

EFAB Recommendations and EPA Responses

Prepared January 12, 2023

Catalyzing Pollution Prevention Finance

October 18, 2022

<https://www.epa.gov/system/files/documents/2023-01/efab-catalyzing-pollution-prevention-finance.pdf>

Overarching EPA Response	<ul style="list-style-type: none"> Acknowledgement letter
EFAB Recommendation	EPA Response
<p><u>P2 Grant Program Strategies</u></p> <ul style="list-style-type: none"> (i) Focus next round of P2 grants on grantees with expertise in relevant sectors for primary P2 finance opportunities and relevant capacities to advance P2 finance efforts (single industry or group of industries with similar P2 issues.) (ii) Identify and support a cohort of regional P2 pilots that demonstrate robust partnerships for pre-development support (technical assistance) and innovative funding relationships to serve as P2 “demonstration projects.” (iii) Through (i) and (ii) above, support development of finance ecosystems that broaden market acceptance for financing P2 projects. 	<p>David Widawsky presented the findings, resources, and recommendations of EFAB at the December 2022 National EPA P2 Grantee Meeting. The meeting attendees included current EPA P2 grantees and P2 program staff. The presentation also covered P2 finance case studies and enabled an open discussion amongst the grantees about overcoming the barriers to finance.</p> <p>EPA is in the process of launching two new grant programs focused on environmental justice. One of the new programs is specifically aimed at increasing accesses to safer and more sustainable products. We anticipate that this program will attract a new, more diverse group of grantees, which staff will review for potential P2 finance “demonstration projects.”</p>
<p><u>Education/Training Strategies</u></p> <ul style="list-style-type: none"> (i) Develop sector-based use cases for P2 financing (through grantees or consultants). (ii) Develop a series of webinars on P2 success cases and factors contributing to success and reference P2 Finance Forum learnings. 	<p>EPA is exploring additional P2 finance education and training materials for grantees to use, including case studies.</p> <p>There was significant interest in a P2 finance webinar series highlighting examples from grantee clientele and diving deeper into the topics discussed in the EFAB P2 Finance Forum.</p>
<p><u>Risk Reduction Mechanisms</u></p> <ul style="list-style-type: none"> (i) Launch technology certification program around priority interventions in one or two focus sectors. (ii) Develop underwriting standards for P2 on specific waste streams within specific industries, in conjunction with trade groups and technical experts. (iii) Explore use of existing and new credit enhancements/guarantee programs (e.g., EPA SRF, SBA, USDA, State-level programs, USDOE, etc.). 	<p>EPA will continue to use its recommendation of standards, ecolabels, and certifications to leverage market demand for greener products and services and will explore how to better link the Recommendations as a mechanism for P2 finance risk reduction (e.g., signaling EPA-backing for key P2 strategies in manufacturing). Opportunities in this space are expanding given the recent Inflation Reduction Act investment in lower embodied carbon construction materials, including a new carbon labeling program, being led by EPA’s P2 Program.</p> <p>EPA hopes to convene additional discussions around and explore authorities in underwriting standards and credit enhancements/guarantee programs in the near future.</p>