

Stakeholder Advisory Group Meeting

DRAFT 2023 Regional Greenhouse Gas Initiative
Operating Plan Amendment



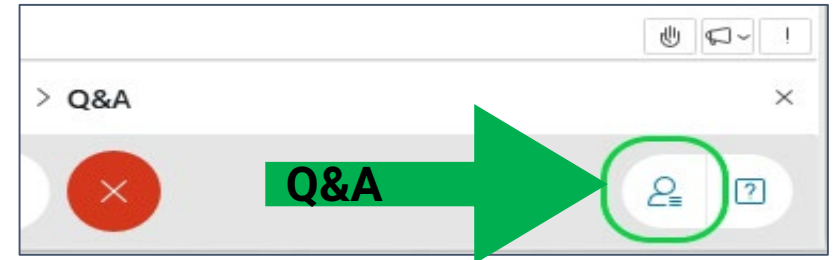
NYSERDA

December 12, 2022

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 Karen Fusco at Karen.Fusco@nyserda.ny.gov



Opening Remarks

Agenda

- > Funding Assumptions
- > Proposed Budgets
- > Proposed Programs
- > Progress on Disadvantaged Communities Goal
- > Discussion
- > Next Steps

Funding Assumptions

Funding Assumptions

- > The Operating Plan for FY 22-23 revised budget assumes an allowance price of \$12.78
 - This is an average of the results of the two RGGI auctions already conducted this fiscal year and the \$11.85 per allowance estimate as per below
- > The Operating Plan for FY 23-24 through FY 25-26 assumes future auction allowance prices of \$11.85
 - This allowance price figure is conservatively estimated going forward, based on a lookback average of the past six auctions

Funding Assumptions

Estimates of proceeds for FY 23-26 for planning purposes

	FY 22-23 Budget	FY 23-24 Budget	FY 24-25 Forecast	FY 25-26 Forecast
Number of Allowances	21,132,232	20,043,750	19,163,257	19,440,617
Allowance Price	\$12.78	\$11.85	\$11.85	\$11.85
RGGI Auction Proceeds	\$270,043,962	\$237,518,435	\$227,084,592	\$230,371,306
Interest Earnings	\$7,815,000	\$11,022,000	\$12,345,000	\$12,464,000
Total Revenues	\$277,858,962	\$248,540,435	\$239,429,592	\$242,835,306

Overview of Proposed Budgets

Financial Status of RGGI Program Budgets

- > Maintains multi-year operating plan approach
- > Continues commitments in line with projected future revenue each fiscal year end
- > Planned transfers to Clean Energy Fund are \$22 million annually through FY23-25 and \$19.8 million for FY25-26, thus fulfilling the total \$250 million commitment
- > Continues planned transfers of \$20 million annual to LIPA for Energy Efficiency and Renewable Energy programs, as administered by PSEG-LI
- > Additional \$16 million to GJGNY in FY25-26 for continued residential financing
- > Program investments closely coordinated to ensure RGGI proceeds are applied in a manner consistent with stakeholder interests and aligned to amplify and boost the impact of related efforts funded by other sources such as the Clean Energy Fund

Overview of Proposed Programs

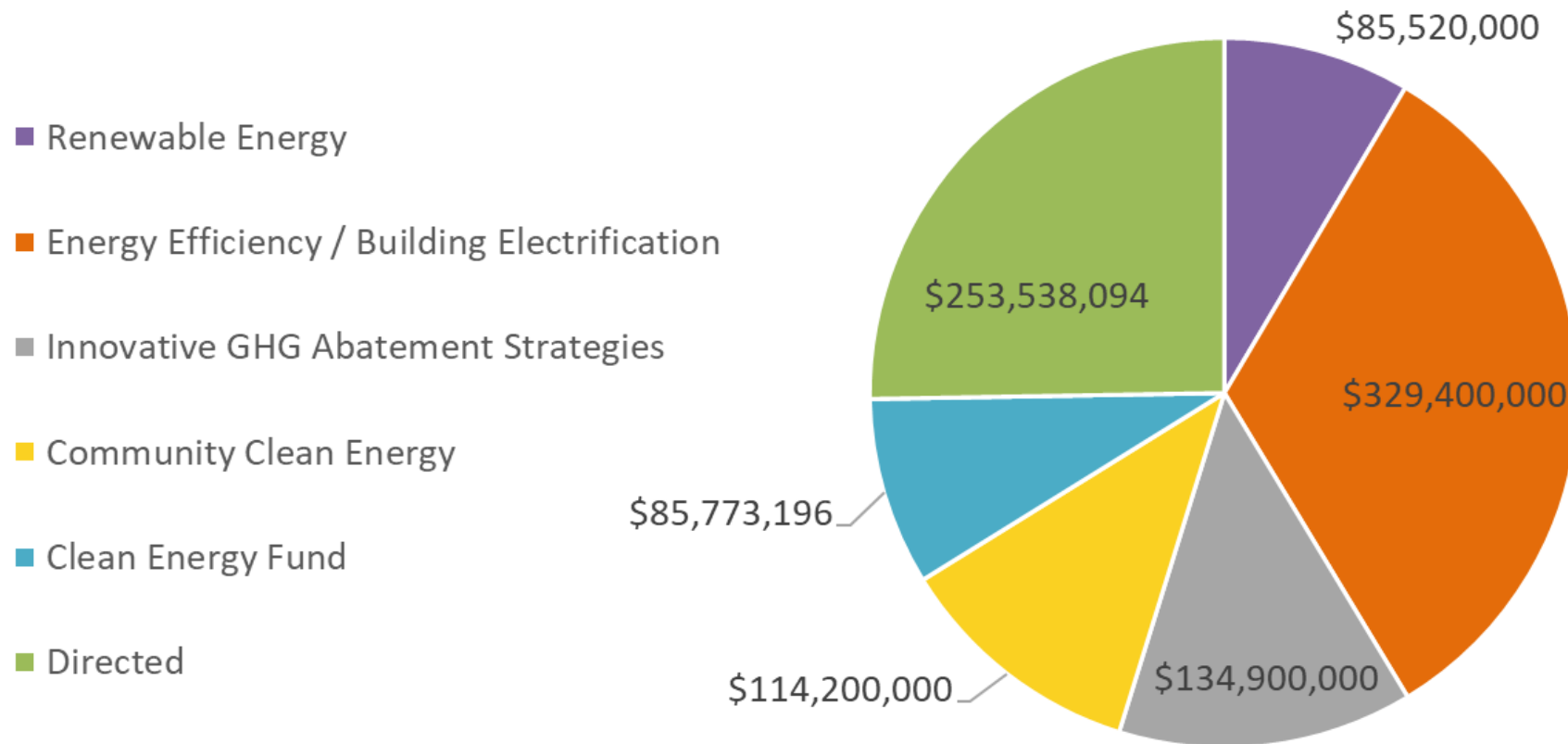
New York RGGI Investment Strategies

New York State invests RGGI proceeds to support comprehensive strategies that best advance the State's **CO₂** emission reduction goals through investments in energy efficiency, renewable energy, and carbon abatement technologies, pursuant to 21 NYCRR Part 507.

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 of for FY 23-26



Renewable Energy

New Program Investments

NY-Sun Statewide Customer Incentives

- > Expanding incentives made available to non-SBC-paying customers who are not eligible for CEF funding
- > Targeting NYC public schools and public buildings served by NYPA
- > Will also fund upstate customers served by municipal utilities

Agrivoltaics

- > Establishes a partnership with NYS Dept. of Agriculture & Markets, and higher education institutions to promote agrivoltaics
- > Communicate the shared benefits of co-locating solar P.V. systems with agricultural sites.

New Program Investments

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

Energy Efficiency and Building Electrification

New Program Investments

Support for 2 Million Climate Friendly Homes Initiative

Comfort Home

- > Prepares homes for electrification by providing energy assessments focused on reducing heating and cooling loads and incentives for air sealing, insulation, and window upgrades
- > Facilitates optimized heat pump equipment selection and design

Climate Action Consumer Awareness & Education

- > 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

New Program Investments

Support for 2 Million Climate Friendly Homes Initiative

Financing Solutions

- > Support research, analysis, piloting, and market testing of high-impact financing interventions that mobilize private capital in support of the 2 Million Climate Friendly Homes initiative

Supply Chain Support (Manufacturers, Distributors & Installers)

- > Addresses supply-side challenges hindering weatherization and heat pump adoption
- > Building out contractor infrastructures capable of delivering residential weatherization and heat pump installations at scale
- > Deliver tools and resources to increase confidence in electrification measures and business opportunities for service providers

New Program Investments

EmPower Plus

- > Support low- and moderate-income (LMI) customers statewide, including customers of municipal utilities and those using delivered fuels who do not pay Systems Benefit Charge, to access incentives through EmPower or Assisted Home Performance with ENERGY STAR (Empower Plus)
- > Providing comprehensive energy efficiency services for income-qualified LMI residents in one-to-four family homes statewide
- > Funding high-efficiency electrification upgrades for qualifying customers for whom electrification can also improve energy affordability (e.g., customers using electric resistance heating or delivered heating fuel)

New Program Investments

Multifamily Low Carbon Capital Planning / Pathway Projects

- > Providing cost-share on energy studies for building electrification or efficiency measures
- > Incentivizing multifamily building owners to install a package(s) of measures which result in on-site carbon emission reductions
- > Provides support for anticipated increase for projects statewide, including multifamily buildings that must comply with NYC's Local Law 97

New Construction & Challenges

- > Continuing support for Buildings of Excellence, Commercial and Industrial Carbon Challenge, and the Empire Building Challenges
- > Awards for these competitions provide funding for exemplary design and technical solutions pursuing efficiency and decarbonization in new construction buildings

New Program Investments

Community Heat Pump Systems

- > 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

Climate Resiliency

- > 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

Innovative GHG Abatement Strategies

New Program Investments

Hydrogen Hubs

- > Supporting deployment of clean hydrogen infrastructure
- > Focus on supporting projects conceptualization, stakeholder engagement, administration, and industry coordination

New 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

Federal Program Match Opportunities

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

Community Clean Energy

New Program Investments

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

New Program Investments

Clean Energy Hubs: Community and Stakeholder Engagement

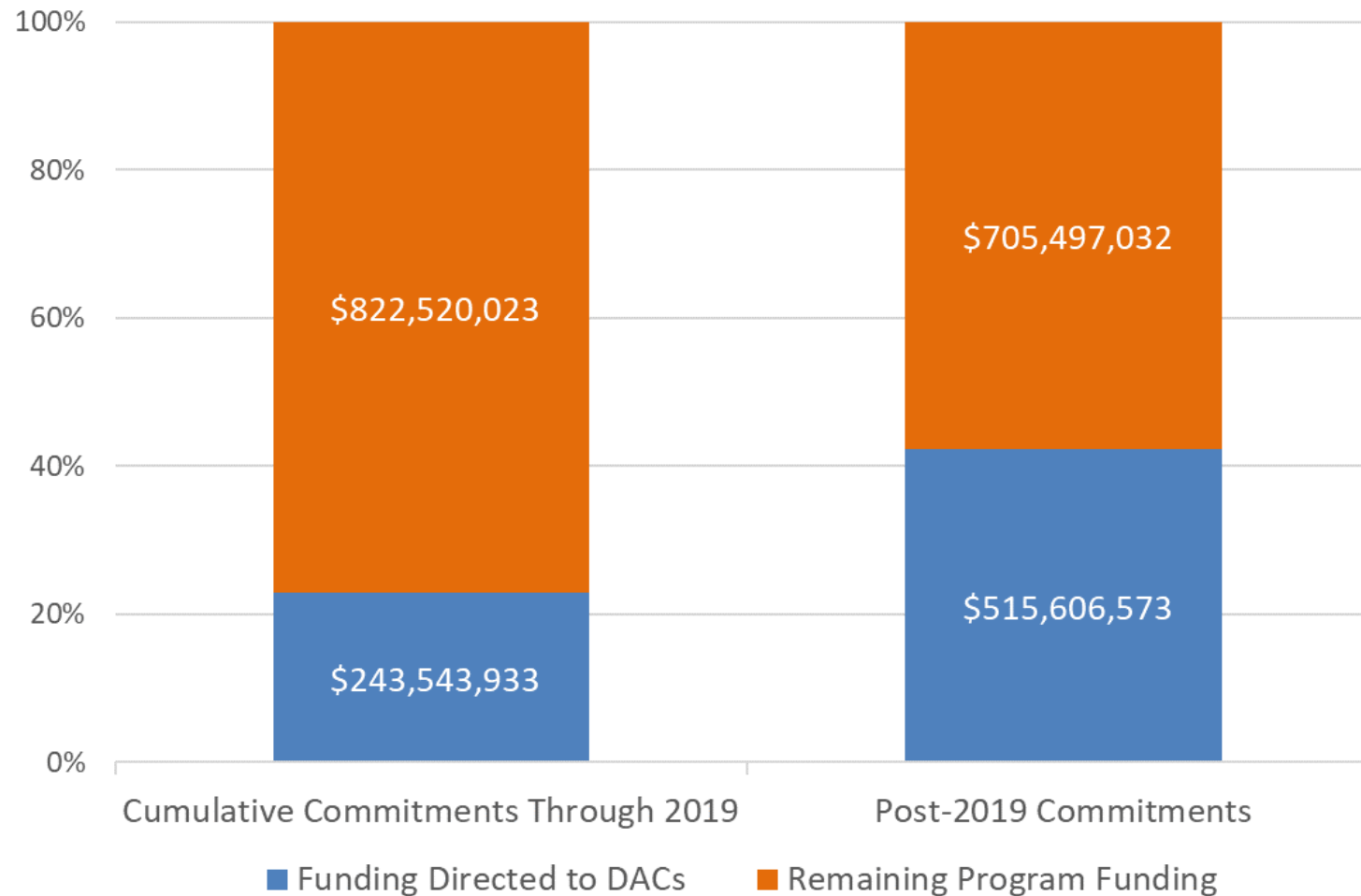
- > Build local capacity within disadvantaged communities and improve stakeholder engagement among residents and communities in New York City
- > A network of Community Energy Hubs will provide outreach and education services to help low-income residents and small businesses make informed energy choices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

Progress to Disadvantaged Communities Goal

Disadvantaged Communities Approach

- > The 2023 Operating Plan portfolio builds on the 2022 portfolio, maintaining focus on disadvantaged communities
- > NYSERDA's CO₂ Allowance Auction Program regulations reflect the provision 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 **42% of post-2019 commitments** are expected to provide benefits to Disadvantaged Communities, which is consistent with last year's portfolio

Investments Benefiting Disadvantaged Communities



Post-2019 Commitments Benefiting LMI/DAC

Program	Post-2019 Commitments	Estimated Investments Benefiting LMI/DAC	%
NY Sun NYPA Customer Incentives	\$75,113,954	\$26,289,884	35%
Residential PV Plus Storage	\$9,000,000	\$3,600,000	40%
Community Heat Pump Systems	\$15,700,000	\$10,362,000	66%
Agrivoltaics	\$5,000,000	\$750,000	15%
LIPA Efficiency and EE	\$105,000,000	\$31,500,000	30%
EmPower Plus	\$123,617,934	\$65,170,760	53%
Pilot Projects with Municipal Utilities	\$3,000,000	\$1,050,000	35%
Disadvantaged Communities Schools/Buildings	\$49,400,000	\$49,400,000	100%
Multifamily Low Carbon Capital Planning / Pathway Projects	\$25,000,000	\$11,250,000	45%
New Construction and Challenges	\$35,000,000	\$12,250,000	35%
Climate Resiliency	\$15,000,000	\$6,000,000	40%
Support for 2 Million Homes Goal	\$15,000,000	\$4,500,000	35%
Electric Vehicle/Charge NY	\$160,111,601	\$11,250,000	20%
<i>continued on next slide...</i>

Post-2019 Commitments Benefiting LMI/DAC (cont.)

Program	Post-2019 Commitments	Estimated Investments Benefiting LMI/DAC	%
Natural Carbon Solutions	\$7,000,000	\$3,500,000	50%
Equity and Climate Transformation Research	\$2,000,000	\$2,000,000	100%
Scoping Plan Implementation Research	\$8,000,000	\$3,200,000	40%
Hydrogen Hubs	\$5,000,000	\$1,750,000	35%
Clean Energy Communities	\$14,186,157	\$4,539,570	32%
Community Energy Engagement	\$3,724,270	\$3,000,000	81%
Clean Energy Workforce Development	\$64,000,000	\$32,850,000	51%
Clean Energy Hubs	\$16,700,000	\$16,700,000	100%
Climate Action Consumer Awareness	\$17,000,000	\$8,500,000	50%
Air Monitoring	\$8,000,000	\$8,000,000	100%
NYS Env. Tax Credits	\$46,000,000	\$6,900,000	15%
NYS Env. Protection Fund	\$30,000,000	\$10,500,000	35%
Elec. Gen. Facility Cessation Mitigation/Just Transition	\$20,000,000	\$20,000,000	100%
Green Jobs – Green NY – Additional Funding	\$124,238,094	\$77,027,618	62%
Federal Program Match Opportunities	\$159,000,000	\$55,650,000	35%
Remaining program funding (<i>see Appendix 2 for more detail</i>)	\$39,711,595	--	--
Subtotal	\$1,221,103,605	\$515,606,573	42%

Discussion

Next Steps

- > Submit written comments to rggiprograms@nyserda.ny.gov by close of business on **January 6, 2023**
- > The Operating Plan Amendment will be provided to NYSERDA's Board of Directors for consideration at its January 25 meeting