



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 16

Agenda Date: March 21, 2024

In Control: City Council A Session

DEPARTMENT: Office of Sustainability

DEPARTMENT HEAD: Douglas Melnick

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Ordinance authorizing the submission of a grant application and acceptance of funds upon award for the Climate Pollution Reduction Grants Program: Implementation Grants General Competition in an amount up to \$200 million over a five-year period, from the United States Environmental Protection Agency (US EPA).

SUMMARY:

This ordinance authorizes the submission of a grant application and acceptance of funds upon award in an amount up to \$200 million over a five-year period, from the United States Environmental Protection Agency (US EPA) for the Climate Pollution Reduction Grants Program: Implementation Grants General Competition to implement a large-scale solar photovoltaic (PV) project to reduce greenhouse gas emissions. This ordinance authorizes a personnel compliment of one position.

BACKGROUND INFORMATION:

As part of the Inflation Reduction Act (IRA) of 2022, the Climate Pollution Reduction Grant (CPRG) program will provide significant resources to state, territory, local, and tribal governments to develop ambitious climate action and air pollution reduction plans and to implement measures

from those plans. The CPRG is a two-phase program – with \$250 million in non-competitive planning grants, followed by \$4.6 billion of competitive implementation grants.

In August 2023, the city received \$1 million for the CPRG non-competitive planning grant. The city is currently utilizing these funds to update the Climate Action & Adaptation Plan (CAAP) and determine new science-based reduction targets, reprioritize mitigation strategies, and develop a new implementation plan. The funds are also being used to complete a regional greenhouse gas (GHG) inventory for the Alamo Area Council of Governments (AACOG) 13-county service delivery area and develop and prioritize GHG reduction strategies that can be implemented on a regional scale.

To proactively pursue the available \$4.6 billion dollars in competitive implementation grants, the city will be applying for \$200 million. The full application package is due April 1, 2024. If awarded, the city, in partnership with CPS Energy and SAWS, will apply these grant funds toward the construction of a large-scale solar PV and energy storage project aimed at addressing the energy-water nexus and local energy burdens. This will provide renewable electricity for SAWS, provide community solar for low-income San Antonio residents, may utilize battery storage as backup power for SAWS, and serve as a virtual power plant to support the grid during periods of high demand. The overall project objectives are to demonstrate how cities and utilities can collaborate to enhance regional water and energy resilience while reducing energy costs in our most energy burdened neighborhoods. These grant funds will also be used for local workforce development as a direct benefit of installing local utility-scale solar. The estimated size of this project will be between 50MW (megawatts) to 100MW and will target greenhouse gas emissions reductions in the electricity sector.

ISSUE:

The Office of Sustainability requests authorization to apply for the Climate Pollution Reduction Grants Program: Implementation Grants General Competition in an amount up to \$200 million. This ordinance also approves a budget and personnel complement of one position.

ALTERNATIVES:

Should approval authorizing the submission of a grant application for the Climate Pollution Reduction Grants Program: Implementation Grants General Competition not be approved, the City will need to find other funding sources toward the construction of a large-scale solar PV and energy storage project aimed at addressing the energy-water nexus and local energy burdens.

FISCAL IMPACT:

This ordinance authorizes the submission of a grant application and acceptance of funds upon award in an amount up to \$200 million over a five-year period, from the United States Environmental Protection Agency (US EPA) for the Climate Pollution Reduction Grants Program:

Implementation Grants General Competition for the period of October 1, 2024, to September 30, 2029, and authorizes a personnel compliment of one position. There is no cash match requirement and no impact to the City's General Fund.

RECOMMENDATION:

Staff recommends approving the submission of a grant application for the Climate Pollution Reduction Grants Program: Implementation Grants General Competition in an amount up to \$200,000,000.00.