



Federal Opportunities through IIJA and IRA

Competing for Resources to Support Connecticut and
Enabling Families and Businesses Access to Tax Credits

House Select Committee on Sustainable and Renewable Energy

Overview



- **Connecticut Green Bank** – introduction to the organization, guiding public policy principles, and federal engagement
- **Infrastructure Investment and Jobs Act (IIJA)** – process for identifying and competing for resources for Connecticut
- **Inflation Reduction Act (IRA)** – supporting families and businesses “Navigate the Incentive Maze” while competing for resources for Connecticut



Connecticut Green Bank is the nation's first green bank. Established in 2011 as a quasi-public agency, the Green Bank uses limited public dollars to attract private capital investment and offers green solutions that help people, businesses and all of Connecticut thrive.

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.”**

Guiding Policy Principles

Connecticut by 2030



- **GHG Reduction Targets** – GHG emission reduction targets for 2010, 2020, 2030 (i.e., 45% reduction of 2001 levels), 2040 (i.e., zero carbon electricity), and 2050 (i.e., no less than 80% reduction of 2001 levels)
- **Weatherization** – Public Act 11-80 established 80% weatherization of residential units by 2030
- **Renewable Portfolio Standards** – 40% Class I by 2030
- **Battery Storage** – Public Act 21-53 established 1,000 MW target by 2030 (with 290 MW in residential sector and 40% Justice 40 goal)
- **Zero Emission School Buses** – Public Act 22-25 requires that 100% of school buses in environmental justice communities be zero emissions by 2030
- **Vulnerable Communities** – Public Act 20-05 established definition including populations (e.g., environmental justice communities, CRA eligible communities) that are disproportionately impacted by the effects of climate change. Comprehensive Plan includes 40% target by 2025 for such communities
- **Just Transition** – Public Act 21-43 established requirements for community benefit agreements for certain renewable energy projects (i.e., ≥ 2 MW Class I)

Federal Engagement

IIJA and IRA Public Comment Filings



The screenshot shows the Connecticut Green Bank website. At the top, there is a navigation bar with links for "About Us", "Strategy + Impact", and "Contact Us". Below this is the Connecticut Green Bank logo and the text "Solutions Customer Stories". A breadcrumb trail reads "Home / Engagement on Infrastructure Investment and Jobs Act and Inflation Reduction...". The main heading is "Engagement on Infrastructure Investment and Jobs Act and Inflation Reduction Act – Public Comments and More", accompanied by an illustration of a landscape with wind turbines and a sun. The text below explains that since the Fall of 2021, the Green Bank has provided public comments on various initiatives from the Infrastructure Investment and Jobs Act ("IIJA") and the Inflation Reduction Act ("IRA"). It then lists engagement activities with the US Environmental Protection Agency, including the Greenhouse Gas Reduction Fund ("GHGRF") and a listening session.

Home / Engagement on Infrastructure Investment and Jobs Act and Inflation Reduction...

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 (IIIRA)

Federal Opportunities

Infrastructure Investment and Jobs Act (IIJA)



===== PRESIDENT JOE BIDEN =====
**BUILDING A
BETTER AMERICA**
===== BUILD.GOV =====

**A GUIDEBOOK TO THE
BIPARTISAN INFRASTRUCTURE LAW
FOR STATE, LOCAL, TRIBAL, AND
TERRITORIAL GOVERNMENTS, AND
OTHER PARTNERS**



Funding Overview – four priority areas:

- Delivering clean power (\$21.3B)
- Clean energy demonstrations (\$21.5B)
- Energy efficiency and weatherization retrofits for homes, buildings, and communities (\$6.5B)
- Funding for clean energy manufacturing and workforce development (\$8.6B)

REFERENCES

<https://www.whitehouse.gov/build/>

IIJA Green Bank Review Process



1. Reviewed IIJA language and White House provided guidebook
2. Generated an analysis by sector of relevant programs, ultimately identifying 97 programs relevant to the Green Bank:
 - Infrastructure: Clean Energy and Environmental Infrastructure (i.e., Agriculture, Land Conservation, Parks & Recreation, Water, Waste & Recycling, Climate Adaptation and Resilience, and Environmental Markets)
 - Priorities: Climate Adaptation & Resilience, Underserved Communities, Hydrogen
 - Equitable Modern Grid Alignment: AMI, Storage, EVs, Innovation, NWAs, Grid Reliability & Resilience
3. For relevant programs, collated information on:
 - Administering agency
 - Funding amount
 - Funding mechanism (grants, incentives, competitive, formula, etc.)
 - Timeline of availability
 - Qualifying entities (government, municipalities, national labs, industry, higher education, etc.)
 - Whether program was newly established, or an existing program receiving additional funding
4. We sought to share this information with potentially interested parties if we identified programs relevant to them (PURA, DEEP, EDCs, UConn, etc.)

Green Bank Priorities within IIJA



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

Secretary Granholm

Justice 40 Initiative and Communities LEAP Pilot



“The President committed to making a historic investment in our clean energy future and environmental justice. With **today's Communities LEAP announcement**, we will use the power of the Federal government, DOE's National Labs and other experts to **help our communities develop clear, actionable plans to reimagine their energy future and protect the health and safety of all residents.**”

REFERENCES

<https://www.energy.gov/articles/doe-will-assist-24-communities-locally-tailored-pathways-clean-energy>

Communities LEAP

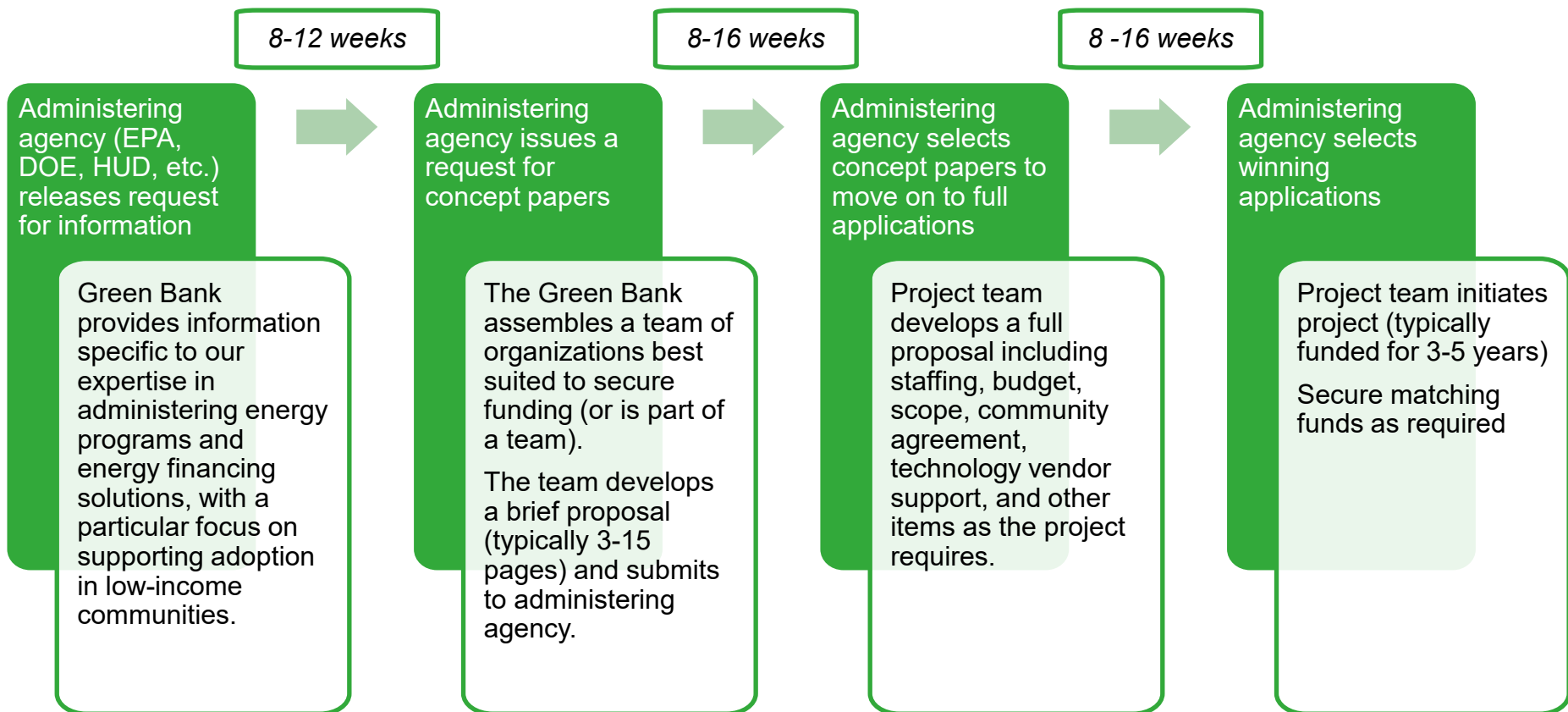


Foundation to a Winning Proposal – Little Liberia



IIJA Competitive Process

The majority of the funding the Green Bank hopes to secure is allocated through competitive applications. A successful process generally looks like (with approximate durations):



Leading and Following on IIJA

Examples of Competitive Funding Engagement



Localizing Innovative Equitable Modern Grids

Led by CT Green Bank

Team: CT Green Bank, Hawaii Green Infrastructure Authority, Puerto Rico Green Energy Trust. Supported by UConn, University of Hawaii, University of New York, Clean Energy States Alliance

Concept: How can an increased deployment of DERs deliver better outcomes for vulnerable communities? How can those improved outcomes be leveraged support low-cost financing to support adoption?

REINFORCE

Led by UConn

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

Concept: 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?

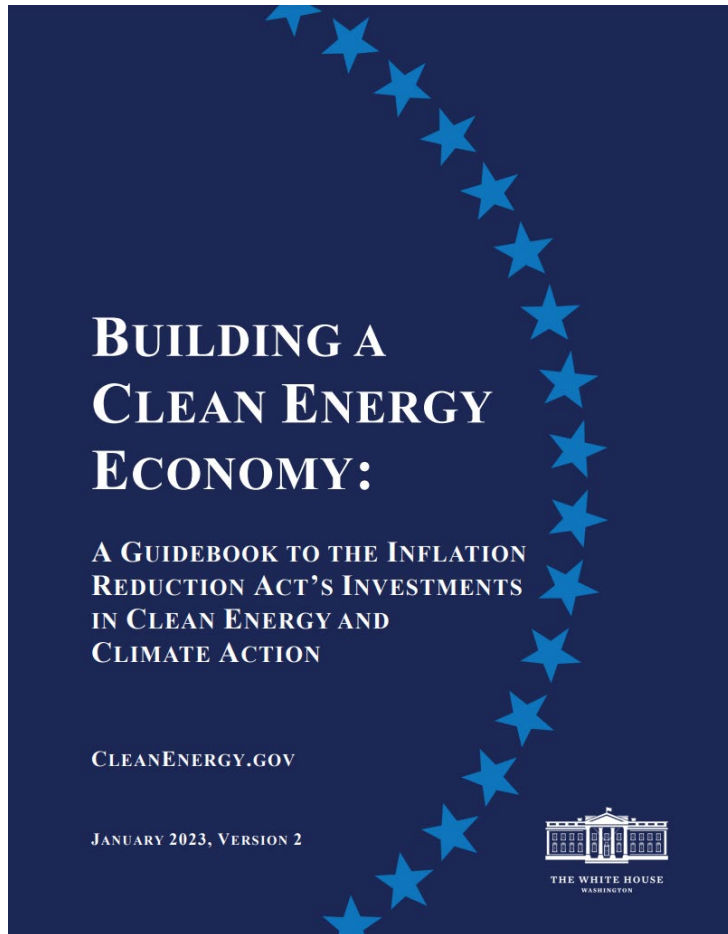
Inflation Reduction Act (IRA)

Inflation Reduction Act Opportunity

- Once in a lifetime opportunity to confront climate change (i.e., from ↓40% in GHGs from 2005 levels in 2030 in US to ↓45% in GHGs from 2001 levels in 2030 in CT)
- Consumer rebates and tax credits, along with the GHG Reduction Fund, present a unique opportunity for Connecticut to achieve ambitious policy objectives
- Unprecedented opportunity to ensure that vulnerable communities are benefitting from the investment in solutions to climate change from reducing energy burden to increasing wealth

Federal Opportunities

Inflation Reduction Act (IRA)



Our participation in IRA has focused in two areas:

- **Tax Credits and Financing** – 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)
- **Greenhouse Gas Reduction Fund** – competing for funding through the GHGRF – \$7 Billion Zero Emission Technologies and \$20 Billion National Climate Bank modelled after the Connecticut Green Bank

REFERENCES

<https://www.whitehouse.gov/wp-content/uploads/2022/12/Inflation-Reduction-Act-Guidebook.pdf>

Opportunities within IRA

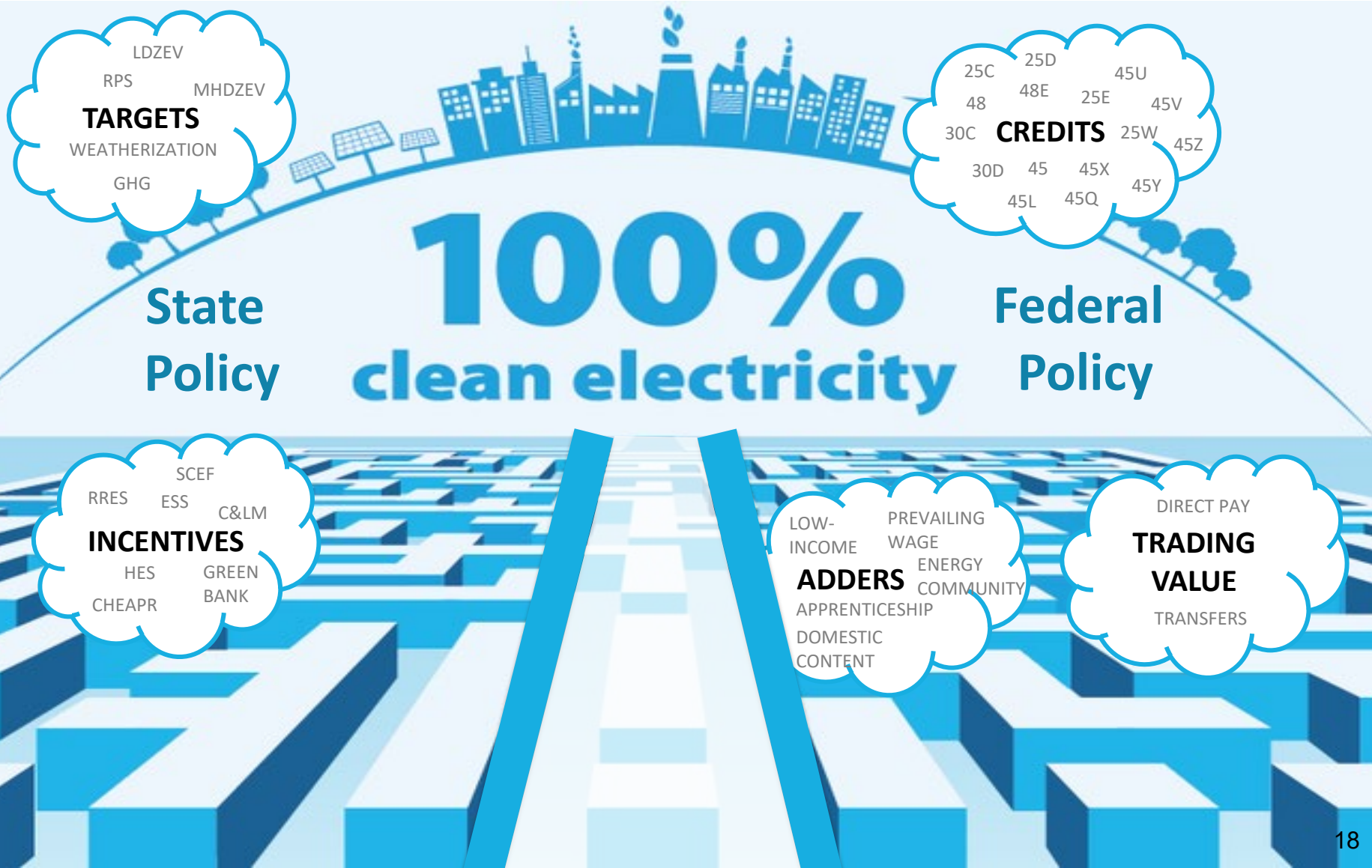
Tax Credits



- **Additional (Labor) Requirements** – For commercial projects, prevailing wage and apprenticeship requirements for construction, alteration, or repair work. In the context of renewable energy generation, these labor requirements are only applicable to projects above 1MWac. Some commercial energy efficiency credits must comply.
- **Adders – Energy Communities** – 10% - (i) a brownfield site; (ii) areas of certain percentage of fossil fuel related employment and higher than average unemployment, and (iii) areas where coal-fired electric generating unit was retired; **Domestic Content** – 10% - steel and components; **Low Income** – 10% or 20% (must be awarded for eligible projects below 5MW, subject to annual capacity caps)
- **Tax Credits** – Most credits are 30% of eligible improvements, subject to caps depending on the specific credits. There are credits for renewables, efficiency upgrades, and EVs and more.

Navigate the Incentive Maze

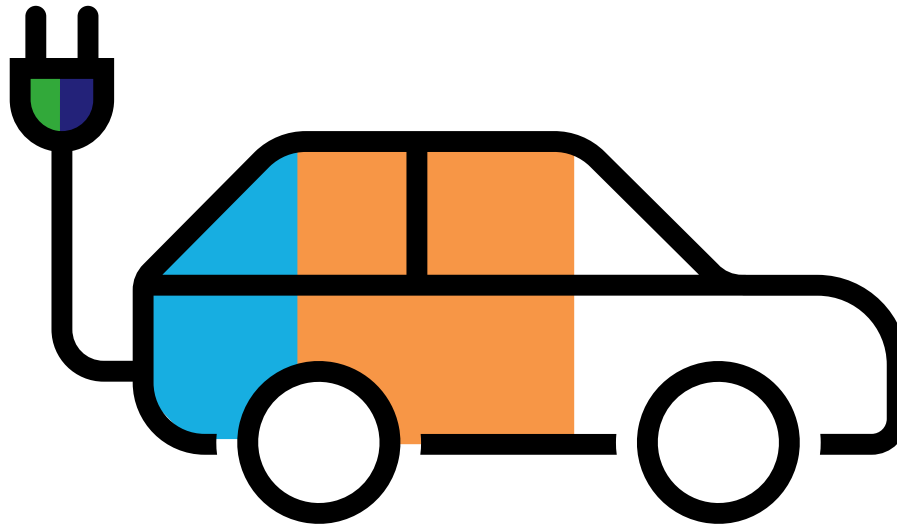
Realize the Opportunity for Connecticut



Incentive Maze Example



Average Customer Purchases New EV + Charger



Green Bank Smart-E:

Financing, 5 years at 4.49%

EDC EV Charging Program:

Rebate, \$500 for charger + \$500 for wiring upgrade

EDC EV Charging Program:

Performance Incentive

DEEP CHEAPR:

Rebate, \$2,250 up to MSRP cap of \$50,000

Federal Incentives:

Rebate, \$7,500 up to MSRP cap of \$50,000

The Green Bank is currently collaborating with other incentive and rebate administrators to identify ways to support customers through the incentive maze.

GHG Reduction Fund

Modelled after Connecticut Green Bank



Congresswoman Dingell
Clean Energy and
Sustainability
Accelerator (a.k.a. NCB)



**Senator Markey,
Senator Van Hollen,
and Senator Sanders**
NCB – \$20 B
ZET – LI/DACs – \$7 B



**President Biden,
Climate Advisor McCarthy,
and EPA Administrator Reagan**
GHG Reduction Fund

Sec. 134(a) Appropriations



Competing for Connecticut – GHG Reduction Fund

1. **Zero-Emission Technologies** Sec.134(a)(1) – \$7 billion to make grants on a competitive basis to States, municipalities, Tribal governments, and eligible recipients for the purposes of grants, loans, or other forms of financial assistance to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies
2. **General Assistance** Sec.134(a)(2) – ~\$12 billion to make grants on a competitive basis to eligible recipients for the purposes of providing financial assistance and technical assistance through direct or indirect investment in qualified projects
3. **Low-Income and Disadvantaged Communities** Sec.134(a)(3) – \$8 billion to make grants on a competitive basis to eligible recipients for the purposes of providing financial assistance and technical assistance in low-income and disadvantaged communities through direct or indirect investment in qualified projects



Thank You

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