

**Public Testimony of the Environmental Defense Fund on
EPA’s Proposed Clean Energy Incentive Program Design Details
Docket ID No. EPA-HQ-OAR-2016-0033**

Charlie Jiang
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The Clean Energy Incentive Program Must Help Reduce Climate Pollution, Improve Public Health, and Strengthen the Clean Energy Economy in Disadvantaged Communities

The Environmental Defense Fund thanks EPA for moving forward with the Clean Energy Incentive Program (CEIP). We appreciate the opportunity to speak today, and are grateful for EPA’s on-going, essential efforts to receive input from the full range of stakeholders in this important program.

The CEIP is an important voluntary complement to the Clean Power Plan—EPA’s historic carbon pollution standards that will help address our nation’s largest source of climate-destabilizing pollution and improve public health in our communities.

The CEIP will further the Clean Power Plan’s goals by incentivizing early action to reduce carbon pollution from the power sector—strengthening the progress America is already making in this realm—and by helping to ensure that all Americans, including the most disadvantaged, can benefit from clean energy.

EPA has Ample Authority to Partner with States, Tribes and Communities in Working on Implementation Details during the Pendency of the Clean Power Plan “Stay”

EDF urges EPA to swiftly finalize design and implementation details of the CEIP. [Fourteen states](#) and numerous other stakeholders have called on EPA to provide such information. By moving forward, EPA will answer these requests and furnish critical guidance for states, power companies, communities, and other stakeholders.

Moreover, providing design and implementation information for this voluntary program is [clearly consistent](#) with the stay of the Clean Power Plan. Under the last three administrations, EPA has undertaken similar implementation-related actions while stays of Clean Air Act rules have been pending.

We Urge EPA to Ensure Program Design Helps Secure Benefits for Low-Income Americans

The CEIP is an important opportunity to ensure disadvantaged communities share in the benefits of clean energy. Low-income Americans bear disproportionately higher energy burdens and stand to benefit most from efficiency savings and distributed renewable energy.

For these reasons, the final CEIP should focus on delivering benefits to low-income Americans by reserving a robust pool—at least 50%—of credits for low-income clean energy projects, and by clearly targeting incentives to benefit low-income households that face the greatest barriers to clean energy investments. EPA should allow distributed renewable energy projects to qualify for low-income credits as long as the projects provide documented benefits directly to low-income households.

For similar reasons, we recommend that EPA define eligibility for low-income credits flexibly enough to accommodate the low-income energy policy landscape in every state—but narrowly enough to appropriately target CEIP benefits to those who need them most.

The challenges of low income communities vary geographically, and it is critical that the CEIP be tailored to meet the needs of rural and urban communities alike.

It is also critical that tribes be eligible for the CEIP and that tribal communities be fully able to receive incentives for clean energy programs benefiting low income communities. EDF urges EPA to continue engaging with Tribes, including those without affected EGUs, as it finalizes the CEIP in order to ensure this is the case.

In general, EPA should continue outreach and consultation with communities as CEIP planning and implementation moves forward. EPA should share with states, tribes, and other stakeholders resources that could help them design and deliver programs that benefit low-income communities. In particular, EPA should ensure that its outreach efforts include full engagement with traditionally underserved environmental justice communities.

We Urge Rigorous Design Consistent with the Fundamental Purpose of the Clean Power Plan to Reduce Dangerous Climate Pollution

The final CEIP should secure the environmental integrity of the Clean Power Plan. EPA should consider existing policies and market conditions, and identify ways to focus CEIP incentives on projects that would not have occurred without the program.

In particular, we support EPA's proposal to not redistribute CEIP credits from any state that chooses not to opt into the program, or unused credits from either pool: low-income or renewables. We also strongly support EPA's proposal to apply to CEIP credits the same evaluation, monitoring, and verification protocols to be used in rate-based state CPP plans.

When America Works Together We Can Achieve Important Progress for the Health of Our Communities, Our Environment, and a Stronger Economy

We thank EPA for engaging with communities, states, tribes, environmental justice advocates, and other key stakeholders during development of the CEIP. We urge EPA to continue these efforts as it finalizes and implements this program.

We look forward to submitting our detailed comments on September 2. Thank you for the opportunity to speak here today.