplemental Environmental Projects
  - Mitigation Projects
  - States and Tribes as Co-plaintiffs
- EPA Financing Document: *Financing Options for Wood-burning Appliance Programs*
- EPA Grants
- Other Federal Programs & Grants

# EPA Settlements and Wood Burning Appliance Replacement Projects: Facts & Figures

## From 2010-2015:

- ~25 EPA settlements included “Wood stoves”
- 14 replacement projects completed
- Approximately 3,700 devices replaced
- Estimated PM 2.5 emission reductions:
  - 100 tons/year
  - 3000 tons over life of replacement
- Annual estimated health benefits: \$36.5M - \$82M

# Supplemental Environmental Project (SEP)

- A project that benefits the public health/environment
- Proposed by a defendant
- Included in an enforcement settlement

# Supplemental Environmental Project (SEP)

- A SEP is:
  - Voluntary, cannot be required by EPA
  - Activity that goes beyond what is required for compliance with the law
  - Provides public health or environmental benefits not otherwise available
  - Developed and implemented by defendant

# Supplemental Environmental Project (SEP)

- A SEP is:
  - Not a penalty, can not be accepted in lieu of a federal penalty, but the defendant may receive a deduction in the penalty
  - One factor that is considered when developing a settlement penalty

## Mitigation Projects

- Similar to SEPs in that they:
  - provide an environmental or public health benefit
- Different in that they are:
  - Part of the injunctive relief package
  - Aimed at redressing harm done to public health/ environment by the violations
  - Likely to be ordered by a court

# SEPs & Mitigation: Key Issues to Know

- Projects must have direct “nexus” to the violations
- Mitigation needs to be even closer connection
- No third party cash donations or payments
- Projects must not augment or supplement EPA’s or other federal government agency’s budget
- Wood burning appliance replacement projects are viable options for federal settlement agreements



## States and Tribes: Co-plaintiffs

- States and Tribes can be Co-plaintiffs in many settlements
- Co-plaintiffs can:
  - evaluate proposals and accept SEPs
  - in some cases, participate in the negotiation of mitigation projects
  - accept non-federal SEPs that might not meet the federal SEP Policy

## Federal Programs and Funding

- Realities of Funding
- *Financing Options for Wood-burning Appliance Programs (2014)*
- EPA Grants
- Other Federal Agencies

# Realities of Federal Funding

- There is no one program set up to specifically fund wood burning appliance replacements, EPA does not have a change out program
- There are many different programs that have funded replacement
- There is little consistency across the country in using federal funds
- Federal funds are generally decreasing, but there are opportunities

## EPA Financing Document: *Financing Options for Wood-burning Appliance Programs (2014)*

- In-depth look at funding opportunities for wood-burning appliance changeout programs
- Provides recommendations to state, tribal and local areas looking to fund
  - Wood stoves and hydronic heater replacements
  - Fireplace retrofits
- Identifies and briefly describes federal, state, local, non-profit and third party programs that may fund changeouts and weatherization
- Offers case studies, provides helpful links and summarizes state specific programs that may fund programs

Program Title	Type of Program*	Low Income Focus	Previous Wood Appliance Initiative	Shared Goals
<b>U.S. Environmental Protection Agency</b>				
Supplemental Environmental and Mitigation Projects	S,C		X	Air Quality, Human Health
National Indoor Environments Program	C		X	Air Quality
Tribal Air Quality Grants	C		X	Air Quality, Human Health
Clean Air Act - Sections 103 and 105	S,C		X	Air Quality
Regional Applied Research Effort Grants	C		X	Environmental Research
Science to Achieve Results Grants	C			Air Quality, Human Health
<b>U.S. Department of Energy</b>				
Weatherization Assistance Program	S,C	X	X	Energy Improvements
State Energy Programs	S,C		X	Energy Improvements
Better Building Neighborhood Program	S,C		X	Energy Improvements
Tribal Energy Program	C			Energy Improvements
Weatherization Innovation Pilot Program	C			Energy Improvements
Sustainable Energy Resources for Consumers	C	X		Energy Improvements
<b>U.S. Department of Health and Human Services</b>				
Low Income Heating Assistance Program	I,S,C	X	X	Energy Improvements
Community Services Block Grant	C	X	X	Human Health
Social Services Block Grant	S,C			Human Health
<b>U.S. Department of Housing and Urban Development</b>				
PowerSaver Loans	I		X	Energy Improvements
203(k) Rehabilitation Mortgage Insurance Program	I		X	Energy Improvements
Energy Efficient Mortgage Program	I		X	Energy Improvements
Community Development Block Grant	C		X	Human Health
Indian Community Development Block Grant	C	X		Human Health
<b>U.S. Department of Agriculture</b>				
Rural Utilities Service Energy Efficiency and Conservation Loan Program	C		X	Energy Improvements
Rural Repair and Rehabilitation Program	I	X	X	Human Health
Housing Preservation Grant	S,C	X		Housing Rehabilitation
<b>State, Tribal and Local Programs</b>				
State Tax Credits	S		X	Energy Improvements
Property Assessed Clean Energy	S,C			Energy Improvements
Qualified Energy Conservation Bonds	S,C			Energy Improvements
<b>Financial Institutions and Third Party Lenders</b>				
Commercial Banks	I		X	Energy Improvements
Credit Unions	I		X	Energy Improvements
Community Development Financial Institutions	I	X	X	Energy Improvements
New Market Tax Credits	C	X		Energy Improvements
Social Impact Bonds	C			Energy Improvements
<b>Utility Funded Programs</b>	I		X	Energy Improvements
<b>Foundations</b>	I,C			Human Health, Energy

\* Types of Programs: I = Individual, C = Community, S = Statewide

# Examples of EPA Funding Opportunities

- Clean Air Act (CAA) Section 103: Research focus
- CAA Section 105: Implementing programs for the prevention and control of air pollution
- Regional Applied Research Effort (RARE): To answer key environmental questions and address regional and national research priorities
- Tribal Air Grants: identify problems, implement strategies to reduce air pollution to protect air quality and human health.

## EPA Target Airshed Grants – Supporting Ozone and PM Non-attainment Area

Grant Recipient	Project Period	Project	Award Amount
Idaho DEQ	FY 2015	West Silver Valley Community Air Shed Project	\$2,996,728
San Joaquin Valley Unified Air Quality Management District	FY 2015	San Joaquin Valley Wood Stove Change-Out	\$3,000,000
Portola/Plumas County, CA	FY 2015	Wood Smoke Reduction/Wood Stove Changeout Project	\$2,480,000
Idaho DEQ	6/1/17 to 2/1/22	“Idaho DEQ Cache Valley Community Airshed Project”	\$2,477,250
Alaska DEQ	7/1/17 to 8/31/22 Award Final	“Alaska DEC Wood Stove Change-out”	\$2,477,250
San Joaquin Valley Unified Air Quality Management District	3/01/2017 to 2/28/2022 Award Final	“San Joaquin Valley Wood Stove Change-Out”	\$2,477,250

# Department of Health and Human Services – Low-income Home Energy Assistance Program (LIHEAP)

- Block grant program that provides states, territories and tribes annual funding
  - Assist households with heating and/or cooling expenses
- Grantees may provide include:
  - Heating/Cooling
  - Weatherization



## Department of HHS - LIHEAP

- States/Tribal Examples:
  - State of MT & Confederated Tribes of the Colville Reservation - “Health and Safety”, stove replacement
  - Oglala Sioux Tribe - Eco-friendly briquettes



# Department of Energy (DOE) Weatherization Assistance Program

- Weatherization grants for low income homeowners that include:
  - "whole-house" approach and
  - "health and safety" check of the home (useful for addressing old wood stoves to improve indoor air quality).

# USDA Rural Housing Repair and Rehabilitation Loan and Grant Programs

- Enables low-income, elderly (62+) to remove “health and safety” hazards from their homes, e.g., old or improperly installed wood stoves
- Funding availability is determined by the local service center:

[http://www.rurdev.usda.gov/rhs/sfh/brief\\_repairloan.htm](http://www.rurdev.usda.gov/rhs/sfh/brief_repairloan.htm)

## Public Utilities

Utilities often provide rebates for home & energy improvements:

- Weatherization
- Energy Efficient Appliances

- Lower Elwha Klallam Tribe Heat Pump Program:

[https://www.youtube.com/watch?v=u7LWX\\_jL1yI](https://www.youtube.com/watch?v=u7LWX_jL1yI)



Database of State Incentives for Renewable Energy and Efficiency

<http://www.dsireusa.org>

## Want More Information?

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[www.epa.gov/burnwise](http://www.epa.gov/burnwise)