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**Department of
Environmental
Conservation**

DAC Investments and Benefits Information Session

**DAC Investments and Benefits
February 1, 2024**



Disadvantaged Communities Investments and Benefits Framework

Climate Leadership and Community Protection Act (Climate Act) - Overview

- > Most aggressive greenhouse gas reduction goals of any major economy: 40% by 2030, 85% by 2050
- > 70% renewable energy by 2030, 100% zero-emission electricity by 2040
- > Path to carbon neutrality
- > Codifies clean energy targets
- > Commitments to environmental justice, disadvantaged communities, and just transition
- > First statutory Climate Action Council

Environmental Conservation Law - Section 75-0117: Investment and Benefits Directive

"State agencies, authorities and entities, in consultation with the environmental justice working group and the climate action council, shall, to the extent practicable, invest or direct available and relevant programmatic resources 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, projects or investments in the areas of housing, workforce development, pollution reduction, low income energy assistance, energy, transportation and economic development, provided however, that disadvantaged communities shall receive no less than thirty-five percent of the overall benefits of spending on clean energy and energy efficiency programs, projects or investments and provided further that this section shall not alter funds already contracted or committed as of the effective date of this section."



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Disadvantaged Communities Criteria

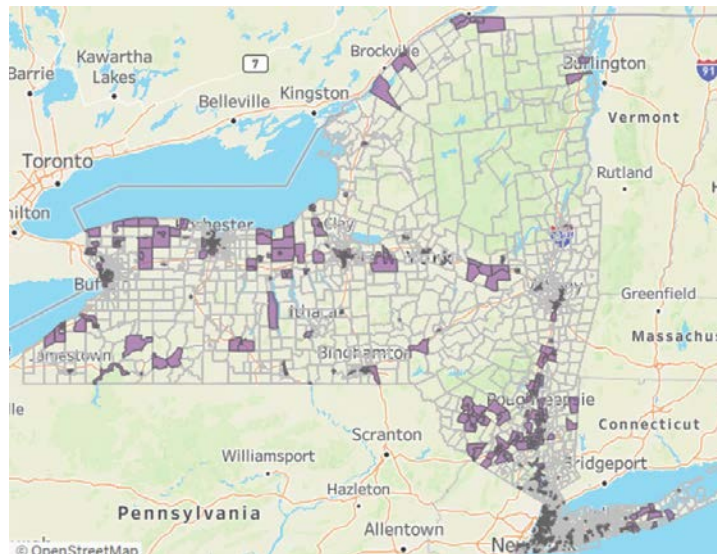
Disadvantaged Community Criteria (DAC) Finalized:

The Climate Justice Working Group voted to adopt the criteria to identify disadvantaged communities in March 2023.

DACs are identified by:

The top 35% of census tracts based on the combined scoring of 45 indicators across socioeconomic, environmental, public health, and climate change concepts.

For the purposes of clean energy allocations – Investments in low-income households defined as 60% or below SMI are considered a DAC for these purposes.



*For more DAC information, including an interactive map, visit Climate.ny.gov



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DAC Investments and Benefits Guidance Released for Public Comment

Draft Guidance Released on January 3, 2024

- Provides New York State agencies with guidance needed to account for clean energy investments in fulfillment of the Climate Act requirement that a minimum of 35%, with a goal of 40%, of NYS agency clean energy programmatic investments shall be made within disadvantaged communities.
- NYSERDA has been working across New York State agencies and entities with clean energy and energy efficiency investments to inventory the type of programs that will fall under this reporting.
- NYSERDA has been leading an interagency advisory group with multiple agencies to develop the guidance and materials out for public comment.
- The comment period began January 3 and will be open until March 15. This has been extended from the previous date of February 23.



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Accounting of Energy Efficiency and Clean Energy Investments

Investments that meet the following conditions:

1. Authorized or implemented by a **New York State agency, authority, or entity**; and
2. **Clean Energy** or **Energy Efficiency** investment, as either:
 - a) a stand-alone program, *or*
 - b) components of programs within the categories outlined in the Climate Act (i.e., housing, workforce development, pollution reduction, low -income energy assistance, energy, transportation, and economic development); and
3. **Place-based**, where:
 - a) the funds can be directed to communities, or where benefits of a program can be localized to a defined geographic area; *and/or*
 - b) a clean energy or energy efficiency investment anywhere in the State that is within a low-income household defined as at or below 60 percent state median income (SMI).



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Placed-based vs State- or System-wide Investments

Placed-based and State- or system-wide investments

- **Place-based investments**, where initiatives can reasonably prioritize or target investments to individuals, households, businesses, and other entities within specific geographic areas (e.g., DAC or county).
- **State- or system-wide investments**, where initiatives are designed to meet the overall needs of the State's energy infrastructure or other state or system-wide grid objectives.

Placed-based Examples

Energy efficiency upgrades for a household

Electric vehicle rebates for individuals

Distributed energy resources such as community solar

State or System-wide Examples

Grid-scale renewable energy such as wind farms

Zero emission credits such as ZECs

Research and development



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Co-Benefits Accounting Framework

COMPLIANCE CATEGORY	COMPLIANCE METRIC
<ul style="list-style-type: none"> Dollars invested 	<ul style="list-style-type: none"> Dollars invested in disadvantaged communities, measured toward the 35% requirement / 40% goal
CO-BENEFITS CATEGORY	CO-BENEFITS METRICS
Electricity and fuel savings	<ul style="list-style-type: none"> Electricity savings (MWh) Fuel savings (MMBtu)
Participant bill savings	<ul style="list-style-type: none"> Participant bill savings from reductions in electricity and fuel usage (Dollars) Transportation fuel cost savings (Dollars)
Health benefits related to outdoor/ambient air quality	<ul style="list-style-type: none"> Monetized health impacts due to changes in electricity and fuel use (Dollars) Reduction in air pollutants (NH₃, NO_x, PM_{2.5}, SO₂, VOC)
Employment impacts	<ul style="list-style-type: none"> Directly contracted jobs (FTE) Number of individuals trained (count)

Notable Key Considerations for Initial Report:

- Must be trackable across all agencies**
- Quantifiable in the near term**
- Additional co-benefit metrics to be included based on stakeholder input**

Attribution of Investments for DACs: Examples

Investment Type	Reporting Methodology
Energy Efficiency Investments Within Multifamily Affordable Housing	When site is located outside of a DAC, count 40% of investments given ~40% of affordable housing residents within state and city affordable housing portfolios at or below the 60% SMI threshold. Buildings inside a DAC will count at 100%.
Community Solar	Community Solar investments will count towards the DAC goal based on what percent of a project's <u>subscribers</u> are DAC residents, not based on where the project is physically located.
Community-wide Investments	The amount of the investment counted towards the DAC goal based on the percentage of population in each community (county, town, city or village) that are in a DAC.
Workforce Training	<ol style="list-style-type: none"> 1) Where the program is targeting individuals for training, agencies should track investments based on where the <u>trainee resides</u> 2) Where an investment is focused on building an organization's training capacity the investment should be tracked at the <u>location of the training center</u>

Draft Statewide Disadvantaged Communities Investments and Benefits Reporting Timeline

Milestone / Activity	Jan	Feb	March	April	May	June	July	Aug
Public Comment Period	Open until March 15.							
Review of public comments and implement changes to Guidance								
Release Guidance to State Agencies & Kick-off Data Collection Process								
State Agencies Work to Populate Templates								
State Agencies Submit Templates								
QA/QC Data and Revisions								
Publish First DAC Results								

Public Comment Process Participation

- **Written comments on the proposed guidance may be submitted until close of business March 15, 2024.**
- **Link to Documents:** <https://climate.ny.gov/DAC-Investments-Benefits-Reporting>
- **Contact:** Alanah Keddell-Tuckey, NYSDEC - Office of Environmental Justice, 625 Broadway, Albany, New York 12233-1550 or email justice@dec.ny.gov.
 - Include "Draft Disadvantaged Communities Reporting Guidance" in the subject line of the email.



Questions?