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Congress of the United States

House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

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December 20, 2023

The Honorable Michael S. Regan Environmental Protection Agency 1200 Pennsylvania Avenue NW, Washington, DC 20460

Administrator Regan:

Recently, reports were published regarding the Environmental Protection Agency's (EPA) implementation of the Greenhouse Gas Reduction Fund (GGRF or fund) that have caused us concern. The fund, "born out of a decade-plus push by Democrats and outside groups" was intended to act as a "national green bank" that would allow the EPA to directly inject \$27 billion of taxpayer funds into individual organizations capable of financing clean energy projects. Yet, in April, the EPA announced a framework in which GGRF dollars would instead be distributed to between four and ten select nonprofit organizations which are politically aligned with the current Administration and would themselves distribute the monies. Our concerns regarding this unusual setup were recently elevated when we were informed that current EPA political appointees have direct ties to these organizations and held multiple pre-grant announcement meetings with them. It appears that the EPA intends to unilaterally redesign a \$27 billion program in order to funnel multiple multi-billion dollar awards to the Administration's political allies by designing grants specifically for organizations for which EPA appointees previously worked. To understand how the EPA will maintain a meritorious grant process in light of these facts we ask that you provide a

¹ Avery Ellfeldt & Jean Chemnick, *EPA Climate Fund May Not Be A Green Bank After All*, E&E News (Feb. 2, 2023), https://www.eenews.net/articles/epa-climate-fund-may-not-be-a-green-bank-after-all/.

² *Ibid*.

³ U.S. Environmental Protection Agency, *EPA Releases Framework for the Implementation of the Greenhouse Gas Reduction Fund as Part of President Biden's Investing in America Agenda*, EPA.GoV (Apr. 19, 2023) https://www.epa.gov/newsreleases/epa-releases-framework-implementation-greenhouse-gas-reduction-fund-part-president.

⁴ Protect the Public's Trust, *Greendoggle? EPA Privately Discussed How to Spend \$20B With a Few Favorite Environmental Groups*, PROTECTPUBLICSTRUST.ORG (Sept. 21, 2023), https://protectpublicstrust.org/press-releases/greendoggle-epa-privately-discussed-how-to-spend-20b-with-a-few-favorite-environmental-groups/.

briefing to House Science, Space, and Technology (Committee) staff by January 19, 2024 and the documents requested below by January 26, 2024.

During a recent Committee hearing, when questioned by Congressman Obernolte about the EPA's policies regarding exclusive meetings with potential awardees during a competitive process, you testified that no organizations were "unfairly advantaged" through these meetings and that potential recipients of the awards "were not involved in the design [of the Greenhouse Gas Reduction Fund] discussions." Yet, the timeline of these meetings and the attendees point to evidence that the decision to award funding to multiple non-profits was based on favoritism and self-interest. 6

Through a Freedom of Information Act request, it was revealed that the EPA's Office of Air & Radiation Deputy Assistant Administrator for Mobile Sources, Alejandra Nunez, who was previously a Senior Attorney at the Sierra Club, was listed as a required attendee for the December 2022 meeting with green groups – a meeting which the Sierra Club attended. When asked specifically about this example, Administrator Regan testified this was "the first I've heard that." Another example is Jahi Wise, the Acting Director of the GGRF, who was previously Policy Director at the Coalition for Green Capital, an umbrella group for state and regional green banks and long-time proponent of creating a national green bank. Among the Coalition for Green Capital's listed partners are the Natural Resources Defense Council, Environmental Defense Fund, and the Rocky Mountain Institute – all of which were invited to a "targeted group meeting" in which Mr. Wise was a required attendee.

The above information is even more concerning considering that the EPA unilaterally chose to move from making the grant awards themselves to outsourcing this work to their favorite politically aligned nonprofit organizations. Industry and Congress assumed that the EPA would act as it and other government agencies always have when it came to awarding grants – doing it themselves through a public, meritorious process. ¹¹ Instead, long after the Inflation Reduction Act was signed into law, the EPA announced that it would outsource its congressionally delegated duties to unelected officials. ¹² This is reportedly because the EPA realized that they would not be able to award the unprecedented amount of money it was appropriated before it had to be returned to the Treasury. This workaround maneuvering is an example of the problems we anticipated from

⁵ House Committee on Science, Space, & Technology, *Science and Technology at the EPA*, Administration Regan in response to question from Rep. Jay Obernolte at 1:21, https://science.house.gov/2023/9/full-committee-hearing-science-and-technology-at-the-epa.

⁶ Protect the Public's Trust, *supra* note 4.

⁷ Ibid.

⁸ House Committee on Science, Space, & Technology, *supra* note 5.

⁹ Jean Chemnick & Avery Ellfeldt, *Meet Jahi Wise, EPA's New Rainmaker*, E&E News (Dec. 13, 2022). https://www.eenews.net/articles/meet-jahi-wise-epas-new-rainmaker/.

¹⁰ Coalition for Green Capitol, *Our Partners*, https://coalitionforgreencapital.com/about-us/our-partners/ (last visited Dec. 15, 2023).

¹¹ Jean Chemnick & Avery Ellfeldt, *EPA's* \$27B Climate Fund Targets Solar, Underserved Areas, E&E NEWS (Feb. 14, 2023), https://subscriber.politicopro.com/article/eenews/2023/02/14/epas-27b-climate-fund-targets-solar-underserved-areas-00082751. ¹² U.S. Environmental Protection Agency, *supra* note 3.

the unprecedented influx of money that flooded agencies through the IRA, and the difficulties of conducting Congressional oversight of those funds.

Additionally, the EPA's Environmental Financial Advisory Board and Office of the Inspector General have both noted that no one organization currently in existence is known to have the experience or qualifications necessary to accept billions of dollars and then re-award those funds to sub-grantees. Because of this, it is expected that many of these politically aligned nonprofit organizations will join together, becoming mini-green banks that provide money to themselves and force their agenda onto the American people. It is clear that the inability to find a single qualified organization to award and track grants makes the EPA's plan more difficult and will create numerus oversight concerns.

To determine the avoidance or extent of conflict of interest related to the Greenhouse Gas Reduction Fund, please provide the Committee with the following documents by no later than January 19, 2024:

- 1. The Environmental Protection Agency's policies regarding conflict of interest, recusal, and related ethics policies in effect on November 1, 2022.
- 2. All documents regarding conflict of interest, recusal, or related ethics policies agreed to or signed by Ms. Alejandra Nunez and Mr. Jahi Wise.
- 3. All internal and external documents and communications to and from Ms. Alejandra Nunez related to the Greenhouse Gas Reduction Fund.
- 4. All internal and external documents and communications to and from Mr. Jahi Wise related to the Greenhouse Gas Reduction Fund.
- 5. All internal and external documents and communications regarding the small group meeting with advocacy groups and think tanks scheduled for November 15, 2022.
- 6. All internal and external documents and communications regarding the target group meeting with green groups scheduled for December 6, 2022.

¹³ U.S. Environmental Protection Agency Environmental Financial Advisory Board, *Guidance and Considerations Pertaining to the Greenhouse Gas Reduction Fund*, EPA.GOV (Jan. 3, 2023) https://www.epa.gov/system/files/documents/2023-01/efab-greenhouse-gas-reduction-fund.pdf (stating, "Current intermediaries have not operated at the scale required for the GHGRF; therefore, there's some management and execution risk with ramping up capacity and capabilities.").

Should you have any questions please contact Daniel Dziadon of the Committee staff at (202) 225-6371. Thank you for your time and consideration regarding this matter.

Sincerely,

Max Miller Chairman

Subcommittee on Environment

House Committee on

Science, Space, and Technology

Jay Obernolte

Chairman

Subcommittee on

Investigations and Oversight

House Committee on

Science, Space, and Technology

cc:

The Honorable Deborah Ross Ranking Member Subcommittee on Environment House Committee on Science, Space, & Technology

The Honorable Valerie Foushee Ranking Member Subcommittee on Investigations and Oversight House Committee on Science, Space, & Technology