



Colorado's Renewables under the Inflation Reduction Act

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Grid Hardening and Resilience Through The IRA

Inflation Reduction Act of 2022 (HR 5376)

The largest-ever U.S. investment in climate action - \$369 billion

- Nearly \$280 billion in **clean energy tax incentives**
 - \$121 billion in **clean electricity tax incentives**
- \$22.6 billion in decarbonizing transportation
 - Fleets and manufacturing electric vehicles
- \$50 billion to boost manufacturing of **domestic content** related to clean energy
- Nearly \$27 billion for **greenhouse gas reduction** fund
- Nearly \$20 billion in conservation and agricultural programs

Domestic Renewable Energy Production

Tax Credits for clean sources of **electricity and energy storage**

- Multipliers to the value of tax credits based on certain wage, apprenticeship, and domestic content requirements

\$30 billion in targeted grant and loan programs to accelerate the **transition to clean energy**

Direct Pay (IRA §13801)

- Tax credit value will be available for direct payment to tax exempts, government entities, and co-operative corporations furnishing electricity in rural areas



Renewable Energy Production Tax Credits



Production Tax Credit (IRA §13101)

0.3 cents per kWh produced and sold

- Can increase to 1.5 cents per kWh if wage and apprenticeship requirements are met
- 10% increase with compliance of domestic content requirements

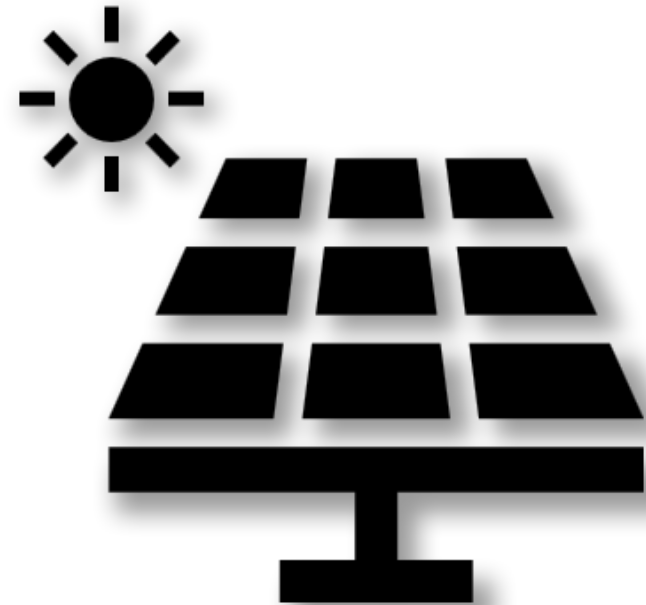
Renewable Energy Production Tax Credits

Investment Tax Credit (IRA §13102)

6-30% of qualifying project's cost basis

Projects may include:

solar facilities, small wind properties, qualified fuel-cell properties, waste energy recovery, stand-alone energy storage, qualified bio-gas properties, microgrid controllers, interconnection properties



Renewable Energy Production

Energy Efficient Commercial Buildings Deduction

- (IRA §13303)
- \$1.8-\$5 per sq ft for energy-efficient improvements and renovations of existing properties

Clean Electricity Production and Investment Tax Credits

- (IRA §13102); (IRA §13702)
- function very similarly to the PTC and ITC
- available to facilities producing electricity with *non-renewable fuel sources* but generating with *zero GHG emissions rates*

Domestic Renewable Energy Manufacturing



Grants and tax credits to **reduce emissions from industrial manufacturing processes**

- almost \$6 billion for competitive grants to be made by DOE
- 50/50 cost share basis for advanced industrial technology designed to accelerate greenhouse gas emissions reductions in an industrial process

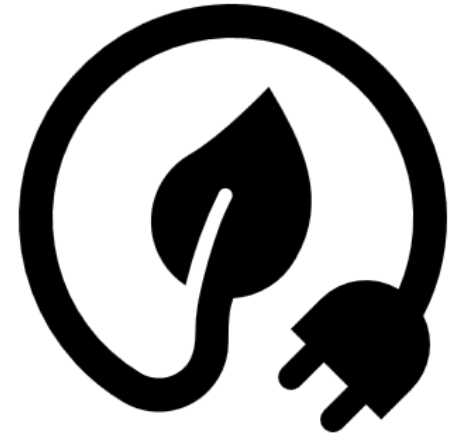
Production tax credits estimated at nearly \$30 billion

- To accelerate building clean manufacturing facilities for heat pumps, minerals processing, solar panels, wind turbines, batteries, electric vehicles, and more
- Building and re-tooling auto manufacturing facilities

Renewable Energy Manufacturing Tax Credits

Advanced Manufacturing Production Tax Credit

- (IRA alternative section 45x)
- Available for all qualified component and critical mineral sales (production in the US and a sale to an unrelated third party), requiring no competition among projects.
- An array of solar energy, battery, and wind energy components, along with critical mineral production qualify



Renewable Energy Manufacturing Tax Credits



Clean Hydrogen and Carbon Capture

- Generous credits for clean hydrogen production – on a sliding scale that depends on just how carbon-free the production is
- Credits for CC have increased in value and scaled to qualify at lower volumes of carbon capture for industrial facilities vs electricity generating facilities

Renewable Energy Manufacturing Tax Credits

DOE Loan Guarantees

- The IRA adds new lending authority to the loan guarantee program for greenhouse gas reduction technologies and advanced vehicle manufacturing
- \$8.6 billion for DOE loan guarantees (enabling \$290 billion in authority)
- Grid decarbonization, infrastructure reinvestment, retool, repower, repurpose, or replace retired energy infrastructure (such as coal power plants) or to build new clean energy infrastructure
- Also \$3.6 billion for clean energy loan guarantees (enabling \$40 billion in authority)

Next Steps for Colorado

Xcel Energy eyes 4.7 GW of new solar, wind parks by 2032

Feb 14, 2022 12:24 PM ET

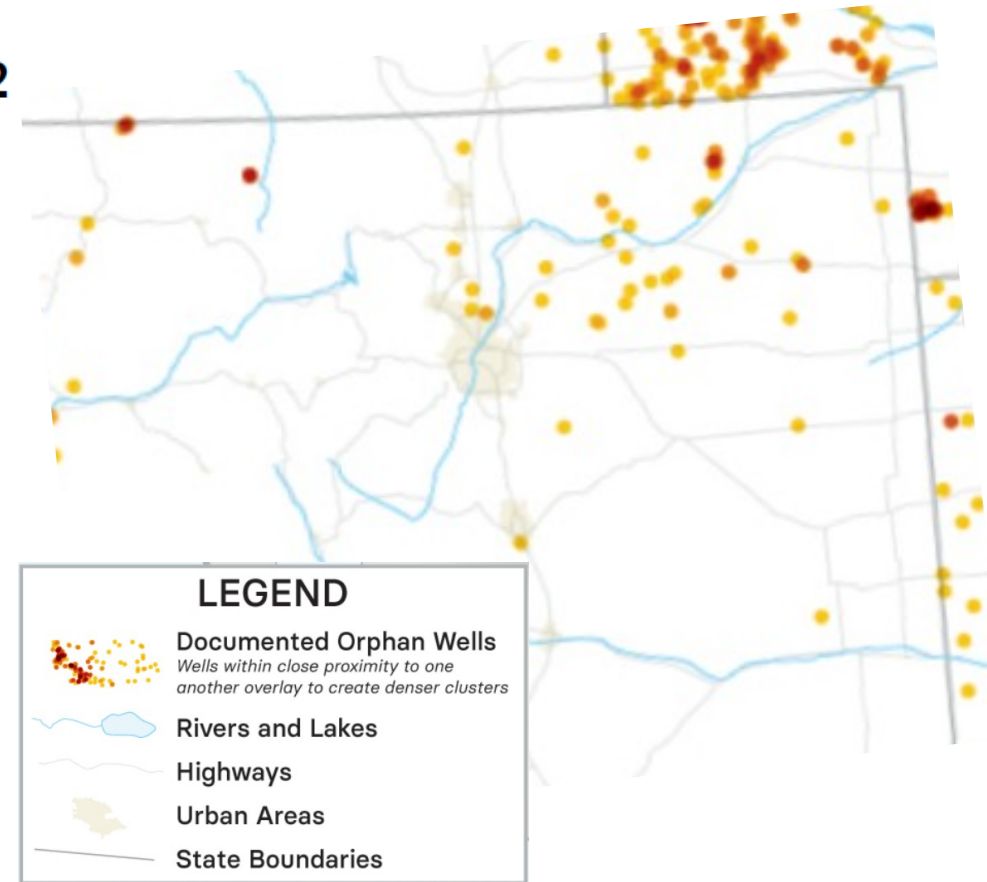
New rules could mean more industry money to plug aging oil and gas wells in Colorado, regulators say

By Miguel Otárola · Mar. 3, 2022, 1:19 pm

Colorado wants to be a hydrogen power hub of the future. What's that look like?

With federal billions at stake, a four-state compact in the West wants to be a leader in the clean energy category. But it may take a while.

Michael Booth 4:08 AM MST on Mar 2, 2022



Questions?



DISCUSSION



QUESTIONS

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