

#### **CPRG Funding Alternatives** NACAA Climate Change Committee

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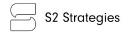
#### Another Myles Koegh



The horse Comanche – the only remaining living thing found at the site of the Battle of Little Bighorn – was ridden by US Army Captain Myles Keogh and continues on display at the University of Kansas.

Rock chalk Jayhawk!

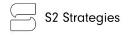
S2 Strategies



#### State Support Center

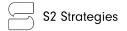
# Maximizing the impact of landmark climate legislation

A centralized resource to support states in implementing the Inflation Reduction Act and other clean energy investments.



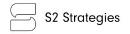
#### **CPRG Implementation Grants**

- >\$30 billion in grants submitted
- \$4.3 billion selected in general competition
- Lots of great unfunded projects

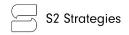


# Don't give up! How can we ensure our climate goals are funded?

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- Grants
- Federal Financing
  - Tax Credits including Elective Pay
  - Greenhouse Gas Reduction Fund
  - DOE Loan Programs Office Title 17 and State Energy Financing Institutions (SEFI)
- Other state, local, private, philanthropic funding/financing.
- Be creative!



#### Elective Pay (or direct pay):

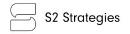
- Clean energy tax credits for (certain) folks who don't pay taxes. States, local governments, schools, non-profit organizations, rural electric cooperatives, municipal utilities.
- 30% tax credit.
- Bonus Credits up to 70%.
- Uncapped





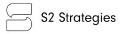
**Greenhouse Gas Reduction Fund (GGRF)**: \$27 billion awarded by EPA to seed the nation's green finance ecosystem.

- National Clean Investment Fund (NCIF): \$14B across 3 'National Green Banks,' focused on directly providing financial assistance to emission-reducing projects.
- Clean Communities Investment Accelerator (CCIA): \$6B to Community Development Finance Institutions (CDFIs) and community lenders.
- Solar For All: \$7B to 60 state, local, Tribal and community groups to deliver residential and community solar for low-income and disadvantaged communities.



#### Loan Program Office (LPO) Financing (DOE)

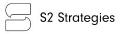
- Low-cost debt financing for large-scale energy projects or portfolios of projects (>\$100mm)
- LPO typically requires a project to be innovative.
- New in BIL If a State Energy Financing Institution provides "meaningful support," there is no innovation requirement: can support existing clean energy technologies.



## Sample Measure: EV Charging

Advance deployment of zero-emission vehicles and ZEV fueling infrastructure. -Delaware PCAP

- Grants:
  - DOT Charging and Fueling Infrastructure Grant
  - DOT Carbon Reduction Program
  - DOT NEVI
- Tax credits:
  - Section §30C Alternative Fuel Vehicle Refueling Property Credit
  - Up to 30% of the cost of EV charging stations up to \$100,000
  - Must be located within <u>Eligible Area</u> low-income or non-urban
  - Direct pay eligible? Yes
- Financing:
  - GGRF: Potentially yes.
  - SEFI: Potentially yes.



#### Sample Measure: Solar for Schools

Support the deployment of renewable energy and storage systems for local government buildings. -Hawaii PCAP

- Grants:
  - DOE Renew America's Schools (fall 2025)
- Tax credits:
  - Section §48E: Clean Electricity Investment Tax Credit
  - Section §45Y: Clean Electricity Production Tax Credit
  - o <u>30%</u>+
  - Direct Pay Eligible? Yes
- Financing:
  - GGRF: Low interest lending through NCIF
  - SEFI: State ownership and/or aggregation model

## Sample Measure: Electric School Buses

Replace existing school buses with zero-emission vehicle school buses in environmental justice communities. -Connecticut PCAP

- Grants:
  - EPA Clean School Bus Program;
  - EPA Diesel Emission Reduction Act (DERA) grants
  - EPA Clean Heavy Duty Vehicles Program
  - USDA Community Facilities Direct Loan and Grant Program
- Tax credits:
  - Section \$45W Commercial Clean Vehicle Credit (Up to \$40,000 per vehicle)
  - Direct Pay Eligible: Yes
- Financing:
  - GGRF: Potentially
  - SEFI: Potentially

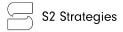
S2 Strategies

# Sample Measure: High Efficiency Housing <sup>S2 Strategies</sup>

This measure would offer financial incentives to construct new residential buildings that are at least 10 percent more energy efficient than buildings constructed under Oregon's base building code. -Oregon PCAP

- Grants:
  - DOE Home Electrification and Appliance Rebates
  - DOE Energy Efficiency Revolving Loan Fund Capitalization Program
- Tax credits:
  - § 45L New Energy Efficient Home Credit
  - § 179D Commercial Buildings Energy-Efficiency Tax Deduction
  - Direct Pay eligible? No
- Financing:
  - GGRF: NCIF & CCIA could finance incremental cost of efficiency.
  - SEFI: State grants or financing ("meaningful support") could make a bundle of projects eligible for SEFI financing.

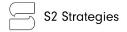
#### Sample Measure: Industrial Decarb



This measure would fund industrial decarbonization projects across California's manufacturing sector. -California PCAP

- Tax credits:
  - Direct Pay eligible: Yes Taxable entities and partnerships that are eligible taxpayers, too.
  - 48C Advanced Energy Projects
  - 45Q Carbon Sequestration Tax Credit
  - 45X Advanced Manufacturing Production Tax Credit
- Financing:
  - SEFI: State could give a grant or loan from a State Energy Finance Institution to a private owner, which could then access LPO loan authority.

#### **Questions?**



We can help if you'd like to follow up. Please reach out to us with any questions.

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