



November 30, 2023

The Honorable Michael Regan, Administrator
U.S. Environmental Protection Agency
Mail Code 1101A
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Re: Wyoming Opt's Out of EPA Grant

Dear Administrator Regan,

In August of 2022, Congress passed the Inflation Reduction Act (IRA). The IRA included a variety of grants to EPA, including one for pollution emission reductions termed EPA's Climate Pollution Reduction Grant (CPRG) program (CAA § 137).

In March 2023, I received your request that Wyoming opt-in to EPA's CPRG program in order to access \$3M in funding for a non-competitive planning grant and to maintain eligibility for the state and local communities to gain access to \$4.6B in competitive implementation grants.¹ Wyoming responded to your request and submitted our Cowboy-State Pollution Reduction Work Plan to the EPA in April. We explained that we would use the EPA grant to reduce emissions and still harness the full value of Wyoming's energy resources, grow and strengthen the development of our legacy resources, promote jobs, develop our workforce, and expand investments in our natural resources.

During the early spring of 2023, EPA stated that the planning portion of the CPRG would be awarded using Cooperative Agreements. Cooperative Agreements would allow the EPA and the WDEQ to work as partners and with the most flexibility for the planning portion of this funding. In May, after Wyoming had submitted its application, EPA changed course and stated the planning portion would be awarded as a Grant, not a Cooperative Agreement, thereby reducing Wyoming's flexibility for planning.

WDEQ engaged with EPA's regional office to ensure Wyoming's CPRG application would be approvable. WDEQ received word in July that EPA had approved Wyoming's \$3M application. Unfortunately, WDEQ also learned that EPA had unilaterally changed Wyoming's work plan description. Naturally, the WDEQ filed a Notice of Disagreement and suggested a simple and straightforward fix – replace EPA's attachments and deliverables with Wyoming's work plan

¹ EPA awarded \$250M in planning grants to forty-six states and 79 metropolitan areas. The states of Florida, Iowa, Kentucky, and South Dakota declined. EPA anticipates awarding 30-115 competitive implementation grants ranging from \$2M to \$500M for each award. EPA also awarded separate planning grants to tribes and territories.

and deliverables. Over the last several months, EPA and WDEQ have worked to resolve this issue. While progress has been made, other factors have come to play and I have decided that it is no longer in Wyoming's best interest to further pursue this grant.

In addition to the time and energy that our respective staff have spent on negotiations, the other factors influencing my decision include:

- My ever-growing concern that EPA will turn Wyoming and other states' planning efforts upside down into a mandate to prematurely shut down Wyoming's "all-of-the-above" energy development approach.
- EPA's unwillingness to work with the State as a coregulator in advance of proposing new federal rules.
- EPA's consistent unwillingness to provide reasonable time frames for reviewing and commenting on significant and voluminous proposed rules. I specifically call your attention to my request for an extension of time on the GHG Reporting Rule sent directly to your office on September 8, 2023. The denial of the extension request was dated September 29, 2023, the Friday before the Monday the original comments were due.
- The need for Wyoming to redirect its limited resources towards commenting on new federal EPA rules that impact Wyoming, her industries, and her citizens. EPA's pending 70 air quality rules this year will heap a massive amount of new federal requirements on Wyoming that will have lasting significant economic impacts for Wyoming citizens, create regulatory uncertainty, and require states to do more with less.
- EPA's efforts to set impractical timelines (cutting timelines by half) for states to develop and submit State Implementation plans while increasing the time frame (by three times) for EPA to review State Implementation Plans.
- EPA has demonstrated that they do not have the will or the resources to meet the timelines associated with existing rules, let alone the resources to address the new rules and timelines. This further exacerbates the continuing cycle of litigation, which further misdirects resources away from common sense actions and innovations that improve environmental quality while promoting all of the above energy solutions.
- EPA's Competitive Grant "carrot". Wyoming would be required to spend \$3M on planning in order to compete with the more than 125 other state and municipalities and other "eligible applicants" for a potential 30-115 grant awards. It is unknown which eligible applicants will receive a grant. Wyoming understands all too well that some meritorious grant applications will not receive funding. What is known, however, is that \$2M would be the least amount awarded by EPA. It does not make fiscal sense to Wyoming that spending \$3M in federal taxpayer funding for the remote potential of receiving a \$2M grant.

Consequently, based on WDEQs recommendation, I have decided to withdraw Wyoming's CPRG application. Wyoming will continue to direct its resources toward removing federal roadblocks that stand in the way of common-sense, lower cost solutions that use innovations tailored to meet the needs of Wyoming's citizens and industry, across the entire energy spectrum.

I continue to be interested and willing to work with EPA, and other federal agencies, on practical, common-sense, and workable solutions that support Wyoming's robust energy sector, balance protection of Wyoming's environment, and avoid imposing unnecessary costs on Wyoming's citizens.

Sincerely,



Mark Gordon
Governor of Wyoming

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cc: WDEQ Director Parfitt
EPAR8 Administrator Becker