# IIJA & IRA

Climate Round Table

House Select Committee on Sustainable & Renewable Energy





# Objectives of CTBILT team

- Drive long-term gains for CT with BIL investments through a focus on climate mitigation & resilience, workforce & economic development, and smart growth
- Rapidly apply for and deploy funds
- Maximize funding impact through matching and partnerships
- Empower agencies to recommend, design, and implement projects
- Coordinate across New England States as well as other agencies on shared opportunities and challenges
- Ensure equitable benefit from infrastructure investments
- Facilitate innovation through robust stakeholder engagement



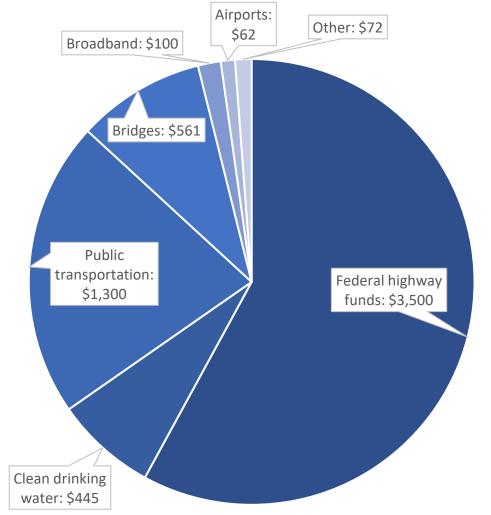
"Building Tomorrow's Future - Today!"



### **IIJA & Connecticut**

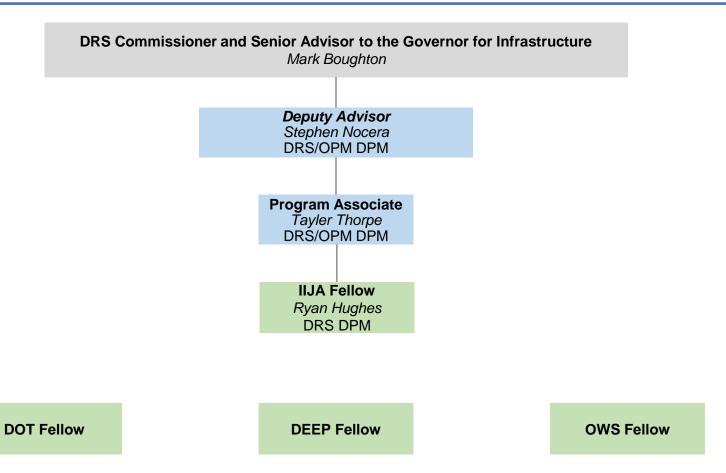


### Connecticut's Share of the IIJA FFY2022-2026 (\$M)



- Connecticut's Portion
  - \$6.04 Billion over 5 years (FY 22-26)
  - Received \$2.2 Billion to date
    - Funding has been allocated through various programs, both competitive and formula grants
- Mix of formula funding and competitive grants
- Implementation timelines vary by program

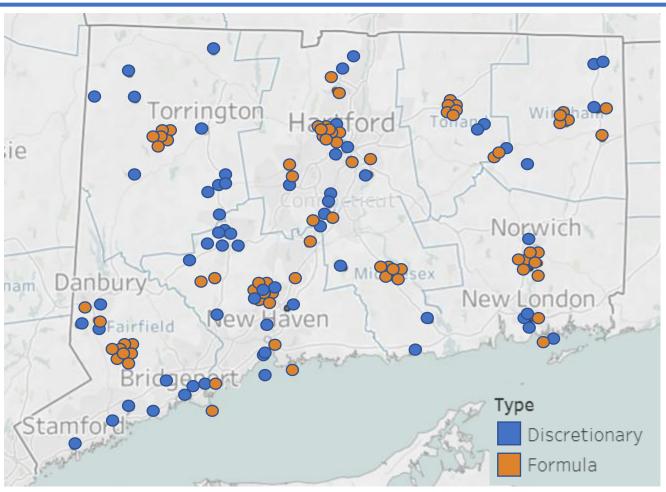
# **BIL Coordination Support**





# What We've Accomplished... So Far!

### **Announced BIL Projects in Connecticut**



\$89M

Ports and Waterways

\$19M

Network of

\$52M

**Improvements** 



### **Connecticut Infrastructure Update July 2023**



To date, Connecticut has received more than \$2.3 billion for transportation; **\$193 million** for clean water; and today, **more than 160,000** Connecticut households are receiving affordable internet.

More than 96 Projects Have Been Identified for Funding:



\$1.5B

Highway Formula Funding



**\$242M** 

**Improvements** 



\$144M

High-Speed Coverage



\$250M

**Public Transit Improvements** 



\$193M

Clean and Safe Water

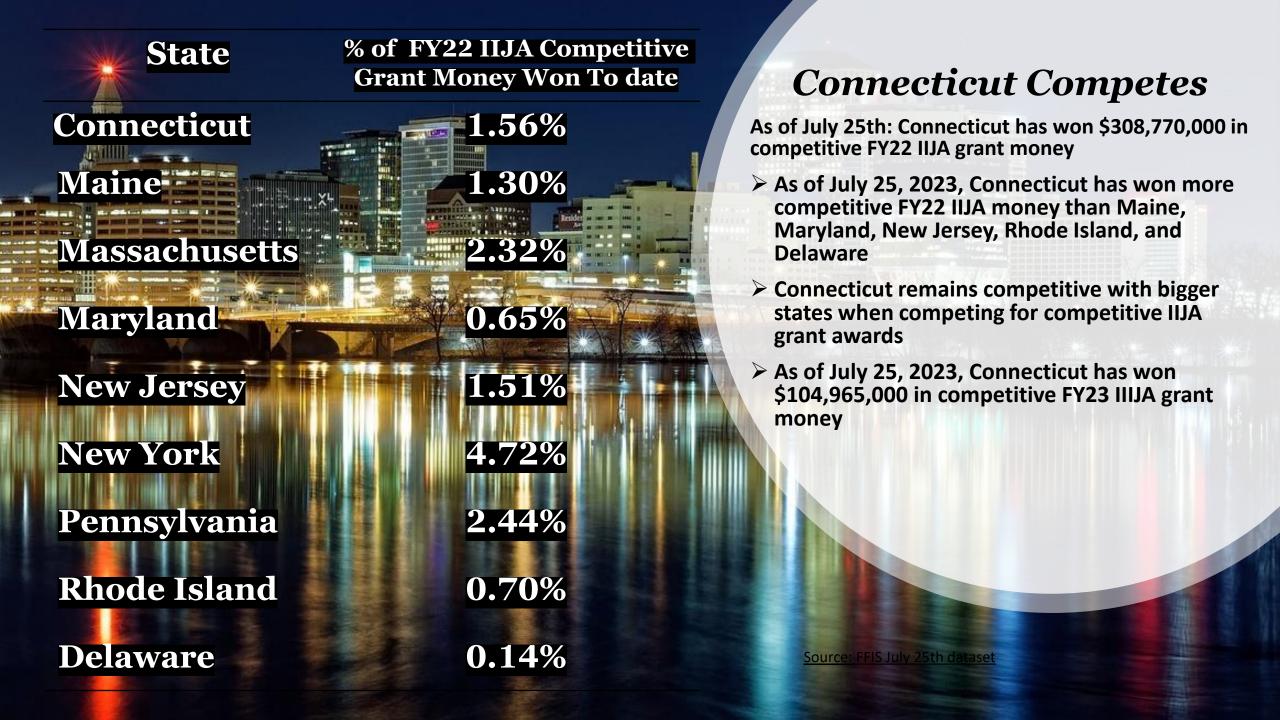


**EV Chargers** 



Source: Bipartisan Infrastructure Law (BIL) Maps Dashboard





Recent Connecticut Bipartisan Infrastructure

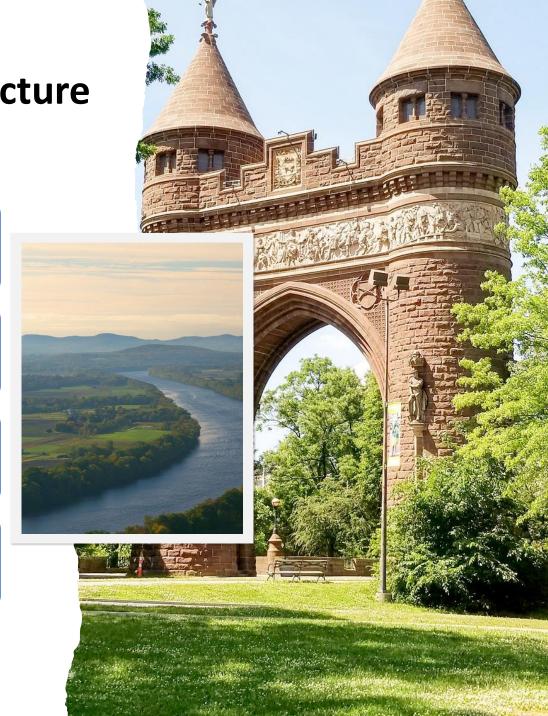
Law Team Happenings

Hosted a Clean School Bus Program Webinar with DEEP, regarding the EPA'S clean school bus rebate program & newly available state matching dollars

Successfully connecting **CT** Municipal **and COG leaders with** federal and state agencies to **answer grant application questions** and further explain NOFO details in-an-effort-to maximize our number of competitive IIJA awards

About 1 in 5 Connecticut municipalities were included in a SS4A FY23 application, with over a 50% increase in the number of applications submitted this year from Connecticut municipalities & COGs

Planning an Infrastructure Summit in Hartford around the two-year anniversary of the Bipartisan Infrastructure Law, *ConnStruct coming in Nov 2023!* 



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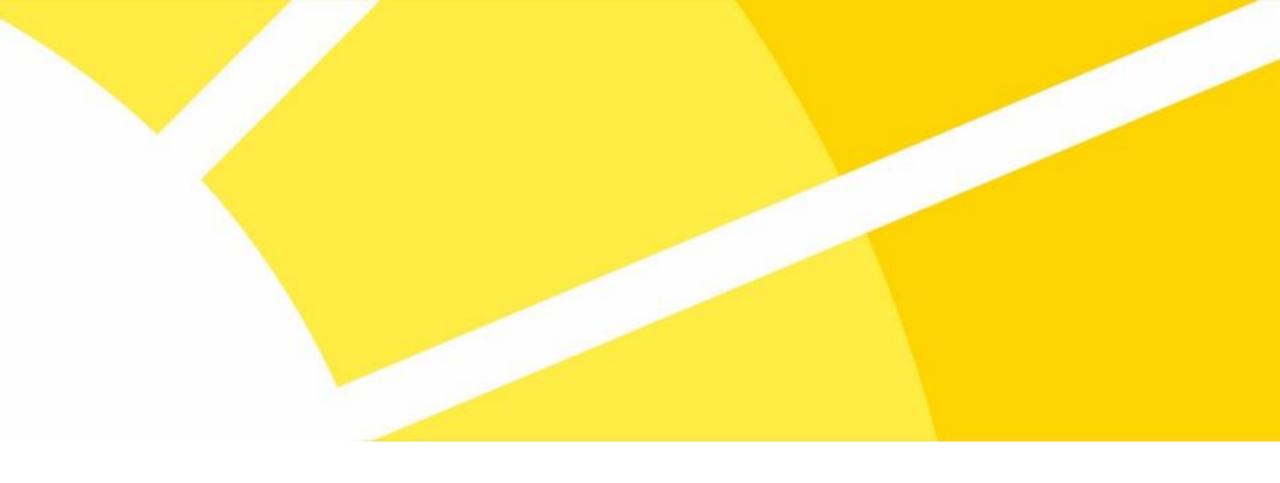




# **GENERATIONAL OPPORTUNITY**

- •The Infrastructure Investment & Jobs Act (IIJA) & Inflation Reduction Act (IRA) will provide almost \$1 Trillion over the decade
- •DEEP is applying for competitive grants and formula funding to:
  - Increase energy affordability and equity
  - Reduce emissions, improve air quality, and help communities decarbonize
  - Enhance our energy and environmental resilience
  - Expand access to broadband
  - Address chronic flooding and water quality challenges
  - Grow our urban forests
  - Improve coastal habitats for fish, wildlife, and residents
  - Support good-paying clean energy/green jobs





# DEEP IIJA/BIL & IRA FUNDING BY BUREAU

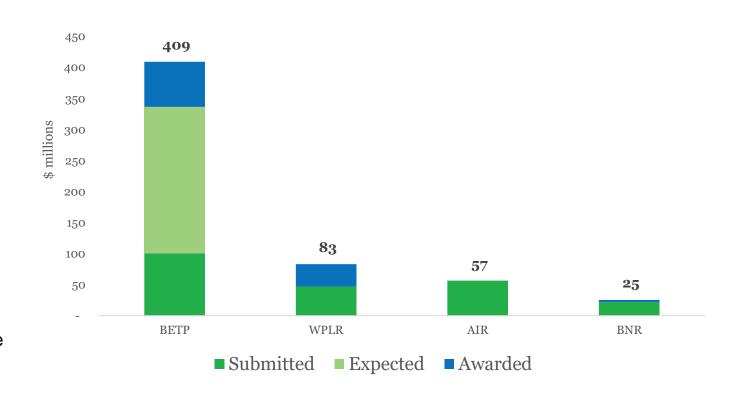
### DEEP FEDERAL FUNDING BY BUREAU

### TOTAL DEEP FEDERAL FUNDING

Source	Funding (\$)		%
BIL	\$	451,701,198	79%
IRA	\$	121,996,956	21%
TOTAL	\$	573,698,154	100%

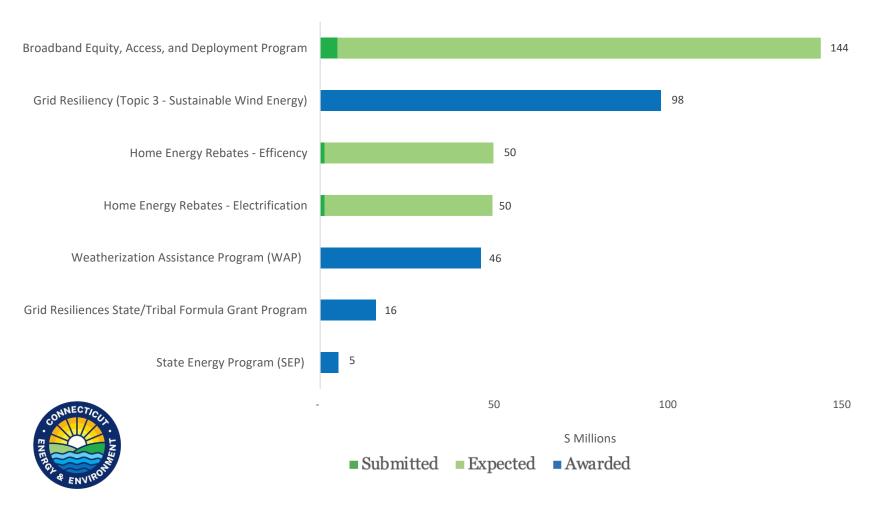
- **BETP**: Bureau of Energy & Technology Policy
- AIR: Bureau of Air Management
- WPLR: Bureau of Water Protection and Land Reuse
- BNR: Bureau of Natural Resources

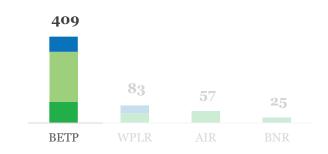
### TOTAL DEEP FEDERAL FUNDING TO DATE: \$ 574 million (BIL+IRA)



# BUREAU OF ENERGY & TECHNOLOGY POLICY - BETP ONGOING FEDERAL FUNDING 2022 – 2023

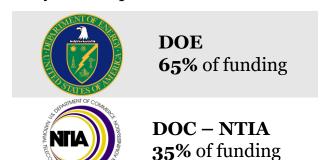
### BETP ongoing grants – \$ 409 million





Source	Funding (\$)		# Grants
BIL	\$	309,541,826	6
IRA	\$	99,371,956	4
TOTAL	\$	408,913,782	10

### Key federal partners



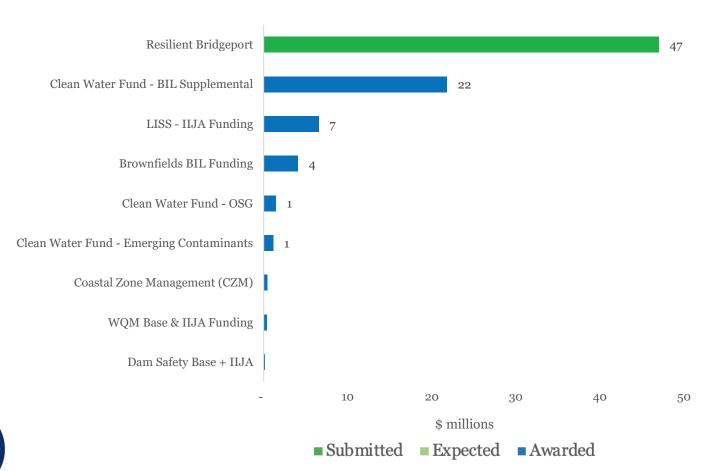
# BETP | UPCOMING FEDERAL FUNDING OPPORTUNITIES

#	Name of GRANT	Fed. Agency	Budget	Deadline
1	Additional Clean Hydrogen Programs (Demand-side Support)	DOE	\$ 1 billion (total available)	TBD (NOI released)
2	BIL WAP Enhancement & Innovation Grants	DOE	Up to \$2,000,000	8/31/23
3	Climate pollution reduction grant - implementation funding	EPA	Awards between \$2-\$500M	TBD (NOI released)
4	Energy Efficiency Conservation Block Grant (going to Waste team)	DOE	\$2,035,680	Pre-award info sheet due 7/31/23
5	Green and Resilient Retrofit Program (GRRP) - CHAFA & DOH working on this (DEEP providing support where we can)	HUD		
6	Heat Pump Defense Production Act Program (NYSERDA prime)	DOE		8/1/23
7	National clean investment fund (CTGB)	EPA		
8	Solar For ALL	EPA	(7 bn - TOTAL program)	LOI due 7/31/2023
9	State-Based Home Energy Efficiency Contractor Training Grants Program	DOE	\$1.9M ( 150M - TOTAL program)	Applications due September 30, 2023

Require some action by DEEP in the following 30 days

# BUREAU OF WATER PROTECTION AND LAND REUSE - WPLR ONGOING FEDERAL FUNDING 2022 – 2023

### WPLR ongoing grants - \$ 83 million





Source	Funding (\$)		# Grants
BIL	\$	83,004,582	9
Total	\$	83,004,582	9

### Key federal partners



DHS - FEMA57% of funding



**EPA 42%** of funding



DOC – NOAA 1% of funding

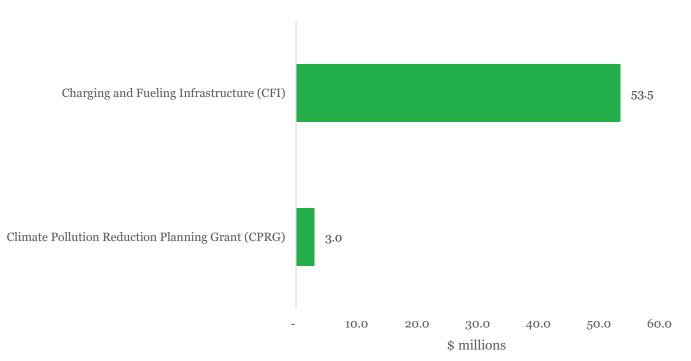


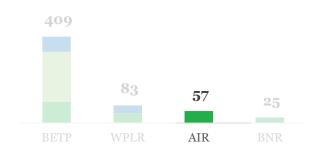
### WPLR | Upcoming federal funding opportunities

#	# Grant/program name	Federal Agency	Expected total Funding (\$)	Deadline to submit application
]	Environmental Justice Government to Government Program	EPA	Up to 1,000,000	Submitted 4/14/2023; EPA reviewing application, decision ~fall, 2023
2	CZM Habitat Protection and Restoration	NOAA	Up to 3 projects of \$200k - \$6M ea.	LOIs due 8/14/23
(	Long Island Sound Study federal grant application	EPA	\$26M - 6.5M per year for 4 years	7/24

# BUREAU OF AIR MANAGEMENT - AIR ONGOING FEDERAL FUNDING 2022 – 2023

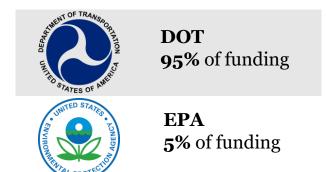
### AIR ongoing grants – \$ 57 million





Source	Funding (\$)	# Grants
BIL	\$ 56,516,610	2
Total	\$ 56,516,610	2

### Key federal partners





■ Submitted

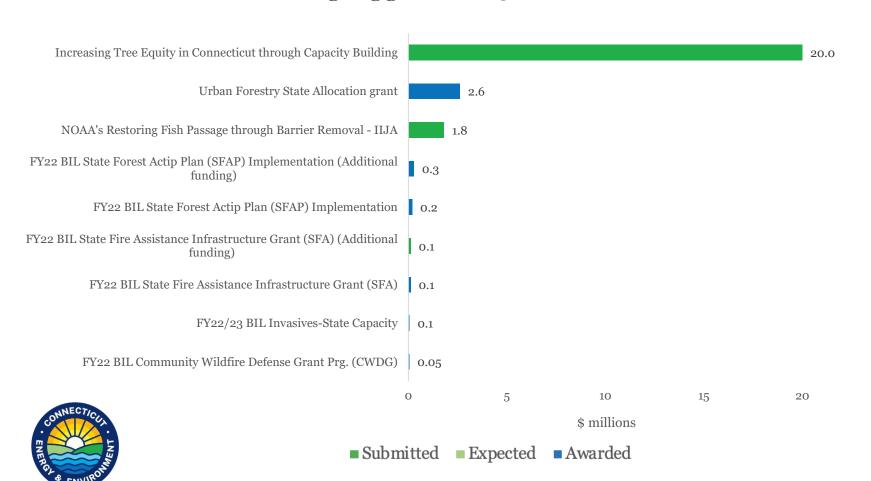
# AIR | UPCOMING FEDERAL FUNDING OPPORTUNITIES

#	Grant/program name	Federal Agency	Expected total Funding (\$)	Deadline to submit application
1	Climate Pollution Reduction Implementation	EPA	-	09/23



# BUREAU OF NATURAL RESOURCES - BNR ONGOING FEDERAL FUNDING 2022 – 2023

### BNR ongoing grants - \$ 25 million





Source	Funding (\$)	# Grants
BIL	2,638,179.60	7
IRA	22,625,000.00	2
Total	25,263,180	9

### Key federal partners





DOC – NOAA 7% of funding

### **BNR** | Upcoming federal funding opportunities

#	Grant/program name	Federal Agency	Expected total Funding (\$)	Deadline to submit application
1	National Fish Passage Program	USFWS	\$42,700,000	TBD (potentially 11/23)
2	Climate Resilience Challenge (IRA)	NOAA	TBD	LOI due 8/21/23 Application due 2/13/24
3	CZM Habitat Protection and Restoration (BIL)	NOAA	TBD	LOI due 8/14/23 Application due 1/10/24
4	Federal Highway Administration Wildlife Crossings Pilot Program	FHA	\$693,000	Application due 8/1/23
5	Skidder Bridge Program (BIL)- CT SWCD pending applicant	USDA Forest Service	TBD	TBD (potentially 09/23)





# **BUILDINGS**

### SNAPSHOT OF BUILDING-RELATED OPPORTUNITIES

Opportunity Name	Opportunity Type (Competitive or Formula)	Estimated Funding (\$)	Current Status
Energy Efficiency Revolving Loan Fund	Formula	\$1,200,000	Application Pending DOE Approval
Energy Efficiency and Conservation Block Grant (EECBG)	Formula	\$2,035,680	Application Extension Request Submitted 7/31/23 (if granted application due 9/30/23)
Home Efficiency Rebate Program	Formula	\$49,830,560	Guidance issued 7/27/23 Initial application due 8/16/24
Home Electrification Rebate Program	Formula	\$49,541,390	Guidance issued 7/27/23 Initial application due 8/16/24
Home Energy Efficiency Contractor Training Grants	Formula (additional funds may be available competitively later)	\$1,881,690	Application Due 9/30/23
State Energy Program (SEP) Annual & SEP BIL (IIJA)	Formula	\$770,000/ \$5,286,440	Applications Approved- Funds are Available
Weatherization Assistance Program (WAP) Annual & WAP BIL (IIJA)	Formula	\$3,700,000/\$46,215,781	Applications submitted and approved; service provider selection on-going
Resilient and Efficient Codes	Competitive	\$1,000,000	Awarded (Clean Energy Group is prime) – DOE negotiations underway



# RENEWABLE ENERGY & A GRID OF THE FUTURE

### SNAPSHOT OF DEEP'S CURRENT RENEWABLE & GRID PURSUITS

Opportunity/Initiative	Opportunity Type	Estimated Funding (\$)	<b>Current Status</b>
Greenhouse Gas Reduction Fund  – Solar for All	Competitive	TBD	NOI due 7/31/23; Application due 9/26/23
Hydrogen Hub	Competitive	Up to \$ 1.25 billion per Hub	Application submitted with other northeast states
Upcoming State Clean Energy Procurements	Tax Credits	E.g., the extended renewable energy PTC; Wind energy projects that satisfy the new wage and apprenticeship requirements will receive a credit of 2.6 cents per kWh	Request for Proposal (RFP) released
Grid Resilience State/Tribe Formula Grant Program	Formula	\$3.26 million per year for 5 years	Application for first 2 yrs approved by DOE on 7/11/23
Grid Resilience and Innovation Partnership (GRIP) - Grid Innovation Program (GIP)	Competitive	Up to \$250 million per project	Application was submitted, waiting for DOE decision

### RENEWABLE ENERGY TAX CREDITS

### Production Tax Credits (PTC)

- **New Clean Hydrogen PTC** creates new 10-year incentive for clean hydrogen production
- **New Advanced Manufacturing PTC** for the production of clean energy technology components that are produced in the US or by a US possession
- **Nuclear Power PTC** 1.5 cents multiplied by kWh of electricity produced minus 16% of facility's gross recipients in excess of 2.5 cents per kWh
- Extension of Renewable Electricity PTC extends the existing tax credit for applicable renewable energy sources to end of 2024
- New Clean Electricity PTC tech-neutral PTC replaces above tax credit once it phases out at end of 2024

### **Investment Tax Credits (ITC)**

- Extension of Energy ITC— extends the existing tax credit for applicable energy projects until 2024
- **New Clean Electricity ITC** tech-neutral ITC replaces above ITC once it phases out at end of 2024
- Advanced Energy Project Credit extends 30% ITC to clean energy projects
- How DEEP is Taking Advantage
  - Upcoming renewable energy procurements by DEEP will benefit from extended and/or new tax credits that will reduce bid prices and ultimately increase the benefits from any selected project.



# TRANSPORTATION & CLEAN AIR

### SNAPSHOT OF THE TRANSPORTATION OPPORTUNITIES

Opportunity Name	Opportunity Type/Agency	Estimated National Funding (\$)	<b>Current Status</b>
<ul> <li>Grants to reduce air pollution at ports-</li> <li>Rebates and grants for ports to purchase zero emissions tech and develop climate action plans.</li> <li>Carve outs for nonattainment areas</li> <li>Ports Initiative   US EPA</li> </ul>	Competitive & Formula  DEEP and DOT	\$3B	Under development
Clean Heavy-Duty Vehicles – grants to replace HDDEs with ZEVs See: <u>Clean Heavy-Duty Vehicle Program   US EPA</u>	Could supplement DEEP's program on MHD vehicle voucher/rebate	\$1B/\$400M for nonattainment areas	Under development
DERA See: National Grants: Diesel Emissions Reduction Act (DERA)   US EPA	Formula funding administered by DEEP	\$60M	EPA awarded ~\$640K for 2023-24; Announcement under development
Grants to Sec. 177 States (incl CT) to adopt and implement CA Air Resources Board's (CARB's) Zero-Emission Vehicle (ZEV) program	TBD	\$5M	Under development

# TRANSPORTATION TAX CREDITS

### **Clean Vehicle Tax Credit**

Up to \$7,500 new (Previously Owned Clean Vehicle Tax Credit - up to \$4,000)

### **New Commercial Clean Vehicle Tax Credit**

Businesses and tax-exempt organizations qualify for:

- Up to \$7,500 for vehicles under 14,000 lbs GVWR
- Up to \$40,00 for vehicles over 14,000 lbs GVWR

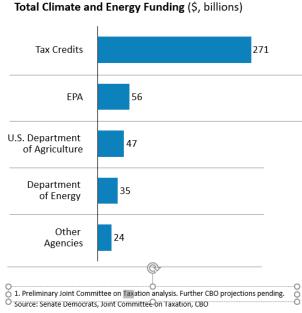
### **Extension of Alternative Fuel Refueling Property Credit**

Fueling equipment for natural gas, propane, hydrogen, electricity, E85, or diesel fuel blends containing a minimum of 20% biodiesel, is eligible for a tax credit of 30% of the cost or 6% in the case of property subject to depreciation, not to exceed \$100,000.

### **How DEEP is Taking Advantage**

 Leveraging vehicle credit program information with CHEAPR upon issuance of IRS guidance

### BREAKDOWN OF CLIMATE & ENERGY FUNDING



Significant support for the electricity sector (e.g., Production & Investment Tax Credits), manufacturing, energy efficiency, electric vehicles, low carbon fuels.<sup>1</sup>

Includes \$41.5 billion in appropriated spending and \$11.7 billion in new Superfund tax revenue.

At least 15 other agencies received appropriated funding in the legislation. USDA and DOE were the other two major recipients.

Other agencies that received over \$1B in appropriations include:

- Department of the Interior (\$6.7B)
- Department of Transportation (\$5.4B)
- General Services Administrator (\$3.4B)
- Department of Commerce (\$3.3B)
- U.S. Postal Service (\$3B) ← Electric postal trucks!
  - Housing and Urban Development Agency (\$1B)

4

### SNAPSHOT OF THE CLEAN AIR OPPORTUNITIES

Opportunity Name	Opportunity Type (Competitive or Formula)	Estimated Funding (\$)	Current Status
Air Monitoring and Screening* (fence line monitoring, regulatory monitors, state grants, methane monitoring, wood heaters) See: ARP Enhanced Air Quality Monitoring for Communities - Competitive Grant   US EPA	Both	~\$200M	Nov 2022, Stamford awarded \$68K; DPH awarded \$500K for community air monitoring
Clean Air Act Grants see: Delivering Cleaner Air   US EPA	Formula	\$25M	Single ~\$500K supplement to STAG Appropriation to support air monitoring equipment purchases.
Climate Pollution Reduction Grants – Planning see: Climate Pollution Reduction Grants   US EPA	Formula/supports DOT's Carbon Reduction Strategy	\$25M	\$3M CPRG planning grant to DEEP awarded July 2023
Climate Pollution Reduction Grants – Implementation see: <u>Climate Pollution</u> Reduction Grants   <u>US EPA</u>	Competitive/support s DOT's Carbon Reduction Strategy	\$4.75B	Expect EPA NOFOs September 2023

# WHERE TO FOLLOW OUR PROGRESS + FIND NEW OPPORTUNITIES FOR MUNICIPALITIES, TRIBES, AND OTHER PARTNERS

Opportunities from the Federal Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA)

### Federal Funding and Comment Opportunities -Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA)

The table below includes both federal funding and comment opportunities.

Funding: opportunity to submit applications for loan or grant funding.

Comment: opportunity to submit opinions on federal programs or initiatives.

Opportunity Title	IIJA or IRA	Status	Eligible Entities	DEEP Submissions
Grid Resilience State/Tribal Formula Grant Program - Funding	IIJA	Open	States, territories, tribes	DEEP RFI 🖫
Industrial Demonstration Program - Funding	IIJA and IRA	Pending	Technology Developers, Industry, Manufacturers, Universities, National Laboratories, Engineering and Construction firms, State and Local Governments, Environmental Groups, and Community Based Organizations	



## Climate and Resilience Formula Programs



### National Electric Vehicle Infrastructure Program (NEVI)

Allows the state to build out Connecticut's publicly accessible fast charging stations for the national EV charging network on highway corridors and in communities

**NEVI Phase 1** - build DCFCs (Direct-Current Fast Charger) at 10 locations along identified Alternative Fuel Corridors (AFC).

### **UPDATE**

- Updated Federal Guidance was issued in June 2023
- ConnDOT onboarded consultant team to assist with the roll-out of the NEVI Phase 1 grant program
- ConnDOT requested a 15-day extension to the August 1, 2023 deadline to submit CT's NEVI Plan
  - One new location (Meriden) has been identified and will be added to the plan to fill a network gap
- The grant solicitation will be announced in Fall 2023



# Climate and Resilience Formula Programs



### **Carbon Reduction Program**

 ConnDOT currently scoping required <u>Carbon Reduction Strategy</u> to be developed in consultation with COGs to identify projects and strategies tailored to reduce carbon dioxide emissions from on-road sources. To be submitted to FHWA by November 2023.

### **UPDATE**

- Implemented Funding for State Projects
  - District 2 Illumination project to replace existing HPS (High Pressure Sodium) with LED (Light Emitting Diode)
  - Berlin Turnpike Phase 2 CTSS (Computerized Traffic Signal Systems) projects with technology to improve traffic operations
- Kicked off Carbon Reduction Strategy Project
  - To meet requirements of EO 21-3, included an assessment of locating solar power in the ROW
  - Have begun meetings with COGs (Councils of Government)
- Coordinating with the COGs to prioritize projects (for sub-allocated funding)



# ConnDOT Expanded Solar Program

### **UPDATE**

### **Solar Evaluation of ROW Properties**

Kicked off project on June 7, 2023

### **Solar Evaluation of ConnDOT Facilities**

- Completed April 2023
- Results shared with DEEP and CT Greenbank
- Identifying properties for official submittal to CT Greenbank programs

Continue to coordinate with CT Greenbank to execute multiple power purchase agreements.





# Competitive Discretionary Grant Programs

### **ConnDOT Discretionary Grants Awards:**

### FY2022 Bus and Bus Facilities Grant Program - \$20.4 Million

Bus Facility Modernization and Deployment of Battery Electric Buses for Connecticut Southeast Area Transit District (SEAT Garage in Norwich)

Modernization of the Connecticut Southeast Area Transit District (SEAT) including retrofit and expansion of its Preston transit facility; infrastructure improvements; purchase and deployment of two zero-emission 40-foot New Flyer Xcelsior Charge NG™ battery-electric buses (BEB); and workforce training. This project is the first step toward 100% zero-emission transit bus services in the SEAT district that will reduce carbon emissions and provide energy cost savings for communities.

### FY 2023 Buses and Bus Facilities / Low or No Emission (Low-No) Grant Program - \$26.4 Million

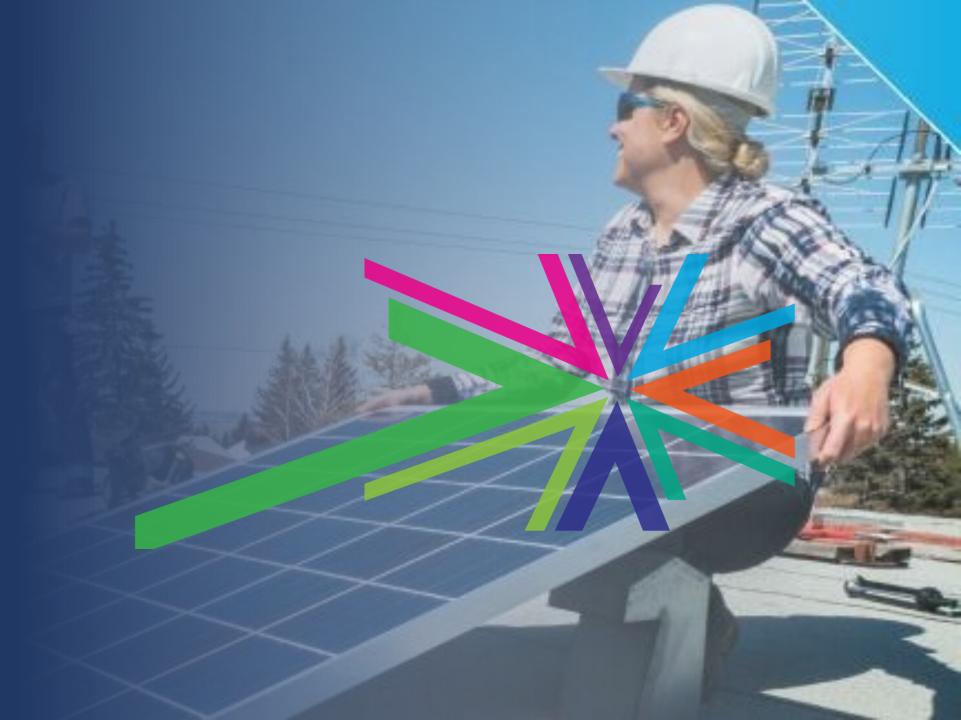
Battery Electric Bus (BEB) Deployment at CTtransit Stamford Division

The project will purchase and deploy twenty (20) 40' battery electric buses (BEB) for service on local routes within the CTtransit Stamford Division and the construction of supporting BEB facility infrastructure improvements to the existing CTtransit Stamford Division bus depot including BEB chargers, power upgrades, building retrofits, fireproofing, etc.



GR E

B





Our mission is to confront climate change by increasing and accelerating investment into Connecticut's green economy to create more resilient, healthier, and equitable communities

Guiding this mission is our vision for "...a planet protected by the love of humanity."

## **Overview**



- Connecticut Green Bank introduction to the organization, guiding public policy principles, and federal engagement
- Update on Infrastructure Investment and Jobs Act
- Update on Inflation Reduction Act Participation:
  - Greenhouse Gas Reduction Fund competing for funding through the GGRF \$7 Billion Zero Emission Technologies and \$20 Billion National Climate Bank modeled after the Connecticut Green Bank
  - <u>Tax Credits</u> supporting the development of federal clean energy and energy efficiency tax credits and reviewing how this impacts financing (e.g., requirements for prevailing wages and apprenticeships, adders for energy communities, low income, and domestic content)

## Federal Engagement IIJA and IRA Public Comment Filings



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## Engagement on Infrastructure Investment and Jobs Act and Inflation Reduction Act – Public Comments and More

Since the Fall of 2021, the Green Bank has provided public comments to various initiatives resulting from the Infrastructure Investment and Jobs Act ("IIJA") (a.k.a., Bipartisan Infrastructure Law), Inflation Reduction Act ("IRA"), and more, through agencies of the U.S. Government. The following is a breakdown of Green Bank engagement.

#### **US Environmental Protection Agency**

- Greenhouse Gas Reduction Fund ("GHGRF") a new initiative administered by the EPA to provide \$27 billion in funding in support (1) zero emission technologies (e.g., residential rooftop solar PV) for low-income and disadvantaged communities, and (2) national climate bank modelled after the Connecticut Green Bank, including:
  - Press Release August 16, 2022 applauding Congress and President Biden for the signing of the IRA, including the GHGRF modelled after Connecticut
     Green Bank (https://www.ctgreenbank.com/applauds-signage-of-inflation-reduction-act/)
  - Listening Session November 9, 2022 (https://www.youtube.com/watch?v=ppwMggfbXZg&t=750s)

### **Green Bank Federal Engagement Website**

https://www.ctgreenbank.com/engagement-on-iija-ira/



# Infrastructure Investment and Jobs Act (IIJA)

### **Green Bank Priorities within IIJA**

## GREEN B

## Progress to Date and Upcoming Opportunities

### Participation in Programs Aligned to Current Activities:

- Battery Storage: Green and Resilient Retrofit Program, Grid Innovation Program,
   Battery Recycling
- Supporting Underserved Communities: Communities LEAP

### Upcoming Opportunities:

- Submitting full proposals where concept papers were approved
- Continue to identify funding opportunities consistent with Green Bank Review
- Continue to collaborate as part of application teams for mission-aligned funding opportunities

## Leading and Following on IIJA

## **Examples of Competitive Funding Engagement**



#### **Climate Resilient Energy Code - APPROVED**

**Led by Clean Energy Group** 

<u>Team</u>: CT Green Bank, CT DEEP, CT Department of Insurance, New Buildings Institute, Operation Fuel, Yale Center on Climate Change and Health, American Microgrid Solutions

<u>Concept</u>: How can building codes ensure that multifamily affordable housing residents have access to a reliable source of electricity during grid outages.

#### **REINFORCE - APPROVED**

Led by UConn

<u>Team</u>: Research Universities across Northeast + Puerto Rico. Supported by Utilities, Technology Vendors, Regulators, and Finance/Venture Providers

<u>Concept</u>: How can we better anticipate power outages and have real-time visibility into the grid during outages? How can systems be restored more efficiently and faster following an outage? How should these inform long-term system planning?



## Inflation Reduction Act (IRA)

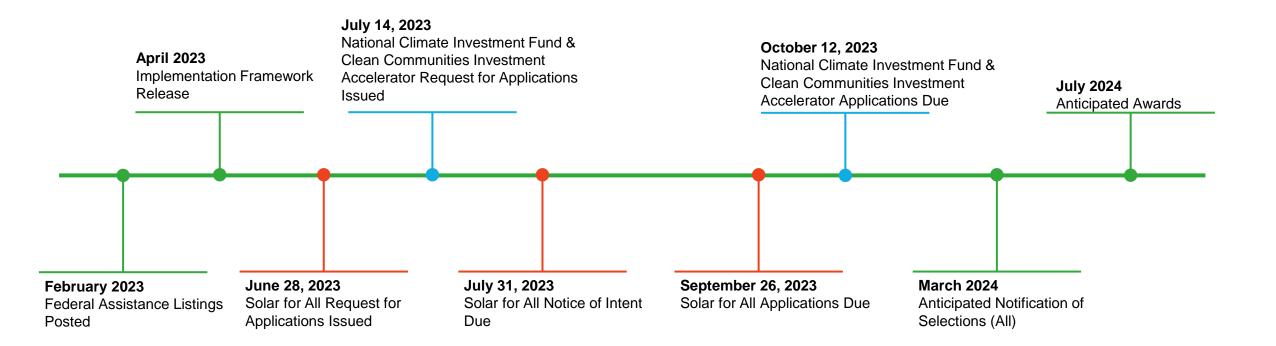




	National Clean Investment Fund	Clean Communities Investment Accelerator	Solar for All
<b>Total Allocation</b>	\$14B	\$6B	\$7B
Awardees	2-3 national nonprofits	2-7 hub nonprofits Hubs will provide up to \$10M per 'community lender'	Up to 60 states, tribal governments, municipalities, and nonprofits
Activities	Cost-saving and pollution reducing clean technology projects <i>Priority:</i> distributed power generation and storage; decarbonization retrofits of existing buildings; and transportation pollution reduction		Residential and community solar, storage, enabling upgrades
Customers	All (Justice 40)	100% to low-income and disadvantaged communities	

## **GGRF Timeline**



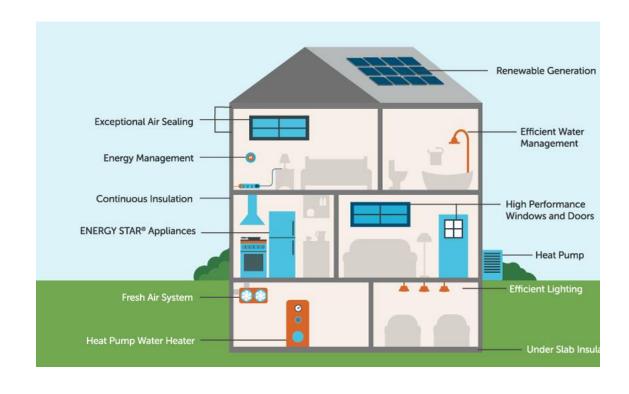


## Energy Efficient Home Improvement Credit 25C



**Annual Credit Limits for Building Envelope Components and Qualified Energy Property:** 25C(b)

\$1,200	for the maximum credit of all types of property; 25C(b)(1)	
\$600	for any item of qualified energy property 25C(b)(2)	
\$600	for all exterior windows and skylights; and 25C(b)(3)	
\$250	for any single exterior door with an annual aggregate limit of \$500 for all exterior doors 25C(b)(4)	
\$2,000	for electric or natural gas heat pump, electric or natural gas heat pump water heaters, biomass stoves, or biomass boilers. 25C(b)(5)	



Reference: **IRS FAQs** 

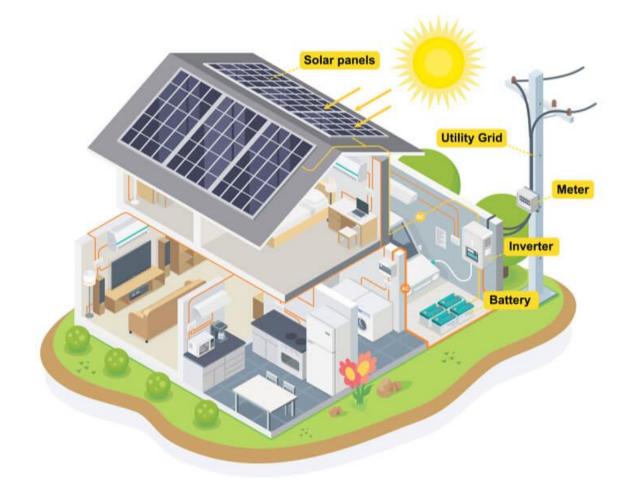
## Residential Clean Energy Credit

CONNECTICUT GREEN BANK.

25D

#### The residential clean energy credit amount is equal to:

30%	Of the cost of property placed in service in 2017, 2018, and 2019;
26%	Of the cost of property placed in service in 2020 and 2021 25D(g)
30%	Of the cost of property placed in service in 2022 through 2032 25D(g)
26%	Of the cost of property placed in service in 2033; and 25D(g)
22%	Of the cost of property placed in service in 2034 25D(g)



Reference: <u>IRS FAQs</u>

## Section 48/48E Investment Tax Credit ("ITC")



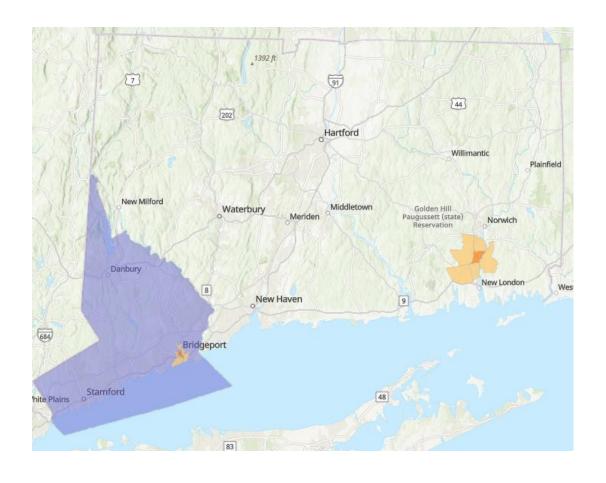
- 30% credit for federal corporate income taxes for projects placed in service or begin construction in 2023 through 2034
- Interconnection costs qualify
- Standalone storage qualifies
- Projects above 1MW must meet labor requirements
- Transferability
- Elective Payment (Direct Pay) Tax-exempt organizations, state and local governments (i.e.,
  CGB, state, municipality, school district, or nonprofit) can elect to have the value of the applicable
  tax credit paid to them directly by the IRS, even if the taxpayer electing direct pay lacks federal tax
  liability.
- Bonus Adders may be combined:
  - Energy Communities (10%)
  - Domestic Content (10%)
  - Low-income communities (10% or 20% limited capacity and must be awarded)

## Bonus Adders – Energy Communities (10%)



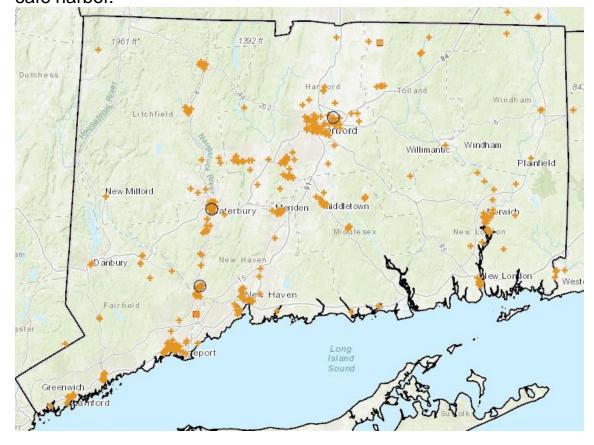
### Certain Statistical Areas and Coal-Fired Unit Retirements (<u>DOE Energy Community Tax Credit</u> <u>Bonus Map</u>)

**Note**: Statistical Areas subject to update each May.



## EPA/CERCLA Brownfields (EPA Clean Up My Community Map)

**Note**: There is no comprehensive map of brownfields for this purpose. Other brownfields (such as those on larger DEEP/DECD brownfield list) may qualify as well as those that utilize the Phase I or Phase II safe harbor.



## Bonus Adders – Low-income Communities (10% or 20%)



 Only applies to solar & wind projects <5 MW of capacity. Must apply and we awarded an allocation by IRS, from a 1.8GW annual pool:

Category 1: Located in a Low-Income Community	700 megawatts
Category 2: Located on Indian Land	200 megawatts
Category 3: Qualified Low-Income Residential Building Project	200 megawatts
Category 4: Qualified Low-Income Economic Benefit Project	700 megawatts

• IRS will start accepting applications in 3Q 2023. Project can't be in service before allocation granted and must

be placed in service 4 years after award.

There are certain bid preferences

 Adder amount Category 1 and 2 get 10% and categories 3 and 4 get 20%

Category 1 and 2 Map:





## **State Agency Coordination**

## **Navigate the Incentive Maze**



Realize the Opportunity for Connecticut





## **OPM: Providing Policy Coordination & Funding Support**

### Legislative Coordination

- Support for agency funding needs through Governor's proposed biennial budget and during budget negotiations
- Develop/support agency legislative proposals related to policy objectives and, where needed, to clear the way for IIJA & IRA programs

### Policy & Capacity Expansion

- Advance the Governor's policies related to climate change mitigation & adaptation, energy efficiency, workforce development, and a more affordable Connecticut
- OPM's Climate & Infrastructure Coordinator (new role at OPM since 9/9/22) is supporting agencies and the CT BILT team in grant applications and policy coordination, as requested/needed
- OPM broadband mapping coordination with DEEP, DAS, CEN

#### Resources

- Budget supports needed staffing
- Bond funding authorized for state match for federal grants where needed



