

MIT Center for Energy and Environmental Policy Fall Research Workshop

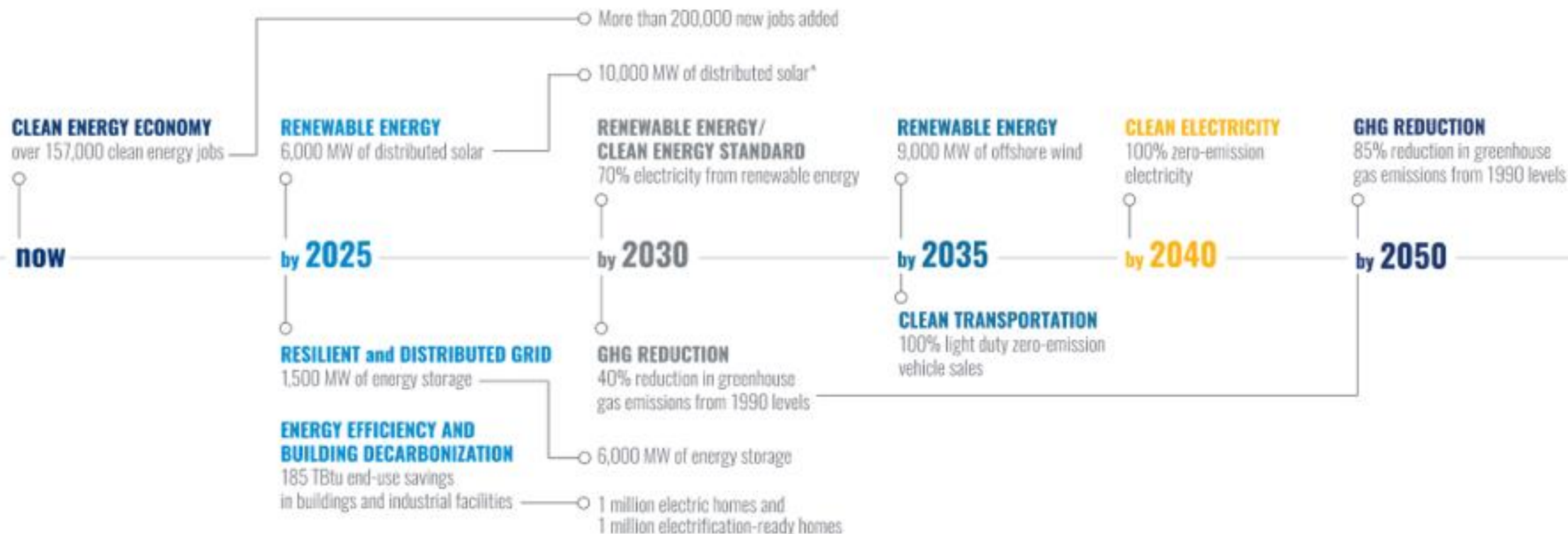
A New Direction for U.S. Climate Policy: The Inflation Reduction Act



NYSERDA

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New York State Clean Energy Goals

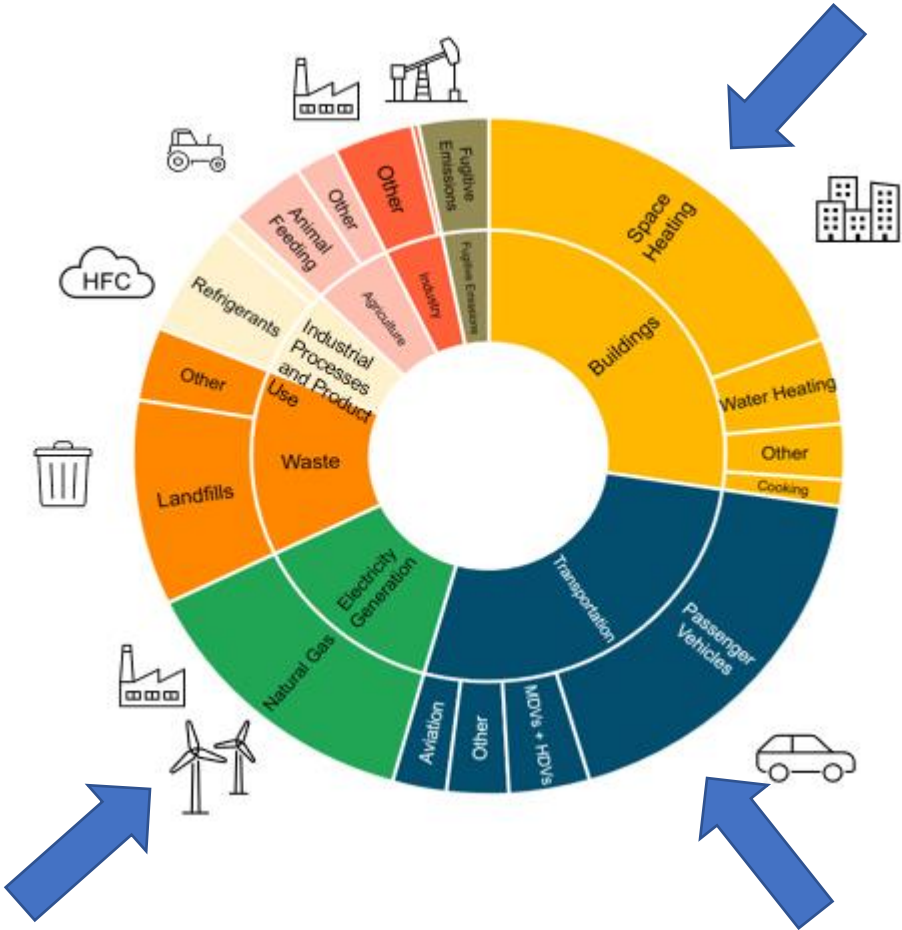


As announced by Governor Hochul during Climate Week 2021, New York State has now set a successor distributed solar goal of at least 10 GW of solar by 2030. NYSDORA and DPSE Staff are now in the process of charting the path to 10 GW and beyond via a Whitepaper before the Public Service Commission (PSC).

2030 Primary Sectoral Targets Supported by Secondary Targets

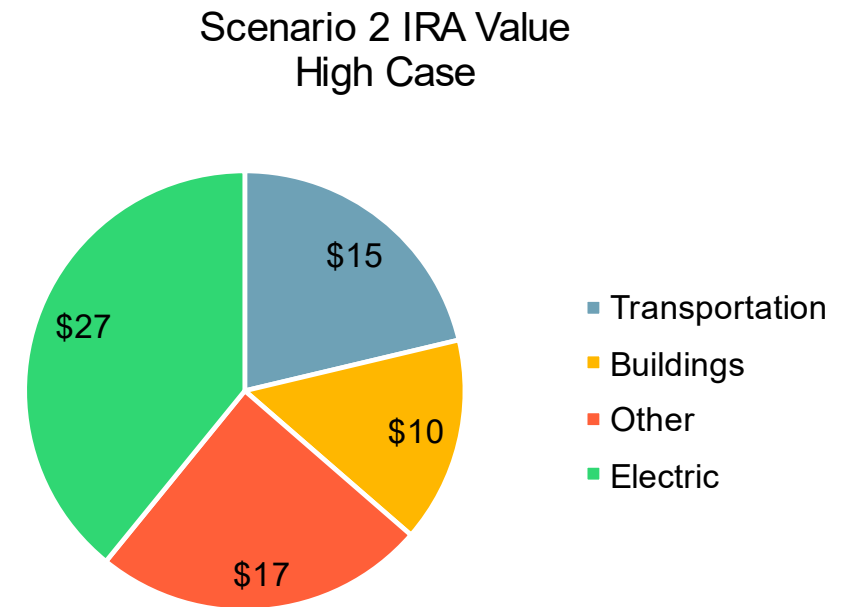
Three Pillars of Action Emerge

40% Emissions Reductions by 2030		
Electricity 70% renewable electricity by 2030	Buildings 2M Homes by 2030; 10% of comm. floor space	Transportation 100% ZEV LDV sales by 2035
Tier 1 and Tier 4	New Efficiency NY– 185 TBTU by 2025	ZEV Mandate
9 GW of Offshore Wind by '35	Building Electrification Roadmap/ Action Plan	Advanced Clean Truck Rule
10 GW of distributed solar by '30	Clean Energy Fund	Make-Ready charging station goals
(3-) 6 GW of storage by '30	Action/ targets NYC, utilities, other Agencies	100% ZEV School Bus sales by '27



Key Findings – up to ~\$70 billion in incentives for New Yorkers through 2050

- IRA will reduce the costs to New York to meet the requirements of the CLCPA by \$43-68B
- Within the electric sector, there is an increased demand for in-state wind (vs. imported) and offshore wind
- Within the transportation sector, IRA will reduce vehicle and charger costs by \$3-\$19B, though uncertainty remains around supply chain ability to meet content and production requirements, especially in near term
- Incentives will reduce the cost of transition to an efficient, electrified building stock by \$7-\$11B. Additional grants for low-income participants can ensure broader adoption and further increase benefits
- Significant production tax credit will lower the cost of procuring hydrogen and other advanced renewable fuels to decarbonize hard to electrify end uses by \$4-\$16B
- Additional, unmodeled provisions (e.g. used vehicle incentive) will lead to further benefits



Note: other includes incentives for H2, alternative fuels, and industrial CCS

Leveraging Federal Incentives to Advance Our Clean Energy Goals

POWER GENERATION: Federal incentives for renewable energy, grid investments and new technologies—including advanced nuclear—will bolster our ability to achieve a zero-emission grid.

- **Tax Credits** were expanded and extended for grid-level renewables and enhanced Investment Tax Credits and Production Tax Credits. There are also new PTCs for hydrogen and nuclear and a new technology-neutral tax credit for projects placed in service in 2025.

INNOVATION: NYSERDA has submitted a Concept Paper on behalf of 90 partners to form a regional Hydrogen Hub.

- **Tax Credits** include expanded research and development innovation tax credit for small businesses—allowing for a payroll tax credit of up to \$250,000.

TRANSPORTATION: The National Electric Vehicle Infrastructure plan (NEVI) prioritizes high-speed recharging every 50 miles on highways to eliminate electric vehicle range limitations.

- **Tax Credits** for personal vehicles were expanded to used vehicles and business fleets.

BUILDINGS: We'll modernize and upgrade our housing stock with federal incentives and loans targeted to affordable housing and working-class families.

- **Tax Credits** include significant new benefits for homeowners and businesses for investments in efficiency, electrification, solar and energy storage.

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