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Dr. Philip M. Fine
EXECUTIVE OFFICER/APCO

Connect with the
Bay Area Air District:



March 26, 2024

U.S. Environmental Protection Agency (EPA)
Office of Air and Radiation
Climate Pollution Reduction Grant
Washington, DC 20460

**Re: U.S. Environmental Protection Agency - Climate Pollution Reduction Grants
Program: Implementation Grant Coalition Member Letter of Intent - EPA-R-OAR-
CPRGI-23-07 for the Bay Area Clean Homes Initiative**

Dear US EPA Office of Air and Radiation,

By applying as a coalition member for the Bay Area Clean Homes Initiative (BACHI), the Bay Area Air Quality Management District (BAAQMD) is committed to implementing the BACHI, an innovative project that will deliver short- and long-term greenhouse gas (GHG) reductions through a replicable model that combines shovel-ready home retrofits with strategic interventions to unlock the region's ability to scale residential decarbonization.

BACHI's synergy of both short- and long-term strategies enables on-the-ground project implementation to directly inform effective and transformational systemic interventions. BACHI proposes two interconnected Implementing Actions to achieve these goals:

- **Implementing Action 1: Decarbonize up to 1,500 homes in disadvantaged communities through holistic retrofits.**
- **Implementing Action 2: Develop and deploy key interventions to remove systemic barriers to scaling decarbonization.**

This coalition model ensures that each action will be completed simultaneously and therefore will inform the other, creating opportunities to test and evaluate new solutions while providing direct benefits to Low Income/Disadvantaged Communities (LIDAC). Both coalition members, and all project partners, are committed to documenting and disseminating lessons learned to also ensure that the BACHI model can be replicated in other regions to further scale impact.

As a coalition member, BAAQMD commits to overseeing the successful implementation of all tasks included in Implementation Action 2 including conducting research, engaging, and integrating stakeholder input, developing recommendations, facilitating discussions with research partners and summarizing solutions into an accessible policy toolkit for local governments. As the lead coalition member, ABAG will oversee Implementing Action 1 including partnering with all Bay Area affiliates of Rebuilding Together and Habitat for Humanity, the Association for Energy Affordability (AEA) and GRID Alternatives to carry out holistic retrofits in LIDAC communities, convening the Bay Area Community Choice Aggregators (CCAs) to explore mechanisms to address utility bill impacts of electrification and supporting the work of the nine Bay Area counties to advance neighborhood decarbonization.

In 2023, the Air District amended Rules 9-4 and 9-6 to prohibit the sale and installation of NOx-emitting appliances for indoor space and water heating in the nine county Bay Area. While the purpose of the rules is to reduce NOx emissions, it will also likely deliver important greenhouse gas emission reduction co-benefits, as currently the only compliant technologies are electric appliances. The NOx rules are a key enabler to scale that need to be supported by a diverse coalition of partners removing compliance barriers. By bringing together these partners and supplementing the Air District's existing efforts to develop market readiness, BACHI will contribute to the rules' timely implementation.

BAAQMD intends to sign a Memorandum of Agreement (MOA) with the Association of Bay Area Governments (ABAG) before July 1, 2024. ABAG will oversee all work completed by BAAQMD and BAAQMD will coordinate with ABAG to ensure consistent and clear reporting of progress on all tasks included in Implementing Action 2.

This Letter of Intent indicates BAAQMD's intent to enter into a Memorandum of Agreement with the following terms and conditions:

- As a Coalition Member, BAAQMD will be accountable to ABAG for the proper use of EPA funding and successful implementation of Implementing Action 2.
- BAAQMD will participate in the Advisory Group convened by ABAG comprised of BAAQMD and other project partners to coordinate efforts and ensure timely reporting to EPA.
- BAAQMD will be responsible for managing all tasks and partners contributing to Implementing Action 2. BAAQMD will focus on Implementing Action 2 including carrying out community engagement, facilitation, research, and policy development and analysis.
- BAAQMD agrees to comply with the terms and conditions of the EPA grant and any applicable laws and regulations governing the expenditures of EPA grant funds.

By signing onto this Letter of Intent to sign a Memorandum of Agreement for the BACHI Coalition, the Bay Area Air Quality Management District agrees to fulfill its roles and accountabilities as a member of the Coalition.

Sincerely,



Dr. Philip M. Fine
Executive Officer/APCO
Bay Area Air Quality Management District