



NYSERDA

Stakeholder Advisory Group Meeting

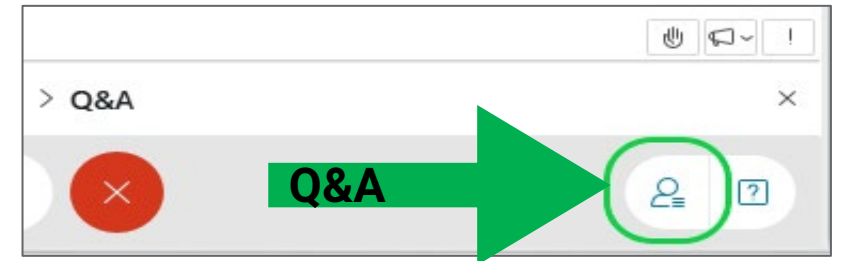
**DRAFT 2024 Regional Greenhouse Gas Initiative
Operating Plan Amendment**

December 8, 2023

Meeting Procedures

Before beginning, a few reminders:

- This meeting is being recorded
- For questions or comments, please use the Q&A function
- The presentation will be made available following the meeting
- If technical issues arise, please contact Tricia King Tricia.King@nyserda.ny.gov



Agenda

- Opening Remarks
- Funding Assumptions
- Proposed Programs
- Progress on Disadvantaged Communities Requirement
- Discussion
- Next Steps

Opening Remarks

Funding Assumptions

Funding Assumptions

- **FY25-FY27 Operating Plan assumes future auction allowance price of \$12.32**
 - Allowance price conservatively estimated going forward
 - Figure based on average price of past ten auctions (Auction 52 to Auction 61)
 - Start of window coincides with RGGI states release of Third Program Review preliminary timeline
- **FY24 Operating Plan revised budget assumes allowance price of \$12.81**
 - Average of actual prices for first two RGGI auctions conducted this fiscal year, and \$12.32/allowance estimate noted above for the second two auctions

Funding Assumptions

Estimates of proceeds for planning purposes

	FY 24	FY 25	FY 26	FY 27
Number of Allowances	20,043,750	19,163,256	19,440,617	22,033,683
Allowance Price	\$12.81	\$12.32	\$12.32	\$12.32
RGGI Auction Proceeds	\$256,766,981	\$236,091,314	\$239,508,395	\$271,454,971
Interest Earnings	\$11,344,000	\$19,542,000	\$17,555,000	\$15,918,000
Total Revenues	\$268,110,981	\$255,633,314	\$257,063,395	\$287,372,971

Fiscal years begin on April 1st and end on March 31st For example, FY 24 = April 1, 2023-March 31, 2024.

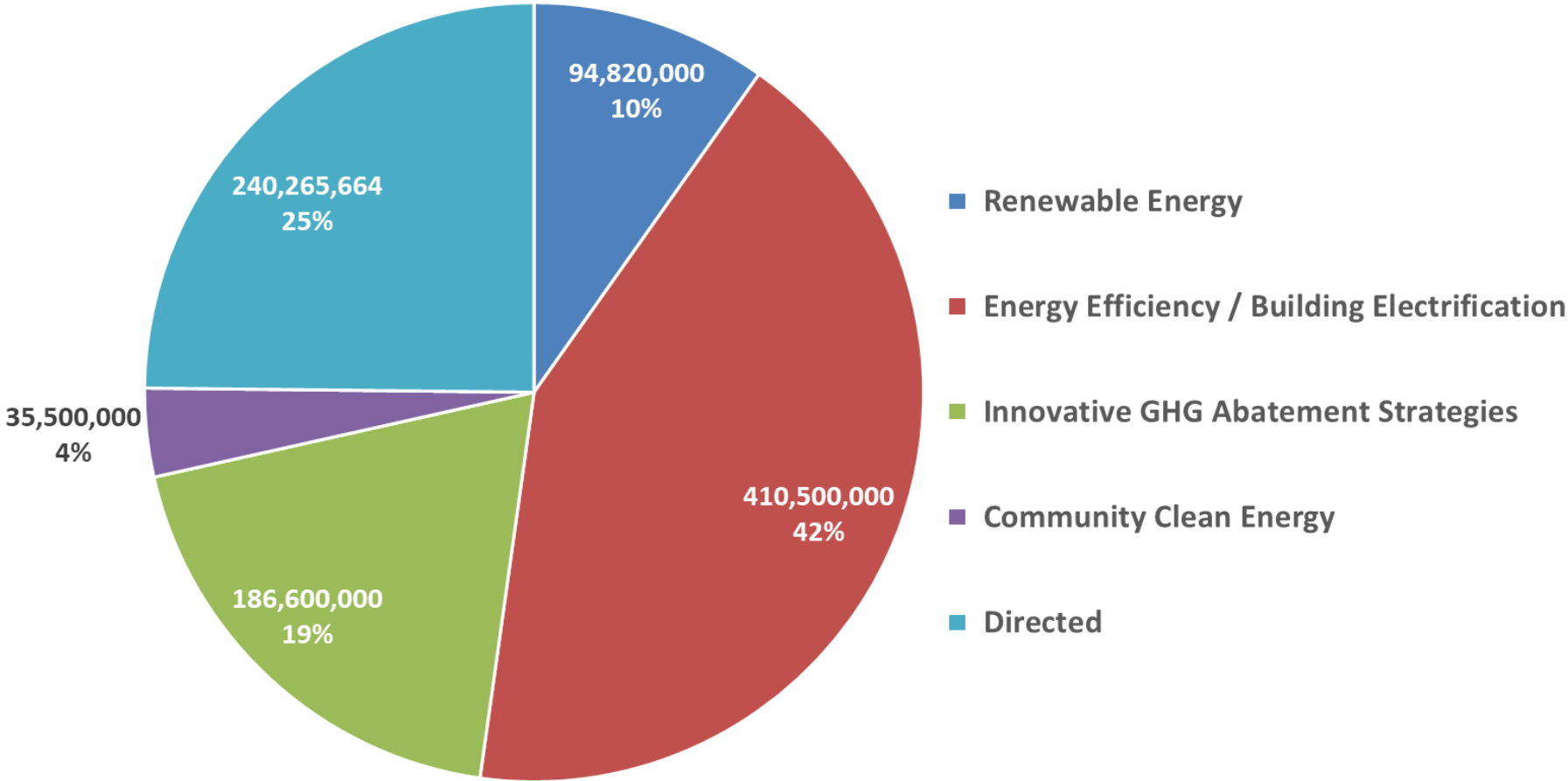
Overview of Proposed Programs

New York RGGI Investment Strategies

The RGGI portfolio is designed to achieve greenhouse gas emission reductions by:

- Deploying commercially available energy efficiency and renewable energy technologies
- Building the State's capacity for long-term carbon reduction
- Empowering New York communities to reduce carbon emissions and transition to cleaner energy
- Stimulating entrepreneurship and growth of clean energy and carbon abatement companies in New York
- Creating innovative financing to increase adoption of clean energy and carbon abatement in the State

Program Investments Totals for this Amendment



Renewable Energy

Renewable Energy: Program Investments

NY-Sun Statewide Customer Incentives

- Continuing incentives made available to non-Systems Benefit Charge (SBC) paying customers who are not eligible for Clean Energy Fund (CEF) funding
- Examples include:
 - New York City public schools, public housing and other buildings served by the New York Power Authority
 - Upstate customers served by municipal utilities

Renewable Energy: Program Investments

NY-Sun Long Island SEEF Incentives

- Previously known as NY-Sun Community Solar / K-Solar
- Provides certain Solar Energy Equity Framework (SEEF) incentives to Long Island Power Authority's (LIPA) non-SBC-paying customers who are not eligible for Clean Energy Fund (CEF) funding
- Benefits low-to-moderate income households, disadvantaged communities, and affordable housing

Renewable Energy: Program Investments

Agrivoltaics

- Advance the technological, economic, and agricultural viability of solar photovoltaic systems that are responsibly co-located within active farmland.
- Continue partnership and collaboration with New York State Dept. of Agriculture & Markets and higher education institutions, and New York State Agricultural-Technical Working Group (“A-TWG”) and stakeholders.

Energy Efficiency and Building Electrification



EE & BE: Program Investments

EmPower+

- Support low- and moderate-income residents statewide, including customers of municipal utilities and those using delivered fuels who do not pay Systems Benefit Charge, to access incentives through EmPower+
- Provides comprehensive energy efficiency services for income-qualified low- to moderate-income (LMI) residents in one-to-four family homes statewide

Disadvantaged Communities Schools and Affordable Housing

- Support high performance energy efficiency and electrification projects in schools located in disadvantaged communities as well as affordable housing
- Decarbonizing buildings through emphasis on advancing packaged heat pump systems to develop clean heat for all

EE & BE: Program Investments

Community Thermal Energy Networks

- Focus on district heat pump systems using a piped-network to share heating among buildings
- System installations on state and local government facilities, campuses and Affordable Housing Developments
- Allows for larger-scale distribution and accelerated deployment of heat pump systems

Building Retrofit and New Construction Challenges

- Support competitive challenges that demonstrate exemplary design and high performance for new construction and hard to decarbonize existing buildings
- Leverage design professionals and new technical solutions to create economically viable pathways for replicable approaches to removing emissions from commercial and industrial buildings

EE & BE: Program Investments

Climate Resiliency Implementation Planning

- Support research and analysis to perform climate change risk assessment for clean energy and electrification assets to ensure their durability over time. Begin developing a clear roadmap for integrating climate risks, per Executive Order 22.

EE & BE: Program Investments

LIPA Efficiency and Renewable Energy

- Continues planned annual funding to Long Island Power Authority (LIPA) for Energy Efficiency and Renewable Energy programs, as administered by PSEG-LI.
- The program builds on previous efforts and strengthens alignment with the Climate Act, including delivering benefits to Disadvantaged Communities.

Innovative GHG Abatement Strategies

Innovative GHG Abatement: Program Investments

Clean Energy Business Development

- Support supply chain analysis, supply chain forums, clean energy recruiting campaigns, planning assistance, and analytical work to expand New York State manufacturers and suppliers for products and solutions that reduce GHG

Natural Carbon Solutions

- Program will catalyze technology and business solutions and lay the foundation for an economically self-sustaining bioeconomy in New York State
- Supports disadvantaged rural communities, economic development, existing agriculture, and forestry industries, while increasing jobs and revenue

Innovative GHG Abatement: Program Investments

Scoping Plan Implementation Research

- Technical analysis to support more detailed research on realizing the recommendations included in the Climate Action Council's final Scoping Plan

Electric Vehicles/Charge NY

- Continue providing rebates for Plug-in Electric Vehicles (PEVs)
- Support installation of PEV charging infrastructure, focusing on workplaces, multi-family buildings, and targeted public locations supporting PEV use in disadvantaged communities
- Support the planning and demonstration of expanded electric mobility and transit options, with a focus on disadvantaged communities and underserved areas

Community Clean Energy

Community Clean Energy: Investments

Clean Energy Communities

- Continue to support communities on Long Island with technical assistance and grants to implement additional high impact actions in their communities.

Clean Energy Workforce Development

- Partnering with labor unions to expand training programs offered workers with fossil fuel jobs
- Develop training curriculum and equip training locations with technology to further enable the reskilling and upskilling of workers in fossil fuel sector
- Focused on priority populations and disadvantaged communities

Community Clean Energy: Investments

Clean Energy Hubs: Community and Stakeholder Engagement

- Build local capacity within disadvantaged communities and improve stakeholder engagement among residents and communities in New York City
- A network of Community Energy Hubs will provide outreach and education services to help low-income residents and small businesses make informed energy choices and access incentives and other resources to implement clean energy projects

Community Clean Energy: Investments

Climate Action Consumer Awareness & Education

- Raising awareness of fossil fuels and their harmful effects
- Extending awareness and education efforts to increase demand for and acceptance of efficient electrification efforts
- Communicating importance of air sealing and insulation to accelerate heat pump adoption

Directed

Directed: Investments

NYS Environmental Protection Fund (EPF)

- Support EPF programs that advance New York's leadership in reducing GHGs (Climate Smart Communities, Smart Growth, and GHG Management)

Electric Generation Facility Cessation Mitigation / Just Transition

- Support the economic transition of communities reliant on power plants

Green Jobs Green New York Additional Funding

- Provides New Yorkers access to energy assessments, installation services, low-interest financing, and pathways to training for various green-collar careers

Federal Program Match Opportunities

- Investments to be used for federal grant programs that require a funding match

Progress to Disadvantaged Communities Requirement

Disadvantaged Communities Approach

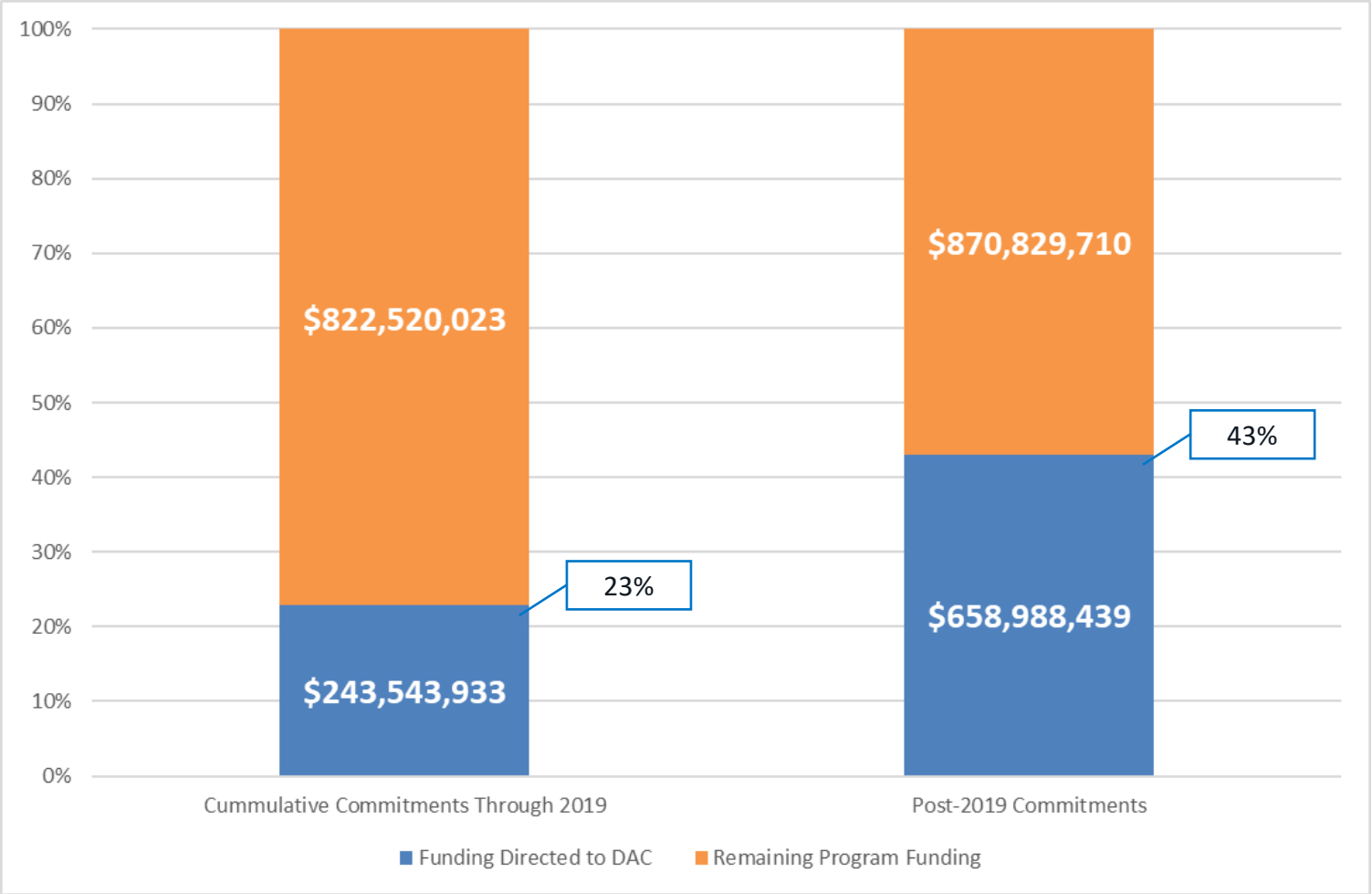
- The 2024 Operating Plan portfolio builds on the 2023 portfolio, maintaining focus on disadvantaged communities
- NYSERDA's CO₂ Allowance Auction Program supports the statewide goal of the Climate Leadership and Community Protection Act that disadvantaged communities receive no less than 35% of overall benefits of spending on clean energy and energy efficiency programs, with a goal of 40%
- NYSERDA estimates that 43% of post-2019 commitments are expected to provide benefits to Disadvantaged Communities, which is consistent with last year's portfolio

Disadvantaged Communities Definition

On March 27, 2023 the Climate Justice Working Group voted to approve and adopt the final [disadvantaged community criteria](#):

- Establishment of specific census tracts (geographic areas): each census tract is scored based on relative burden, risk, vulnerability, or sensitivity. Specifically, the percentile ranks of the indicators for each census tract are combined to produce a value that measures a census tract's relative level of "Environmental Burdens and Climate Change Risks," as well as "Population Characteristics and Health Vulnerabilities" relative to other tracts. Tracts with higher scores relative to (a) other tracts statewide; or (b) their region (New York City or Rest of State) were identified as DACs.
- Households with annual income at or below 60% of State Median Income or are otherwise categorically eligible for low-income programs (i.e. Home Energy Assistance Program), are included in the criteria. These households can be located anywhere in the State

Investments Benefiting Disadvantaged Communities-Estimated



Post-2019 Commitments Benefiting LMI/DAC

Program	Post-2019 Commitments	Estimated Investments Benefiting LMI/DAC	%
NY Sun NYPA Customer Incentives	\$74,113,954	\$25,939,884	35%
NY-Sun Long Island SEEF Incentives	\$11,250,728	\$9,000,582	80%
Community Thermal Energy Networks	\$21,700,000	\$8,680,000	40%
Agrivoltaics	\$27,000,000	\$4,050,000	15%
LIPA Efficiency and EE	\$145,000,000	\$50,750,000	35%
EmPower+	\$153,617,934	\$82,953,684	54%
Disadvantaged Communities Schools/Buildings	\$59,400,000	\$59,400,000	100%
Building Retrofit and New Construction Challenges	\$56,000,000	\$33,600,000	60%
Climate Resiliency Implementation Planning	\$20,000,000	\$8,000,000	40%
Support for 2 Million Homes Goal	\$25,000,000	\$4,500,000	40%
Innovative Finance & Risk Management	\$6,000,000	-	0%
Clean Heat Consortium	\$7,500,000	\$3,000,000	40%
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Post-2019 Commitments Benefiting LMI/DAC (cont.)

Program	Post-2019 Commitments	Estimated Investments Benefiting LMI/DAC	%
Electric Vehicle/Charge NY	\$240,111,601	\$60,027,900	25%
Clean Energy Business Development	\$5,400,000	\$2,700,000	50%
Natural Carbon Solutions	\$12,000,000	\$6,000,000	50%
Scoping Plan Implementation Research	\$20,000,000	\$8,000,000	40%
Clean Energy Communities	\$18,186,157	\$6,093,079	50%
Healthy New Home Design & Construction Challenge	\$13,050,000	\$4,567,500	35%
Clean Energy Workforce Development	\$84,000,000	\$38,640,000	46%
Clean Energy Hubs	\$28,700,000	\$26,700,000	100%
Climate Action Consumer Awareness & Education	\$21,500,000	\$10,750,000	50%
NYS Env. Protection Fund	\$35,000,000	\$12,250,000	35%
Elec. Gen. Facility Cessation Mitigation/Just Transition	\$44,000,000	\$44,000,000	100%
Green Jobs – Green NY – Additional Funding	\$145,238,094	\$50,833,333	35%
Federal Program Match Opportunities	\$130,664,544	\$52,265,818	40%
Estimated LMI/ Disadvantaged Community Benefit			43%

Discussion

Next Steps

DRAFT Operating Plan Amendment available from

<https://www.nyserda.ny.gov/About/Funding/Regional-Greenhouse-Gas-Initiative/Useful-Documents>

Submit written comments to rggiprograms@nyserda.ny.gov by close of business on **December 29, 2023**

The Operating Plan Amendment will be provided to NYSERDA's Board of Directors for consideration at its January 24, 2024 meeting

Appendix

Other DAC Resources

Final DAC criteria:

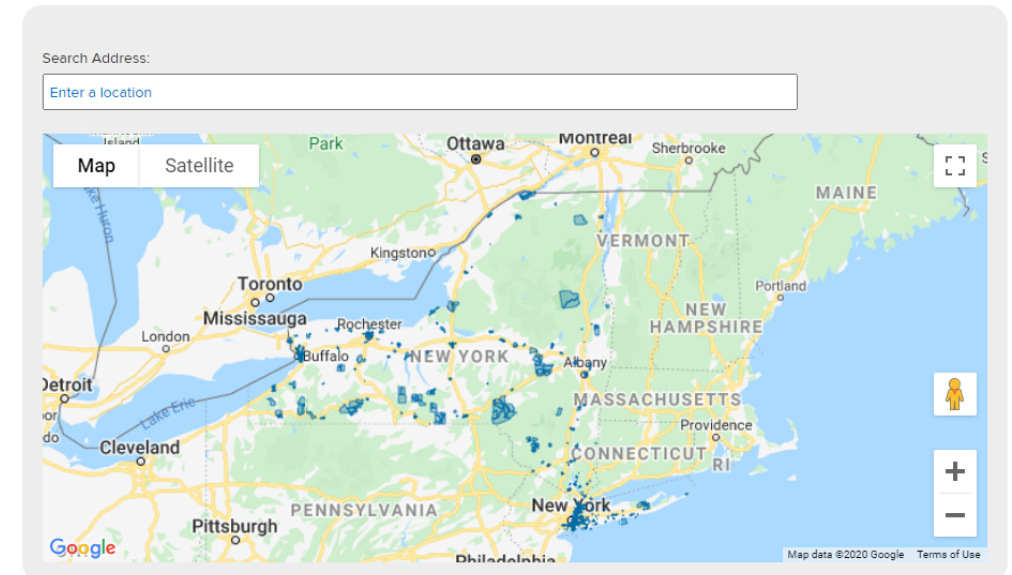
<https://climate.ny.gov/resources/disadvantaged-communities-criteria/>

Interactive map:

<https://www.nyserda.ny.gov/ny/Disadvantaged-Communities>

The Climate Leadership and Community Protection Act (CLCPA) requires state agencies, authorities, and entities to direct funding in a manner designed to achieve a goal for disadvantaged communities to receive forty percent of overall benefits of spending on clean energy and energy efficiency programs. The CLCPA directs the [CJWG](#) to establish criteria for defining disadvantaged communities, however until the criteria is established, New York State has identified interim criteria for disadvantaged communities, which includes communities:

- Located within census block groups that meet the HUD 50% AMI threshold* (see below), that are also located within the [DEC Potential Environmental Justice Areas](#); and
- Located within [New York State Opportunity Zones](#)



**HUD 50% Threshold: Top quartile of census block groups in New York, ranked by the percentage of LMI Households in each census block. LMI Households are defined as households with annual incomes at or below 50% of the Area Median Income of the County or Metro area where the Census Block Group resides.*