

The Montana Department of Environmental Quality, and the Department of Natural Resources and Conservation - in partnership with the Departments of Agriculture and Commerce - submitted two state-level applications to EPA for implementation grants under the CPRG program yesterday, April 1st. Below is a summary of the two applications submitted.

1. ENERGY INFRASTRUCTURE AND EFFICIENCY UPGRADE PROJECT

The Montana Department of Environmental Quality (DEQ) took the lead in applying for \$48.9 million in CPRG funding for implementation of four emission reduction measures identified in Montana’s Priority Climate Action Plan (PCAP), published last month. Together, these four initiatives aim to enhance energy efficiency, reduce costs, and promote sustainability across various sectors. They also enable investments in energy audits and efficiency improvements, contributing to a cleaner environment and creating jobs.

Measure No.	Measure	Requested Funding
1	School Energy Performance Initiatives	\$24,595,948
2	Conversion of Fleet Vehicles to Cleaner Fuels	\$10,369,695
3	Investments in Electric Grid Technology	\$11,983,832
4	Commercial Energy Efficiency Measures (C-PACE Audits)	\$2,000,000
	Total	\$48,949,475

Measure 1: School Energy Performance Initiative

This measure proposes to reduce GHG emissions from K-12 schools through implementation of energy conservation measures and strategies such as lighting upgrades, HVAC system optimization, insulation and weatherization, energy efficient appliances and equipment, renewable energy integration, energy/water efficient landscaping, and improved waste management. Additionally, by adopting these measures and strategies, schools benefit from improved health of indoor environments and cost savings due to improved facility operations and maintenance.

Measure 2: Strategic Conversion of Fleet Vehicles to Cleaner Alternatives

This measure proposes to leverage private and public sector investments in cleaner vehicle fleets with voluntary, non-regulatory, incentive-based financing or rebate programs. This measure would provide financing or matching grant funds for strategic conversion or replacement of fleet vehicles with alternative fueled or electric power models, including but not limited to school and transit buses and vans, delivery vehicles, local government fleet vehicles, and utility service equipment. Replacement or upgrades of locomotive engines to more efficient and cleaner technology would also be eligible. Matching grants would be provided as rebates after a competitive request for applications evaluation process.

Measure 3: Investment and Improvement in Electric Grid Technology

The DEQ proposes to implement this measure that supports investments in innovative grid technology that improve the reliability and resiliency of the transmission and distribution system in the face of extreme weather events, growing demand for electricity, and increased development of variable renewable energy supplies. This measure includes projects that increase transmission and distribution system efficiency, that provide transmission service for new renewable energy generation, and improve

integration and management of variable renewable energy supplies, including through the deployment of innovative energy storage systems, microgrids, or other technology.

Measure 4: Energy Efficiency (C-PACE Audits & ITPRs)

DEQ seeks subaward funding for the Department of Commerce’s ‘Montana Facility Finance Authority’ (MFFA), the administrator of the MT Commercial Property Assessed Capital Enhancements (C-PACE) program, for energy efficiency audits and Independent Third-Party Reviews (ITPR) to be performed on commercial buildings throughout Montana. ‘Last Best PACE’ - the State’s C-PACE program – is an innovative clean energy financing tool that provides 100% upfront capital to commercial property owners who want to upgrade their buildings with energy efficiency, renewable energy, and water management systems. To be eligible for the C-PACE program, however, property owners must have an energy audit, followed by ITPR. Since these can be cost-prohibitive to many Montana businesses, MFFA would use CPRG funds to help cover the costs of those required Energy Audits and ITPRs for eligible properties, thus enabling subsequent energy enhancements and associated emission reductions.

2. MONTANA FOREST, COMMUNITY AND WORKING LANDSCAPES CLIMATE RESILIENCY PROJECT

Montana, with 28% forested and 62% agricultural land, can sequester significant carbon dioxide. The DNRC took the lead in applying for a grant to implement seven measures that will reduce emissions, benefit disadvantaged communities, and pursue innovative policies. The overarching goal of these seven measures is returning Montana’s forests and agricultural lands to their natural ability to store carbon as a strategic move toward a more sustainable and resilient future.

Measure No.	Measure	Requested Funding
1	Forest Management and Wildfire Mitigation	\$8,215,955
2	Expand Healthy Urban and Community Forests	\$9,737,193
3	Mitigate and Extinguish Coal Seam Fires	\$9,816,744
4	Nonpoint Source Reductions	\$1,000,000
5	Fertilizer Use Innovation for Improved Soil Health	\$1,000,000
6	Ranchland Stewardship Program	\$10,000,000
7	Incentivize Innovation in the Cattle and Beef Industry	\$10,000,000
	Total	\$49,769,892

Measure 1 – Forest Management and Wildfire Mitigation

This measure aims to meet the CPRG program goals through reforestation, wildfire mitigation, and fossil fuel replacement. It involves collecting cones, growing 2.5 million seedlings, and planting in wildlands. The measure is prioritized due to significant forest loss in Montana from climate change and wildfires. It includes managing 8,000 acres of forest land to reduce tree density, mitigate wildfire risk, and use forest slash residuals as a fuel source.

Measure 2 – Expand Healthy Urban and Community Forests

This measure incentivizes the expansion of urban and community forests by maximizing grant funding for local urban forestry and green infrastructure programs, particularly in underserved communities. It addresses climate pollution reduction and DEQ Priority Climate Action Plan needs.

Measure 3 – Mitigate and Extinguish Coal Seam Fires

This measure focuses on the Powder River Basin in Montana, including the Northern Cheyenne Reservation and Big Horn, Rosebud, Custer, and Powder River Counties. DNRC will support County and Tribal fire programs in the region, contract with coal seam fire contractors for extinguishment, and purchase equipment for mitigation.

Measure 4 – Reduce Nonpoint Source Pollution and Associated Algal Blooms

The DEQ-Water Division will implement projects that reduce pollution and algal blooms. The measure proposes to increase funding to an existing grant program. Projects will sequester carbon, reduce nutrient pollution, and reduce algal blooms.

Measure 5 – Fertilizer Use Innovation for Improved Soil Health

The MT Department of Agriculture (DOAg) will implement nitrogen-based fertilizer use innovations that reduce greenhouse gas emissions, improve soil health, reduce volatilization, and capture more carbon in the soil.

Measure 6 – Ranchland Stewardship Program

DOAg will implement a program that improves grazing management planning and encourages adaptive strategies that improve soil health in Montana. The project leverages data-driven adaptive management decision-making tools that lead to increased carbon storage in the soil. By partnering with non-profit ag organizations, industry groups, state and federal agency supporters, and university experiment stations and extension offices, Montana has established itself as a leader in the adoption of regenerative management practice.

Measure 7 – Incentivize Innovation in the Cattle and Beef Industry

The State of Montana proposes to implement a Feedlot Innovation Program that provides technical assistance and cost-share opportunities to implement innovative animal waste management systems. This grant program will support equipment upgrades and use of web-based planning and documentation tools to improve efficiency and reduce the environmental impacts of the beef supply chain.