

PADEP Releases Guidance and Additional Information on Industrial Decarbonization Grant Program

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(Joseph K. Reinhart, Sean M. McGovern, Gina F. Buchman and Matthew C. Wood)

In November 2024, the Pennsylvania Department of Environmental Protection (PADEP) released guidance regarding its Reducing Industrial Sector Emissions in Pennsylvania (RISE PA) program. RISE PA is an industrial decarbonization grant program funded by a \$396-million award through the 2022 Inflation Reduction Act's Climate Pollution Reduction Grants. The grants seek to fund activities that will reduce greenhouse gas (GHG) emissions from the industrial sector by over 8 million metric tons by 2050. Eligible projects must reduce GHG emissions through industrial electrification, energy efficiency technologies, industrial process technologies, fugitive emission reduction technologies, switching to low-carbon fuels, onsite renewable energy technologies, carbon capture, utilization, and storage technologies, or other technologies to qualify (as determined by RISE PA). PADEP is offering grants for Small-, Medium-, and Large-scale decarbonization projects. The Small-scale award track will only be available to small- and medium-sized manufacturers (500 or fewer employees at the plant site). There is no minimum GHG emissions reduction threshold for Small-scale projects, but the amount of GHG emissions reduction will be considered during the evaluation process. For Medium- and Large-scale grants, applicants must achieve at least a 20% annual facility-wide reduction in GHG emissions per project. Small-scale projects will be eligible for up to \$40 million, Medium-scale projects up to \$100 million, and Large-scale projects up to \$220 million. PADEP plans to begin accepting applications in early 2025, with application review and selection anticipated to begin in the middle of the year.

The future of the program, however, is now uncertain. On the first day of his second term in office, President Trump signed Executive Order No. 14,154, "Unleashing American Energy," 90 Fed. Reg. 8353 (Jan. 20, 2025), which, among many other things, directed federal agencies to pause clean energy and climate-related funding under the Inflation Reduction Act. While the funding for RISE PA had been allocated to Pennsylvania for the program, the funding has not yet been disbursed.

In a Q&A Webinar on January 24, 2025, PADEP addressed the uncertainty. PADEP noted that it has a fully executed grant award agreement in place with the U.S. Environmental Protection Agency, and that the award cannot lawfully be terminated as long as PADEP maintains compliance with the terms and conditions of the award. While PADEP believes that pausing of disbursements required by the executive order does not directly mention the Climate Pollution Grant Program, the agency admits that there is still uncertainty regarding its receipt of the disbursements. Despite the uncertainty, however, PADEP is moving forward with implementing the program.

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