



New Orleans Region Community Financing Roadmap

January 2025

RMI is an independent, nonprofit organization of experts accelerating the clean energy transition. We are transforming the global energy system to secure a clean, prosperous, zero-carbon future for all.





About this document

RMI prepared the New Orleans Region Community Financing Roadmap to help regional stakeholders understand and take ownership of cleantech-led economic development opportunities and maximize the local economic impact and benefits of these opportunities. This roadmap identifies feasible, equitable pathways toward the clean economy and economic mobility by identifying priority industries, local investment barriers, and key coordination needs. Stakeholders like economic development organizations and community lenders will be able to use the roadmap to chart a collaborative path forward while leveraging available public resources to attract private capital for locally driven impact. The roadmap was conceived as a way to maximize benefits from the federal Inflation Reduction Act's Greenhouse Gas Reduction Fund (GGRF) but remains applicable beyond that program as well. The IRA and the GGRF are subject to change by legislative or executive action.



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Community Financing Roadmap

Project Overview & Goals

WHY To maximize local Greenhouse Gas Reduction Fund benefits



Accelerate bankability of clean energy projects



Attract private capital to previously overlooked markets



Build wealth through new approaches to clean energy financing



Foster green jobs to capture green development benefit

WHO Economic and community development stakeholders



Community lenders



Industry



Business associations



Economic development organizations



Community-based organizations



State and local government



Workforce training organizations

WHAT

- Place-based investment strategy to help maximize GGRF potential
- Highlight areas of competitiveness, constraints, and coordination related to cleantech-led economic development
- Facilitate community ownership and collaboration among local stakeholders

Project Key Findings

Competitiveness

Louisiana's strong energy record sets it up well to diversify into emerging and advancing industries like hydrogen, carbon capture, and offshore wind.

Recent clean energy manufacturing investments could form the basis for new cleantech clusters.

The New Orleans region's workforce has strengths in the power sector and green buildings sector compared to the rest of the state.

Constraints

Louisiana's historical strengths in fossil fuels and chemicals have not driven widespread economic diversification, and there is not a "stand-out" clean industry to pursue.

The state lacks many of the targeted policies and incentives needed for cleantech-led economic development.

Green finance is nascent in the New Orleans region.

Workforce programs need to scale and tailor for priority cleantech fields.

Coordination

Stakeholders will have to work collectively to unlock greater economic opportunity for the region.

The New Orleans region has most of the entities needed to drive cleantech-led economic development.

Existing coordination mechanisms and relationships provide starting points for broader coordination to attract funding and investment.



National Context: The Energy Transition and the Inflation Reduction Act

The clean energy economy is booming

Clean energy investment in the U.S. is almost 5x that of 2018

In the Great Lakes, investment has more than doubled since the passage of the IRA in 2022, totaling about \$11 billion USD.

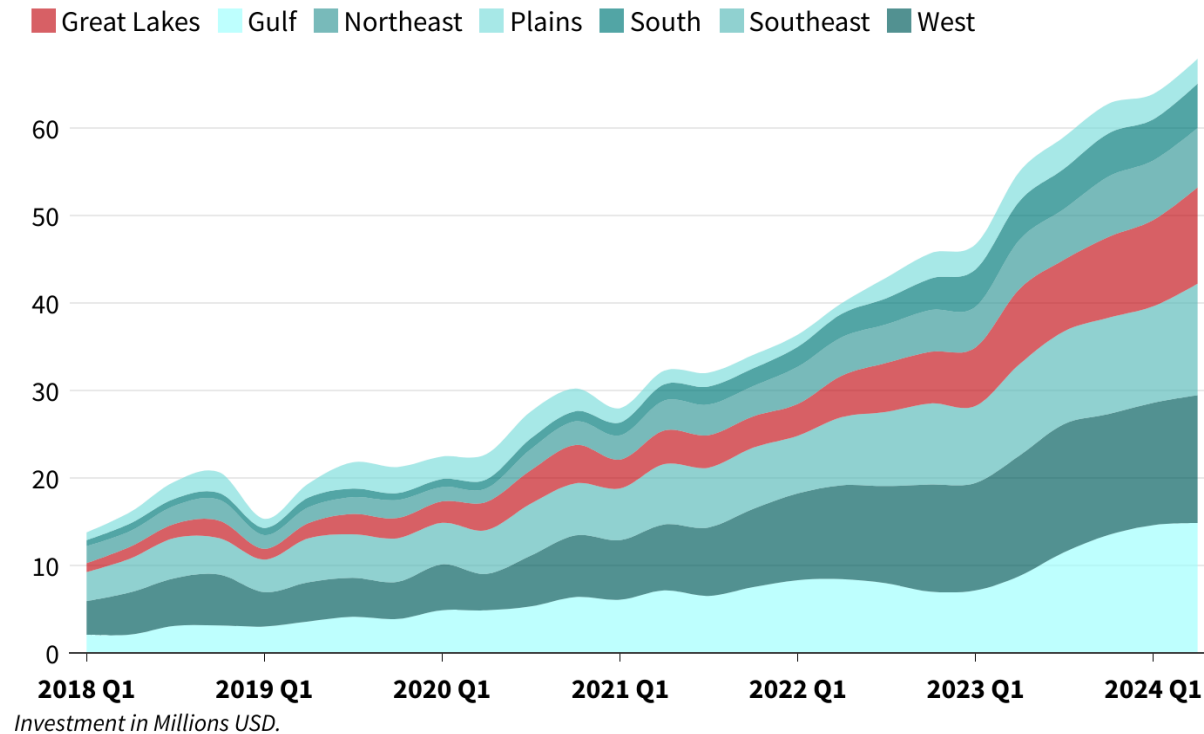


Chart: RMI Graphic • Source: Clean investment Monitor • Created with Datawrapper

Hydrogen, carbon management, and battery manufacturing have been big winners since the passage of the Inflation Reduction Act (IRA)

Growth in cumulative investment since 2018, indexed to Q2-2022. (2022-Q2=100)

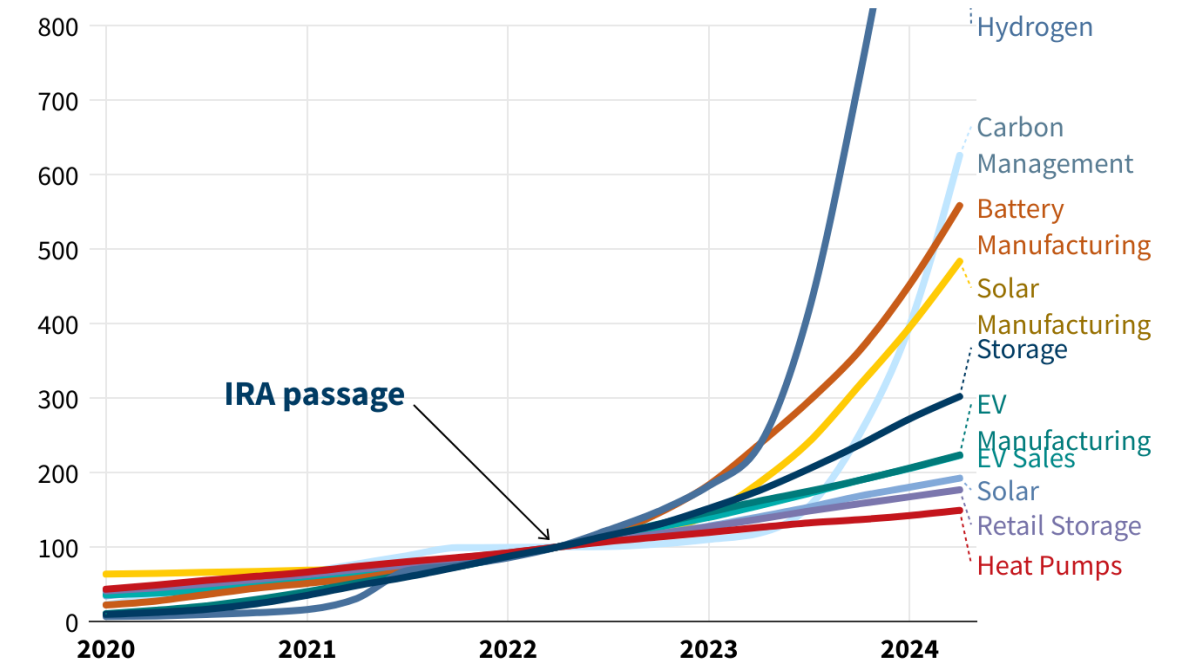


Chart: RMI Graphic • Source: Clean Investment Monitor

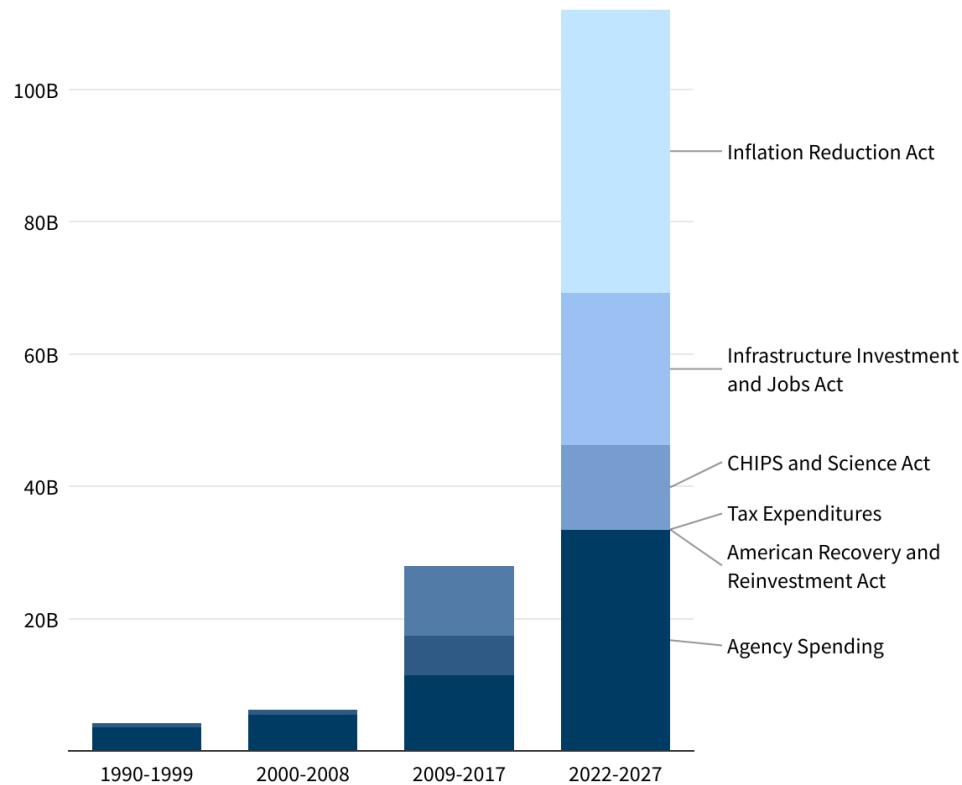


IRA + IIJA + CHIPS = a big deal

Together, these are the most ambitious suite of clean energy policies anywhere

Federal Spending on Climate Will Exceed \$100b Annually

Spending will more than triple historic levels.



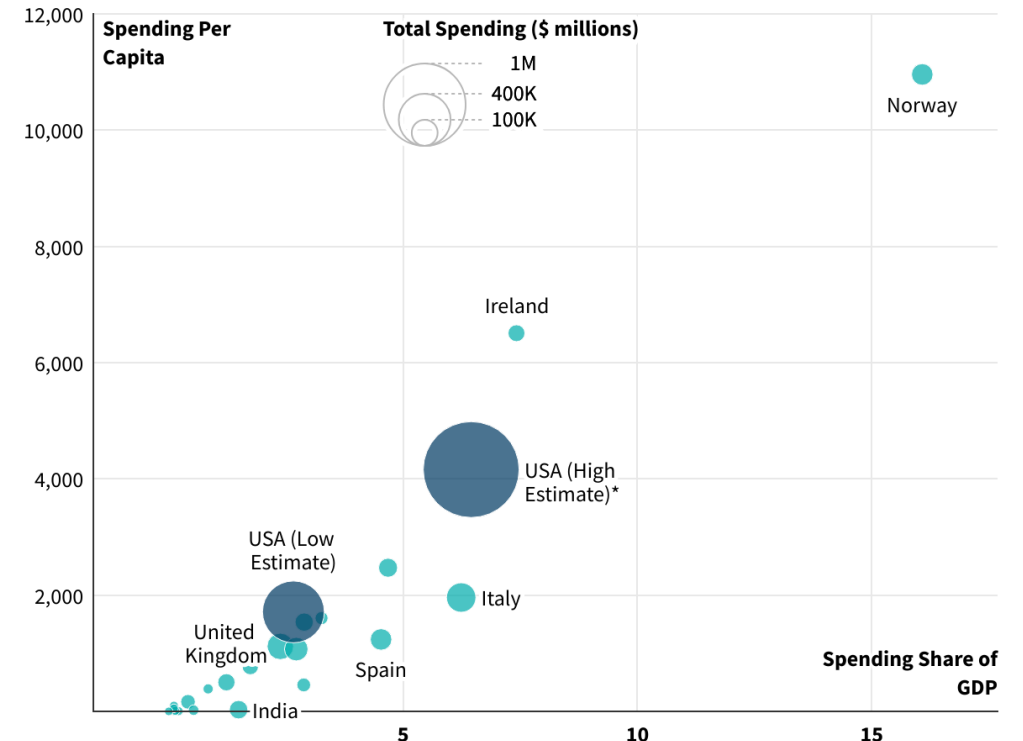
Average annual spending, adjusted for inflation. Note that the time periods shift from 2000-2008 to 2009-2017 to 1) consolidate the impact of the ARRA to one bar, and 2) address missing data between 2018-2021. Values are based on RMI estimates using agency spending data from the GAO, tax expenditure data from the JCT, and internal analysis on 2021-2022 legislation.

Source: RMI • Created with Datawrapper



Clean Energy Spending Among Developed Countries since 2020

Even using the CBO's conservative estimates, the US has dedicated the most spending towards clean energy policies since Covid-19 and is among the largest relative to population and GDP. This grows significantly when accounting for uncapped tax credits.



Spending figures are for clean energy investment support only and exclude energy affordability measures. *Uses the Goldman Sachs \$1.2 trillion estimate of overall IRA incentives, rather than the official CBO \$369 billion estimate.

Chart: RMI Graphic • Source: IEA Government Energy Spending Tracker

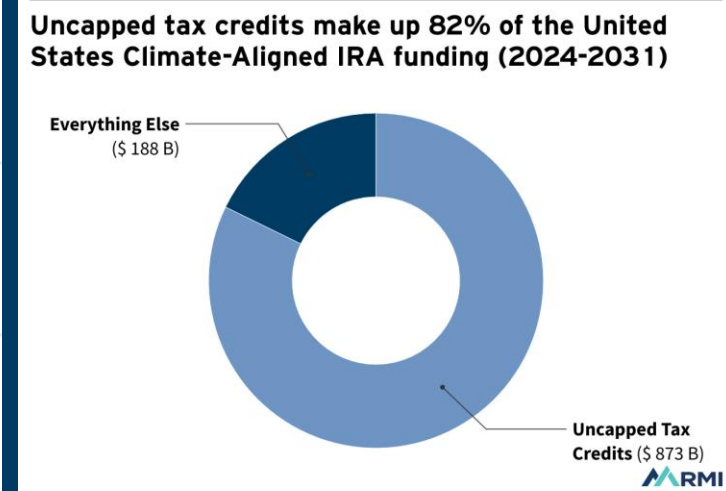
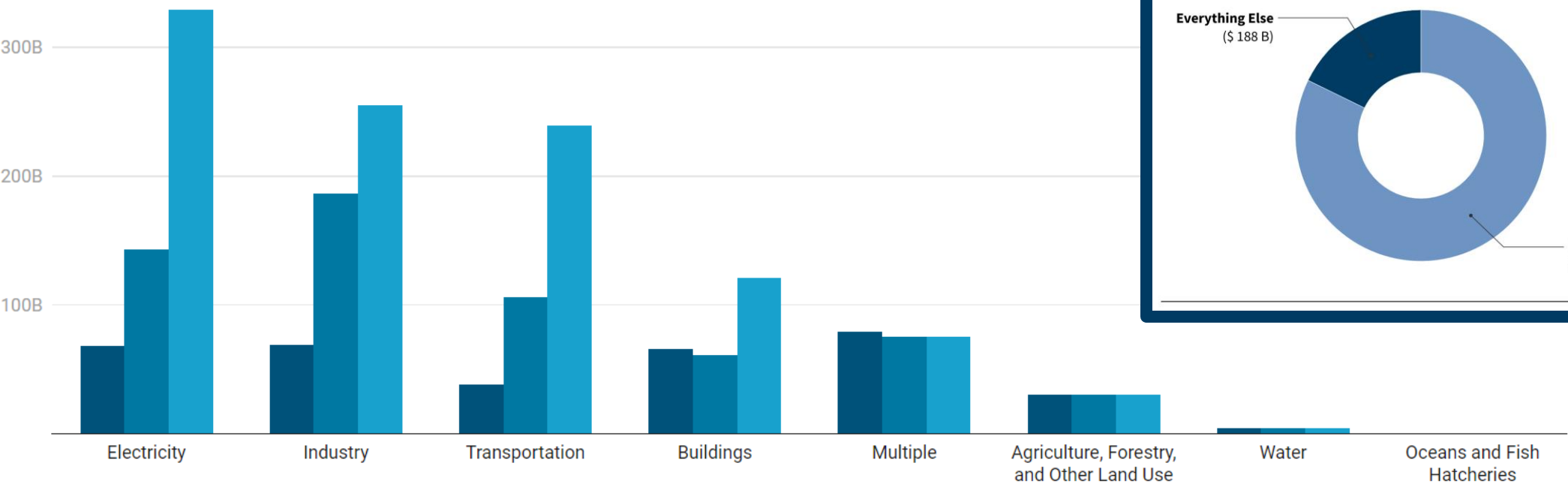


Headline IRA numbers undersell its potential

Uncapped tax credits could lead to ~\$1 trillion spending

Updated CBO and Climate-Aligned IRA Funding Estimates (2023-2031)

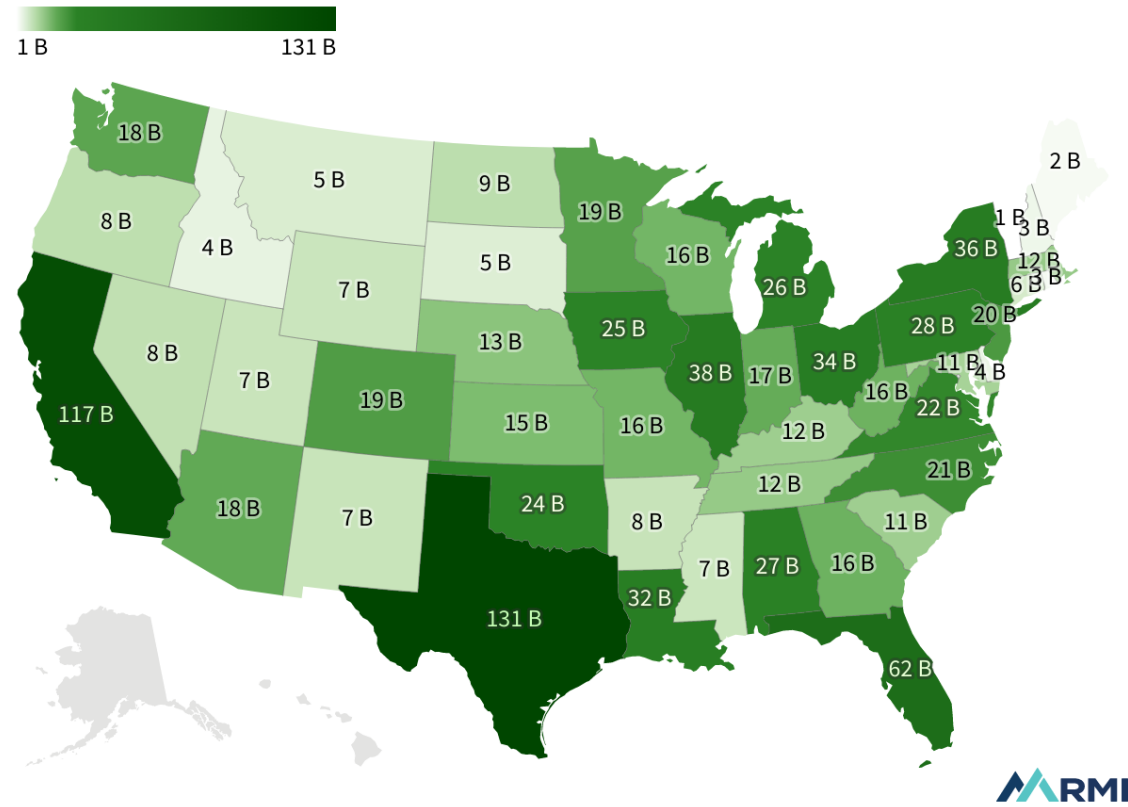
Original CBO Estimate Updated CBO Estimate Updated Climate-Aligned Estimate



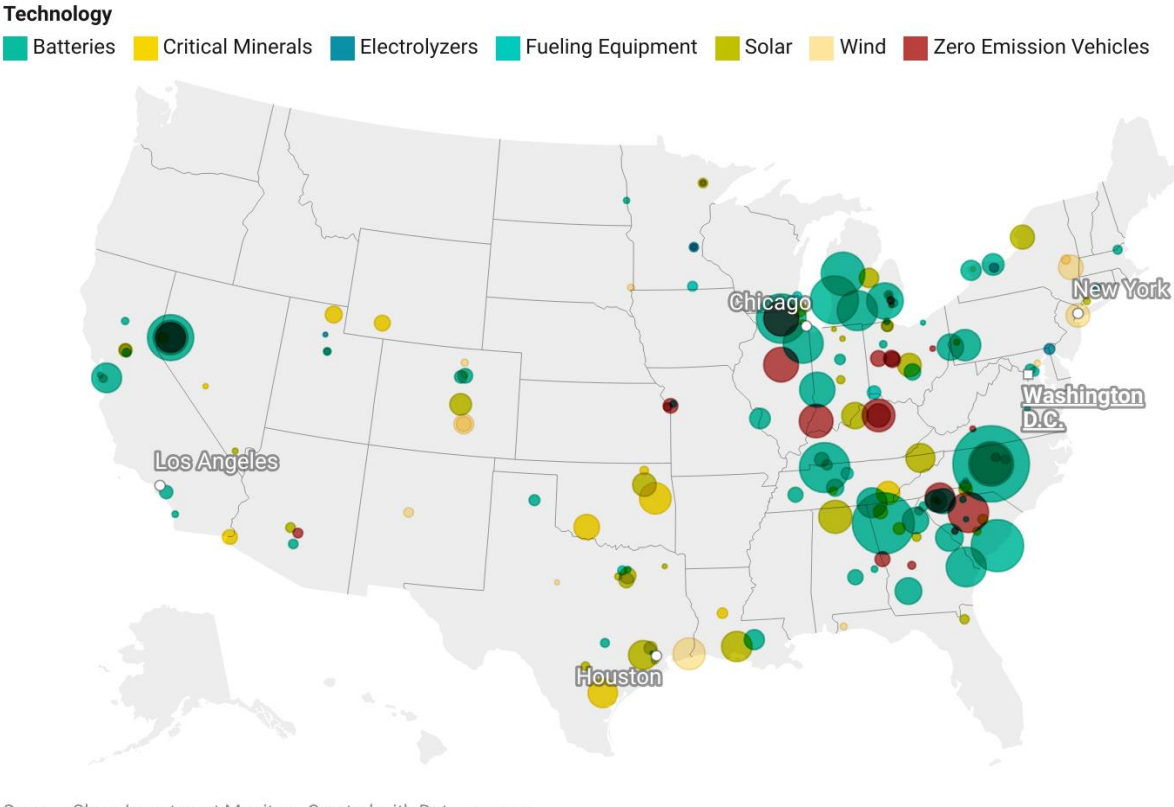
[Get the data](#) • Created with [Datawrapper](#)

States have already seen billions worth of new investment announcements

Investment in states through the Inflation Reduction Act under Climate Ambitious Scenario (\$) by 2030



Over \$125 billion in new cleantech manufacturing investments have been announced since passage of the IRA



The Greenhouse Gas Reduction Fund is a \$27B federal investment to mobilize new actors to fill critical market gaps and crowd in private capital to deliver a just climate transition

GGRF program objectives

Reduce greenhouse gas emissions and other air pollutants

Deliver benefits to American communities, particularly low-income and disadvantaged communities

Mobilize financing for additional project deployment

Economic outcomes



Provide the necessary, low-cost, accessible financing for implementation of clean energy technologies.



Accelerate bankability in underserved markets and technologies.



Create good green jobs.



Benefit low-income and disadvantaged communities.



Build wealth and energy independence through innovative financing solutions.



Louisiana Cleantech Context

Louisiana has benefited from the IRA-incentivized cleantech boom

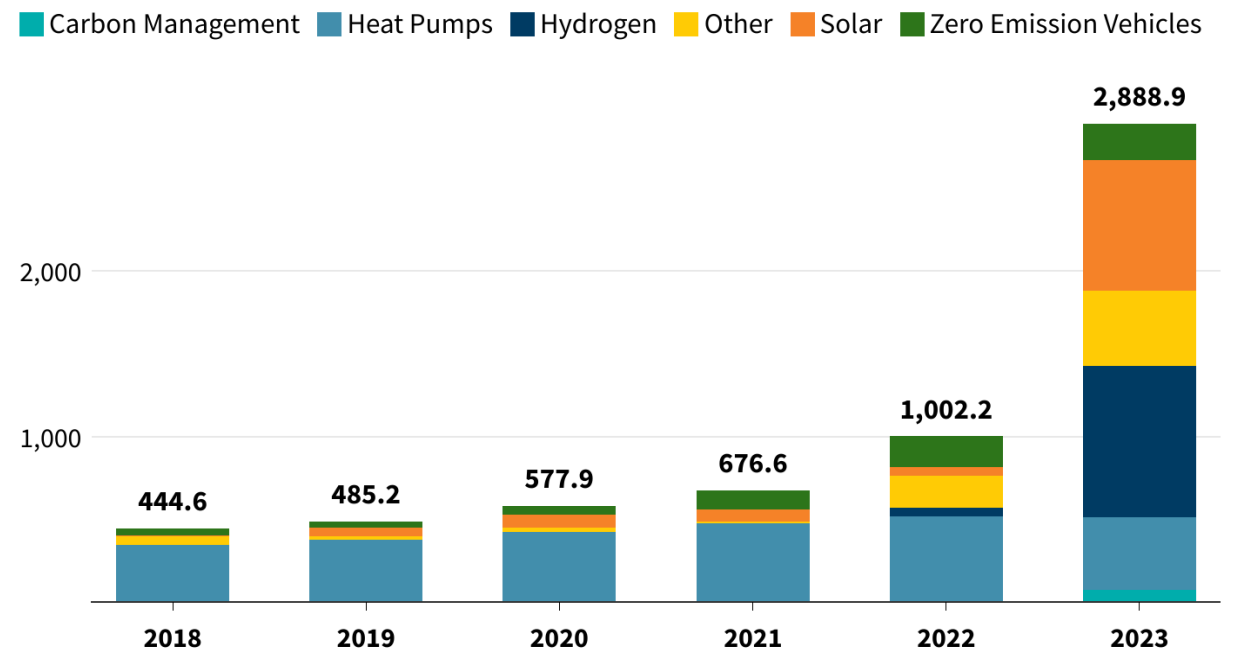
First Solar Breaks Ground on \$1.1B Manufacturing Facility in Iberia Parish, Louisiana
September 25, 2023

February 29, 2024 · News Release

Japanese Chemical Company UBE Announces \$500 Million Investment to Build Louisiana Facility to Serve Growing EV Battery Market

Clean Energy Manufacturing Investment in Louisiana since 2018

in Millions USD

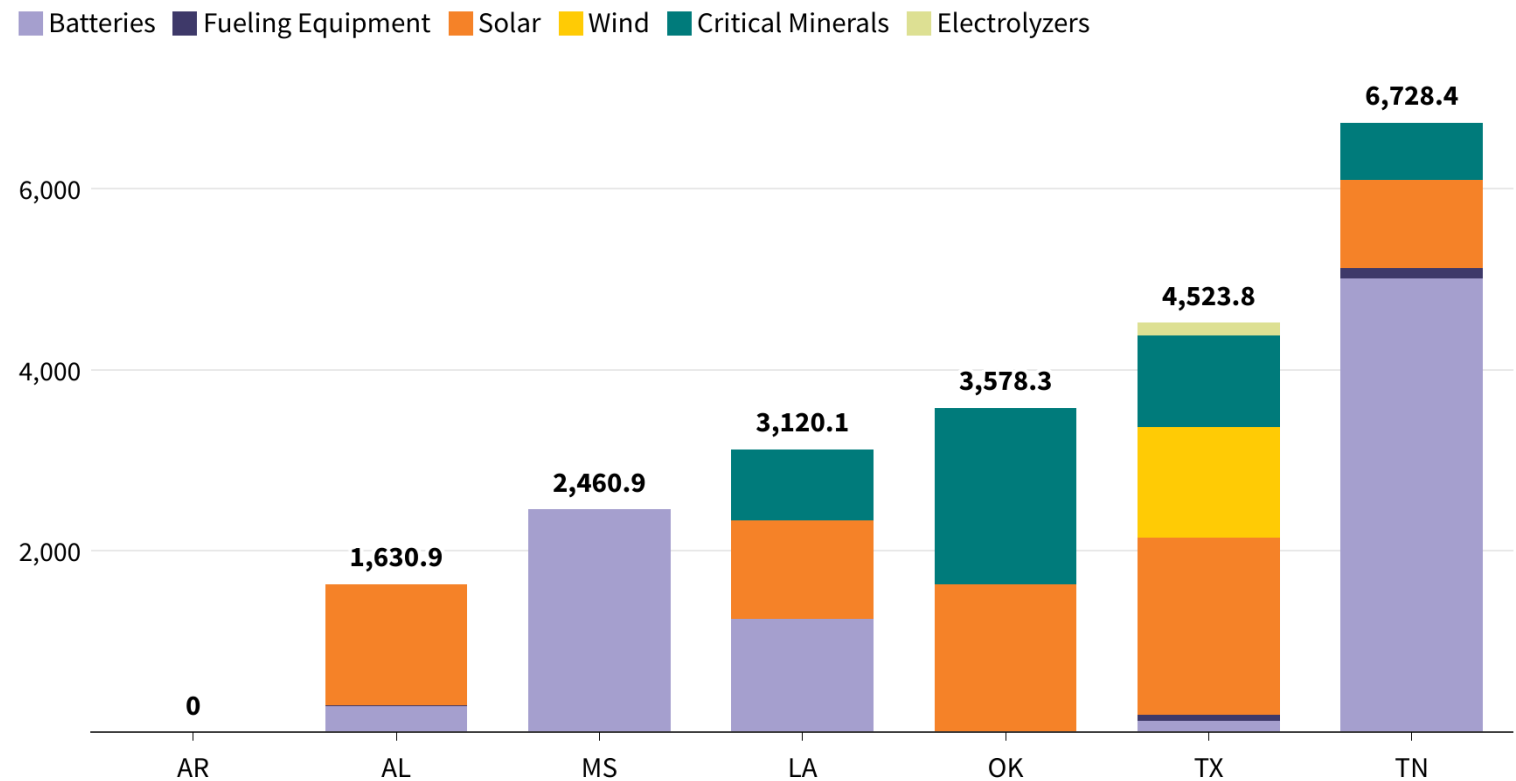


Source: Clean Investment Monitor

Louisiana has been competitive with its neighbors in attracting manufacturing investments

Clean Energy Manufacturing Investments Since IRA Passage

in Millions USD

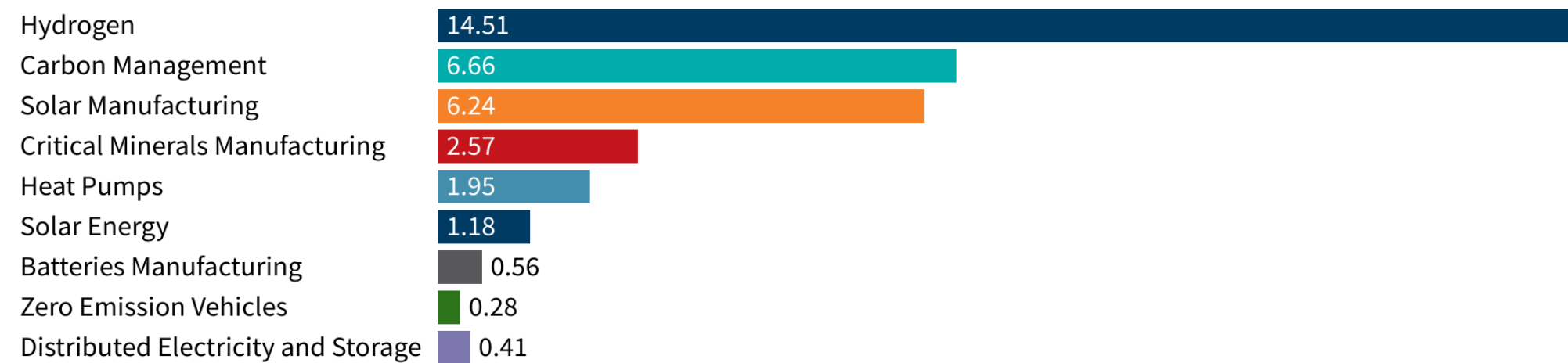


Source: Clean Investment Monitor

Hydrogen investment relative to GDP is 14x higher in Louisiana than the national average

Clean Energy Investment in Louisiana since 2021 Relative to GDP

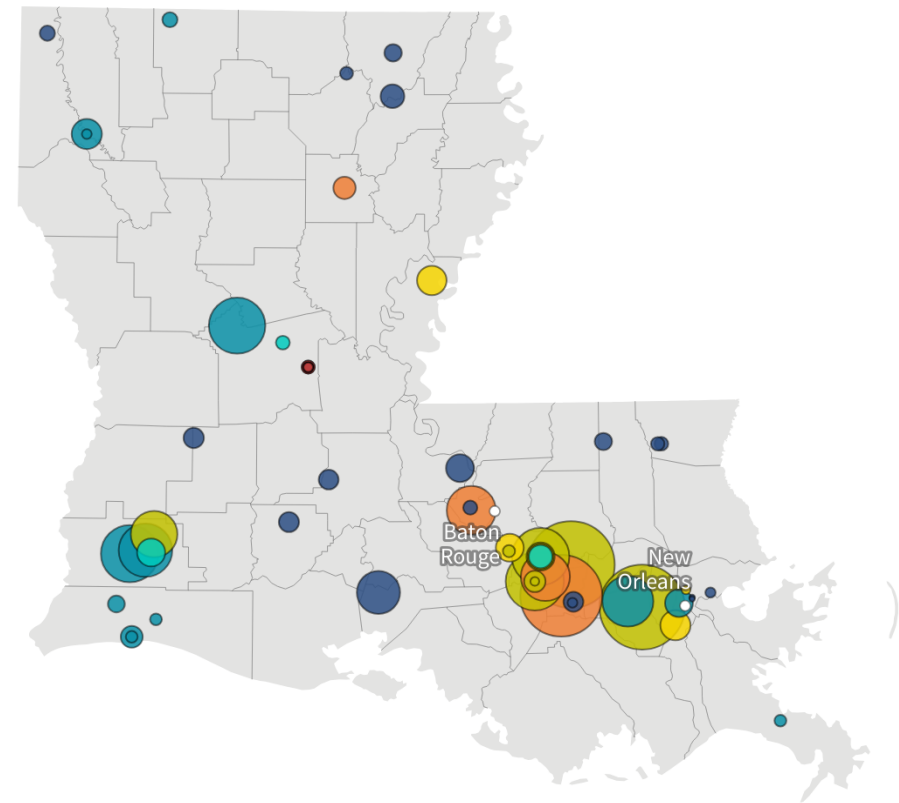
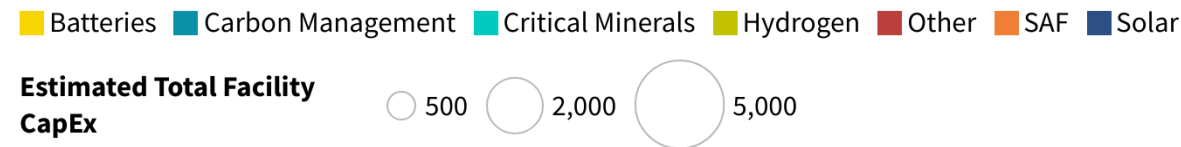
compared to the National Average Investment/GDP



Source: Clean Investment Monitor

The Baton Rouge and New Orleans regions have attracted substantial investments in batteries and hydrogen, as well as sustainable aviation fuels

Clean Energy Manufacturing Investments in Louisiana, 2016-2024

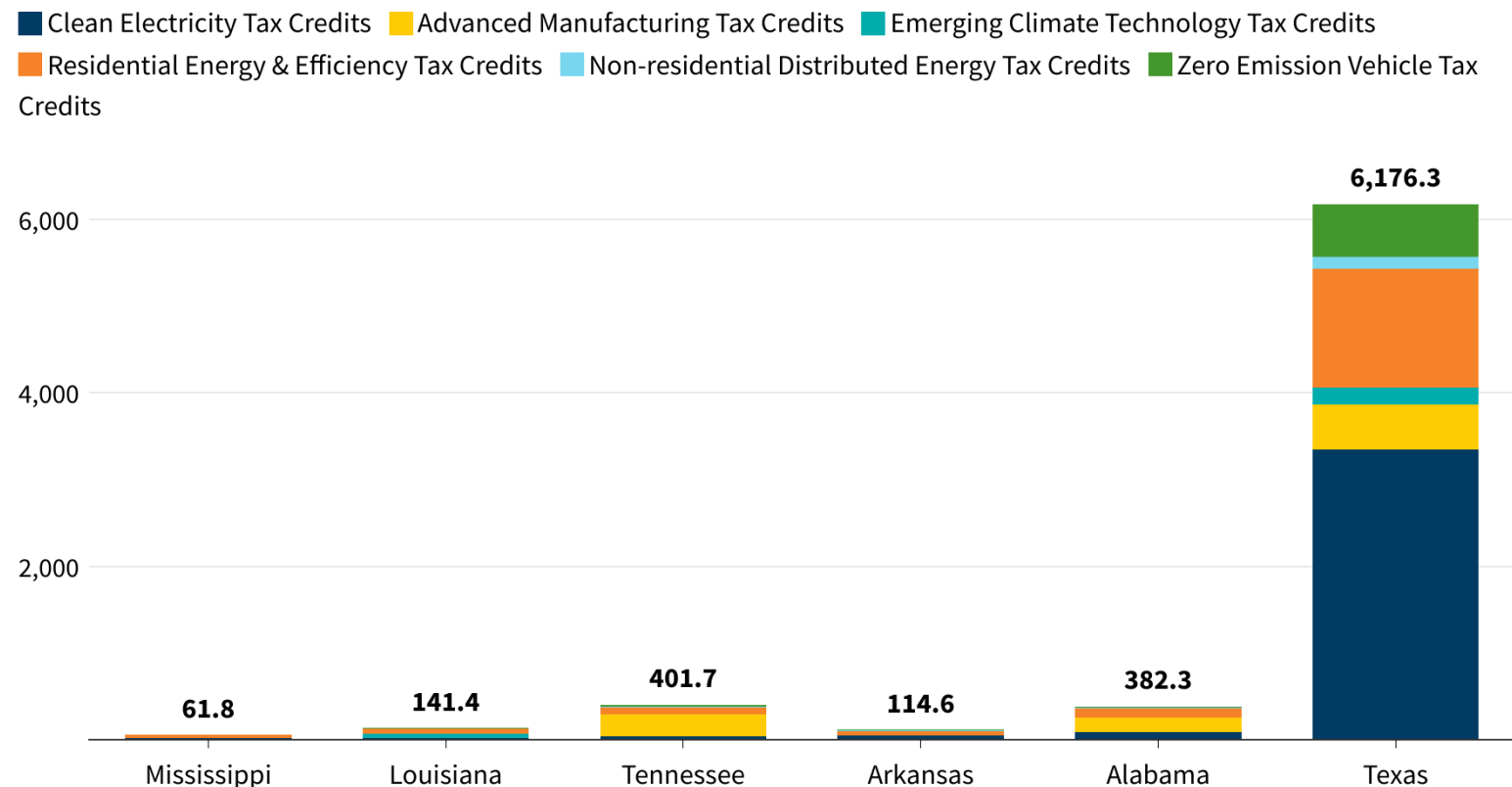


Source: Clean Investment Monitor

Louisiana trails its peers in securing IRA tax credits, especially clean electricity

IRA Incentives by Tax Credit

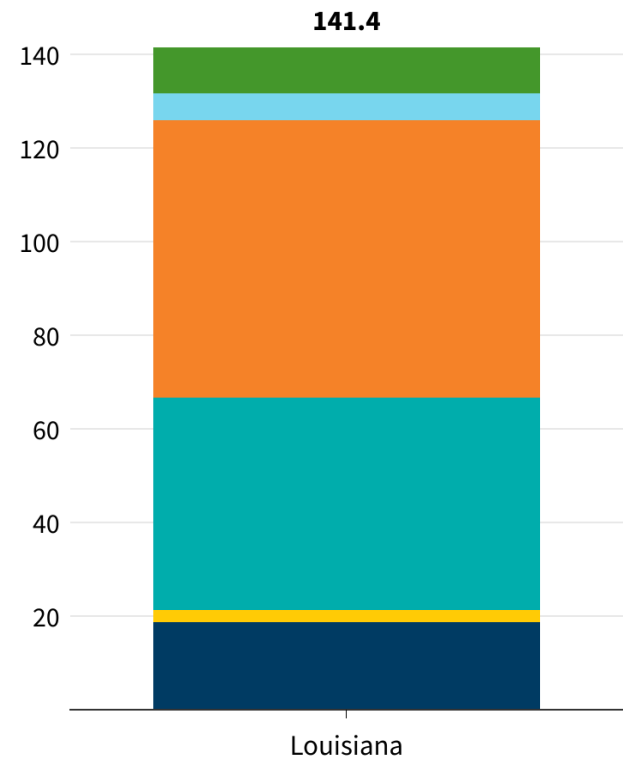
in Millions USD



Source: Clean Investment Monitor

IRA Incentives in Louisiana by Tax Credit

in Millions USD



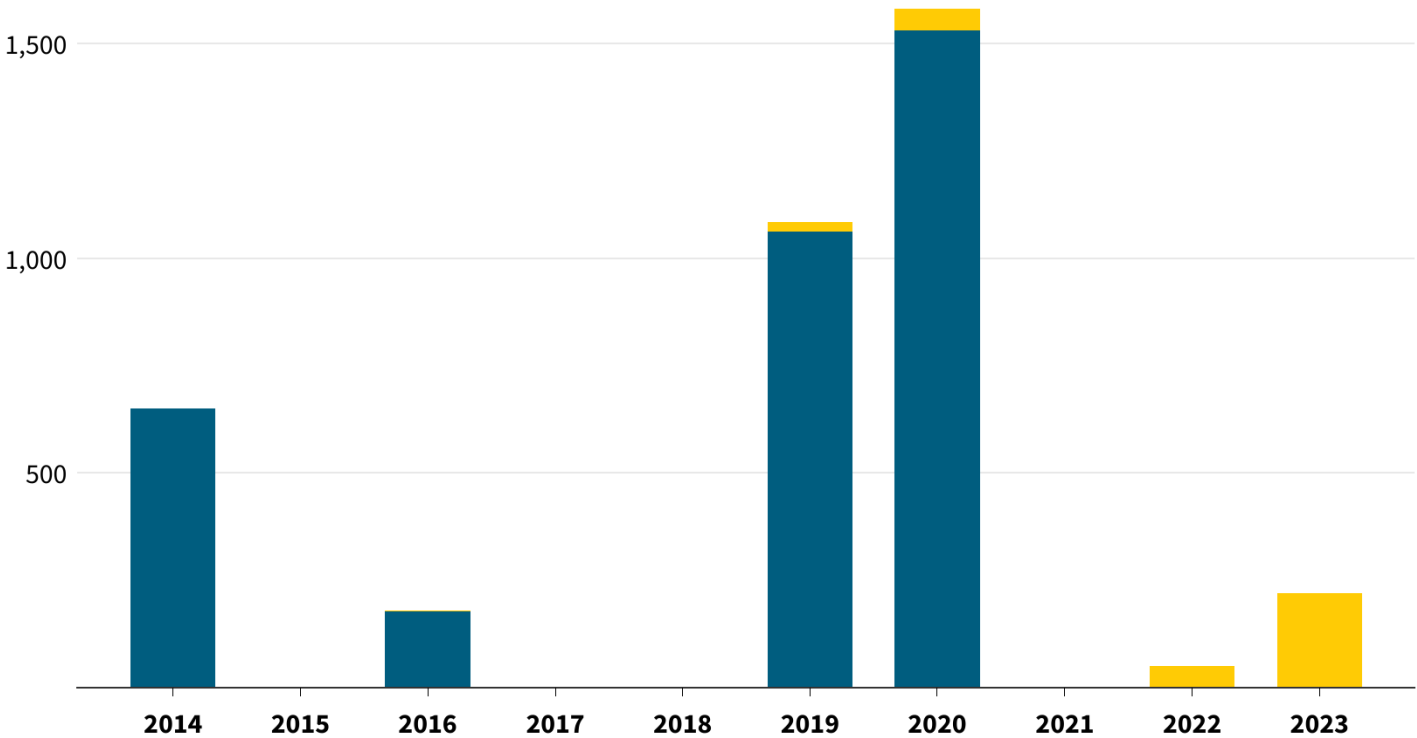
Source: Clean Investment Monitor

Louisiana’s energy generation capacity is 77% natural gas, with limited solar uptake in recent years

Generation capacity additions in Louisiana (2014-2023)

Nameplate Capacity (MW)

Natural Gas Solar Photovoltaic

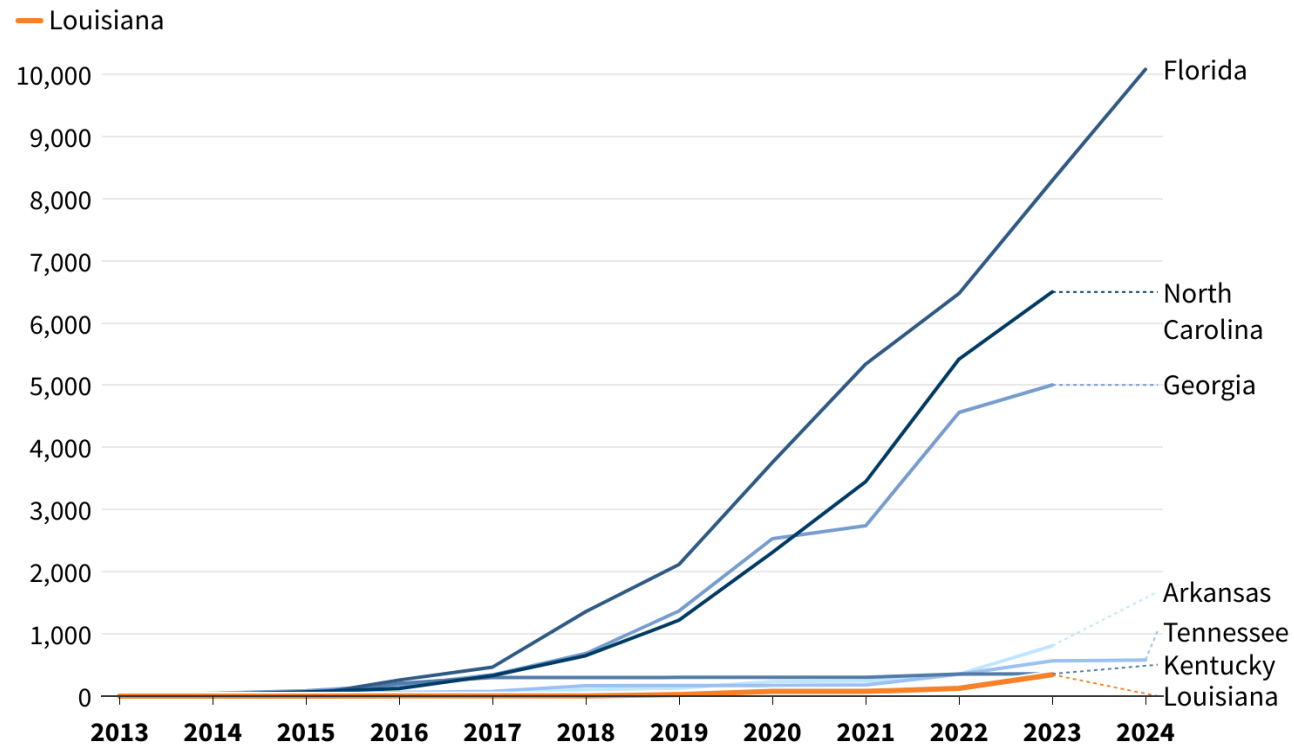


Source: EIA

Wind and solar deployment are growing across the South, but lagging in Louisiana

Cumulative Renewable Electricity Capacity Growth since 2012

In Generation Capacity (MW)



Source: EIA SEDS

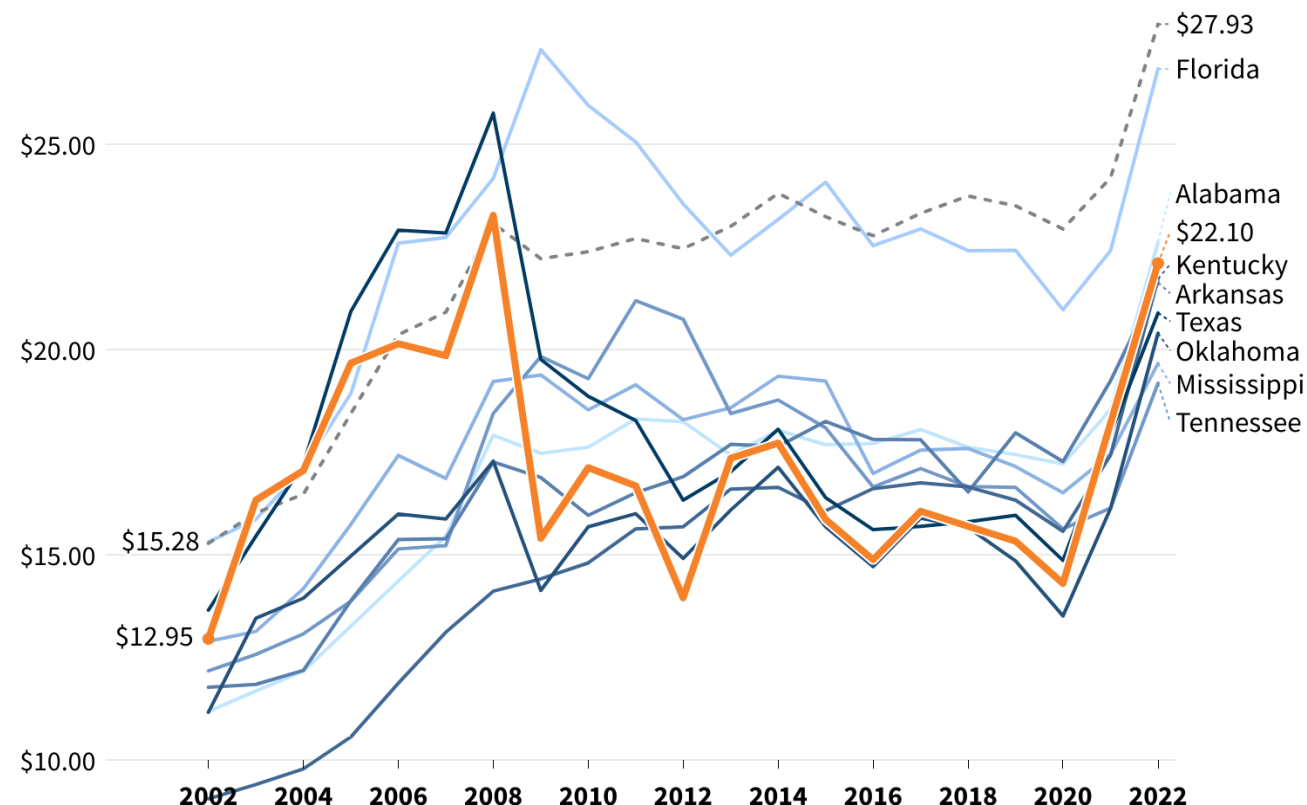
Industrial energy prices in Louisiana and across the Gulf Coast reliably remain the lowest nationally; however, Louisiana's grid is one of the least reliable in the country

Entergy New Orleans electricity prices have been 15% lower than Entergy Louisiana electricity prices over the past two years creating a more attractive environment for industry.

Industrial Sector Electricity Prices in the Gulf States since 2002

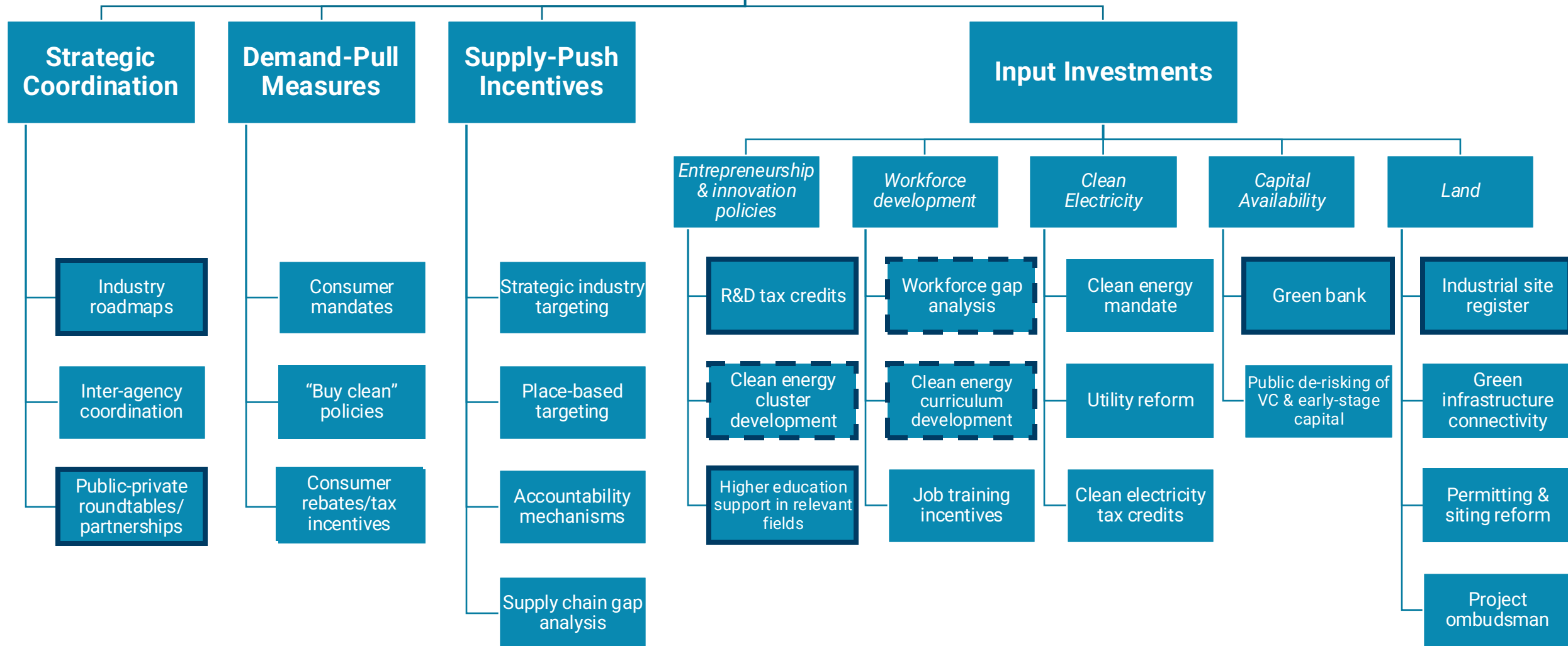
In 2022 USD per MMBtu

— Louisiana -- NtlPrice



Source: EIA SEDS

Increasing clean energy investment requires targeted economic development policy, and Louisiana has taken few of the needed actions



Louisiana's community lenders are not yet poised for green finance

Louisiana

- More than 100 community development financial institutions (CDFIs) — the second most nationally — but no coordination mechanism

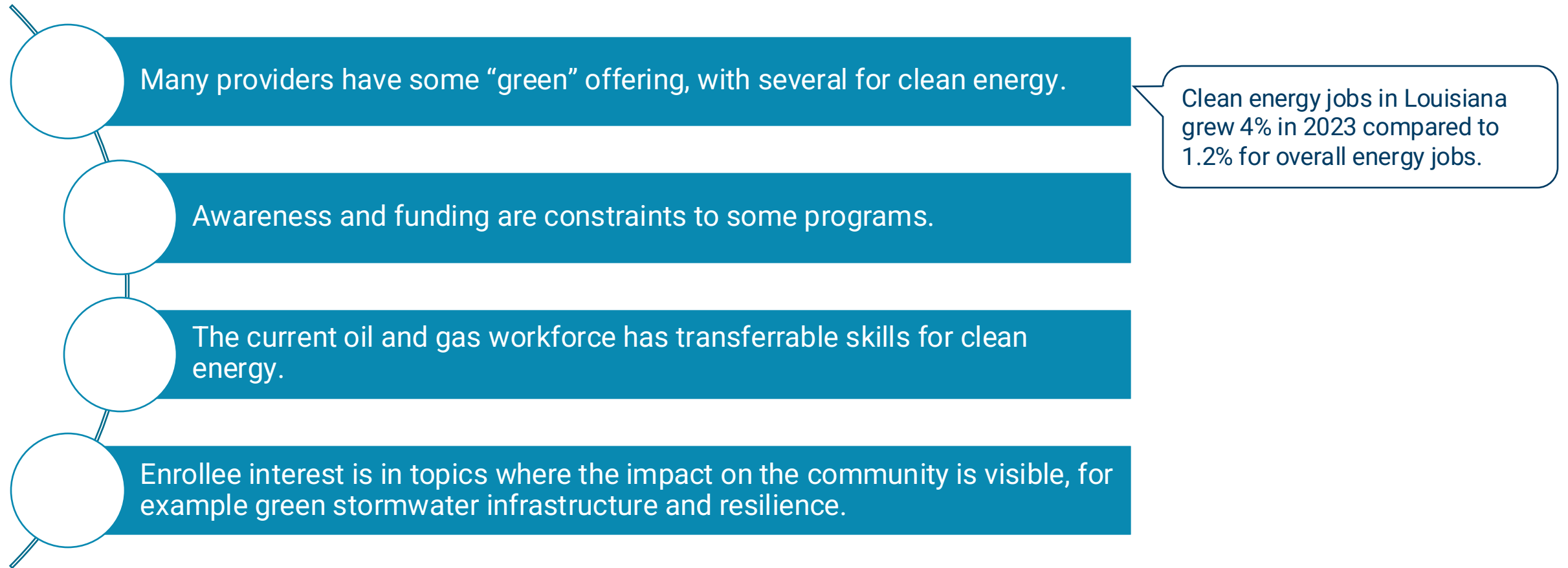
New Orleans region

- 13 CDFIs, more non-certified lenders
- No green finance, but adaptable existing products and services
- Finance New Orleans has green housing products but limited capital

Louisiana Certified CDFIs



The New Orleans region has a strong slate of workforce development providers





Regional Economic Competitiveness Opportunities

Competitiveness Key Messages



The New Orleans region's workforce has strengths in the power and green buildings (construction and retrofit) sectors to support the energy transition locally and statewide.

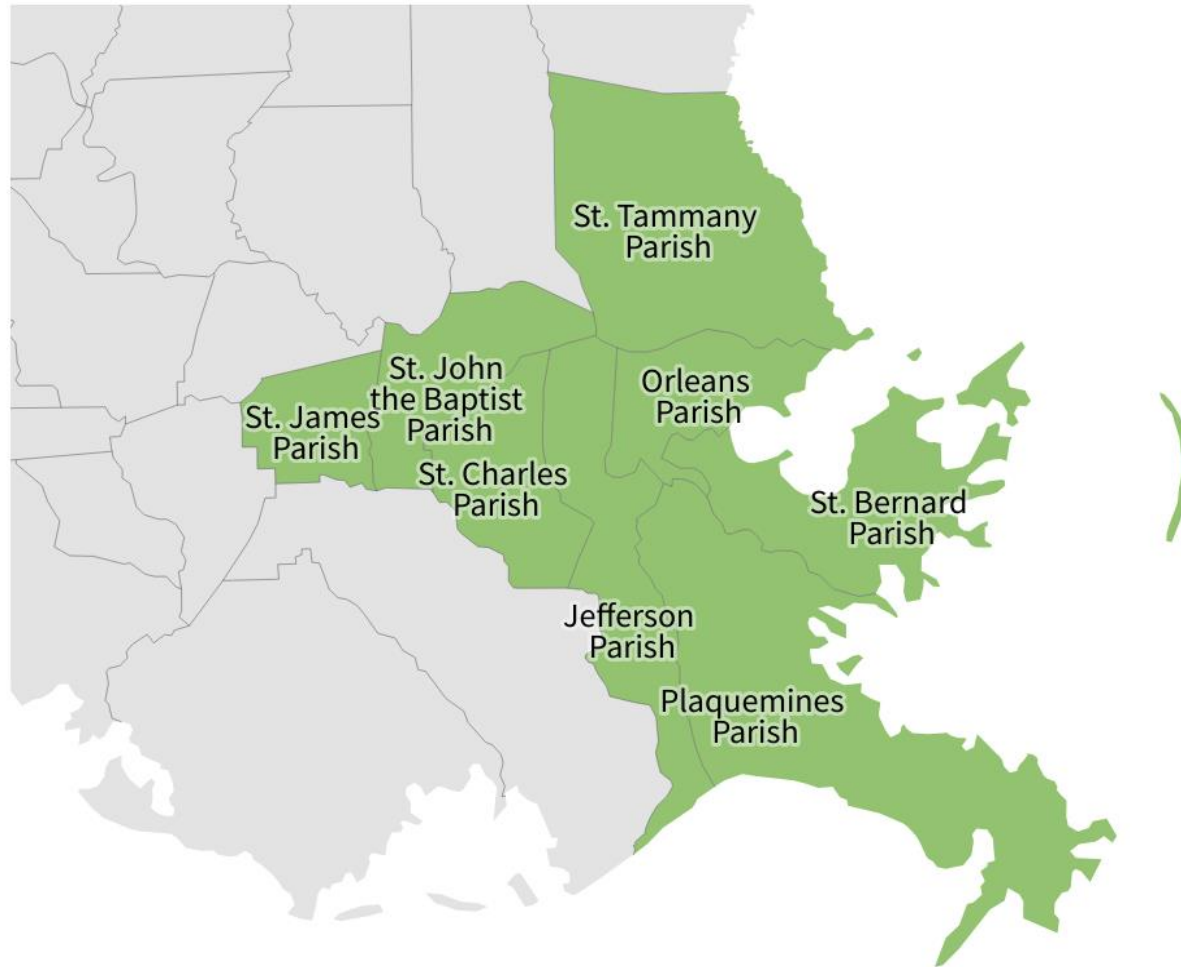


Louisiana has recently attracted clean energy manufacturing investments that could form the basis of new cleantech clusters — especially in solar, offshore wind, and hydrogen.



Stakeholders will have to work collectively to unlock greater economic opportunity for the region in these sectors.

The “New Orleans region” in this analysis



Understanding economic competitiveness: High feasibility, high complexity industries are more likely to attract investment

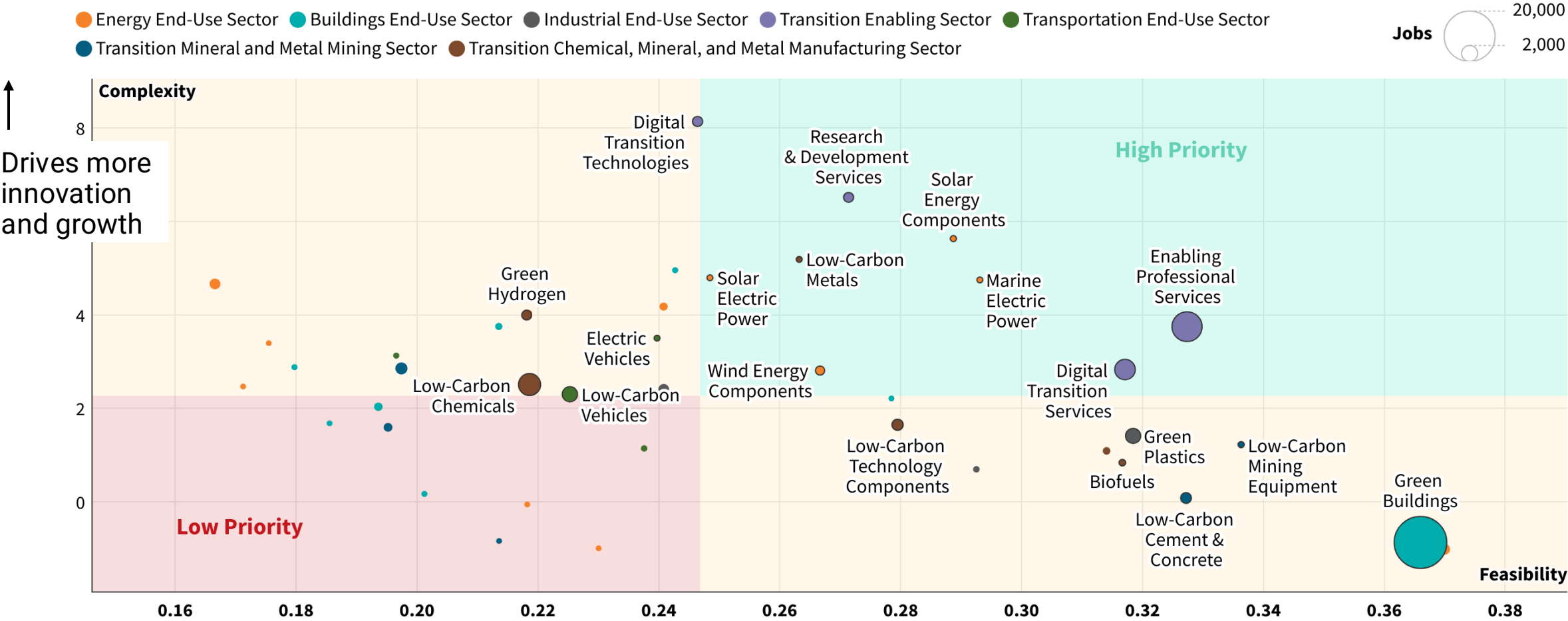
Feasibility is a measure of how related an industry is to all the high-concentration industries in a region, in terms of those industries' shared productive capabilities. Feasibility can be used to predict which industries are more likely to appear in a region — or grow faster than the average — in terms of employment or output.

Complexity is a metric that describes industries' capability requirements, based on the industry's ubiquity and whether it is present in cities with a diverse composition of other industries. As higher complexity industries start to succeed in a region, the region's overall economic complexity increases, leading to more innovation and economic growth.

Feasibility and complexity, illustrated

Existing jobs show the relative opportunities for technologies associated with the energy transition

New Orleans Region Cleantech Feasibility and Complexity

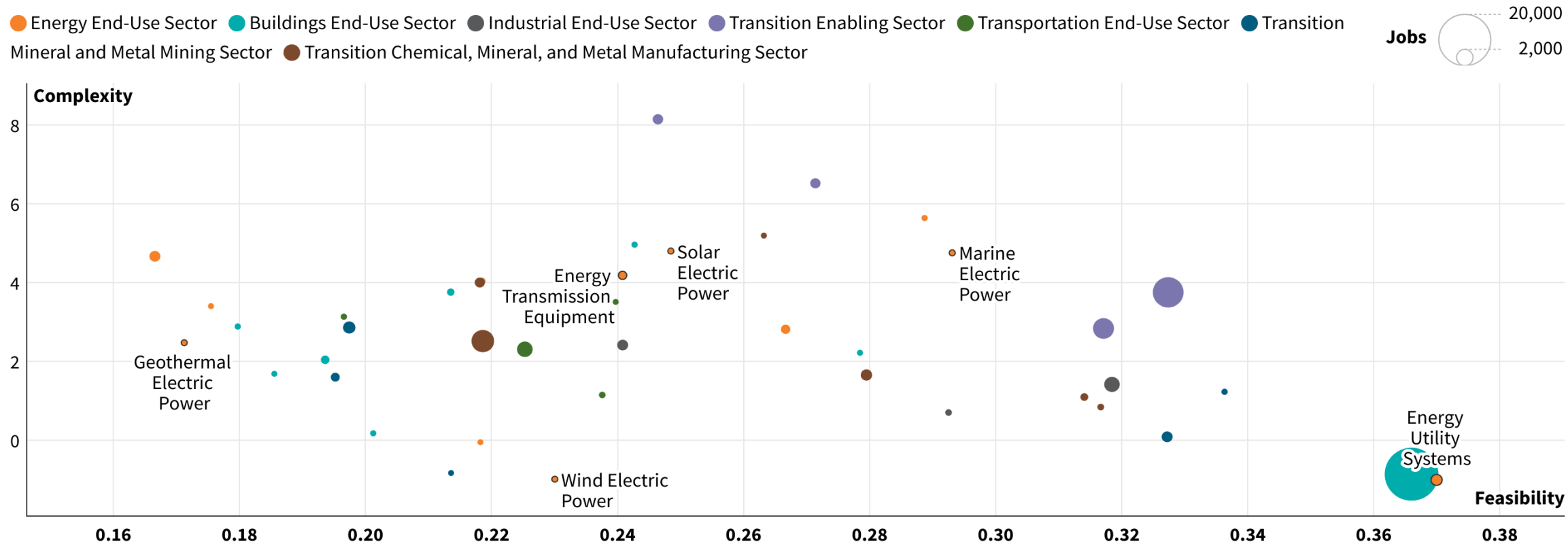


Source: Clean Growth Tool

Energy sector workforce skills support regional energy expansion

Solar and offshore wind can provide electricity for industrial growth

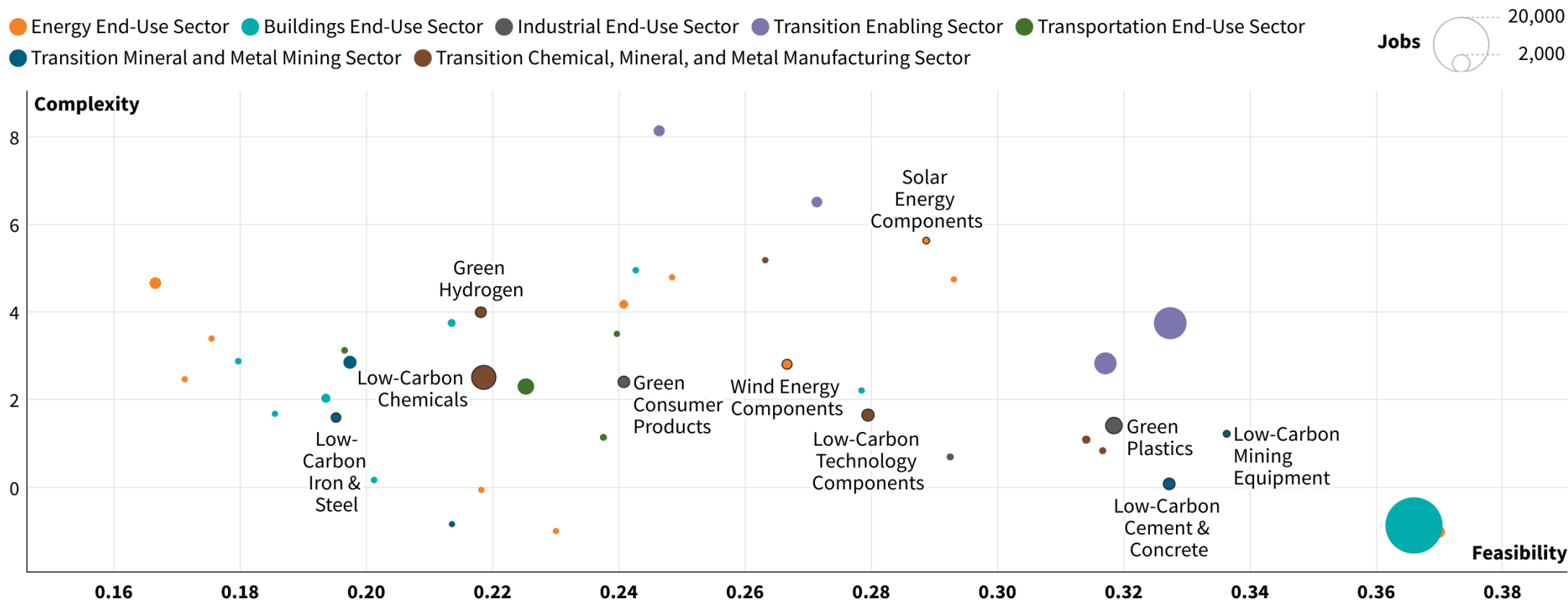
New Orleans Region Cleantech Feasibility and Complexity



Source: Clean Growth Tool

The region has workforce skills in manufacturing across a number of technologies needed for the energy transition locally and nationwide

New Orleans Region Cleantech Feasibility and Complexity



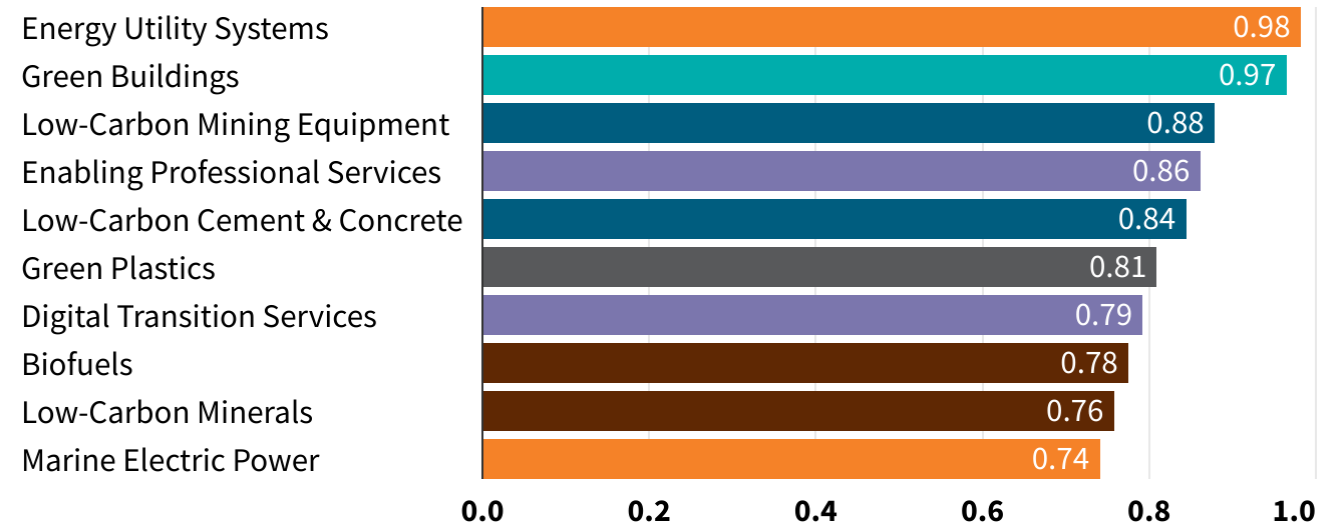
Source: Clean Growth Tool

New Orleans is better positioned than many metropolitan regions to foster growth in a range of technologies

New Orleans Region Feasible Cleantech Opportunities

Ranked by feasibility percentile compared to MSAs nationally

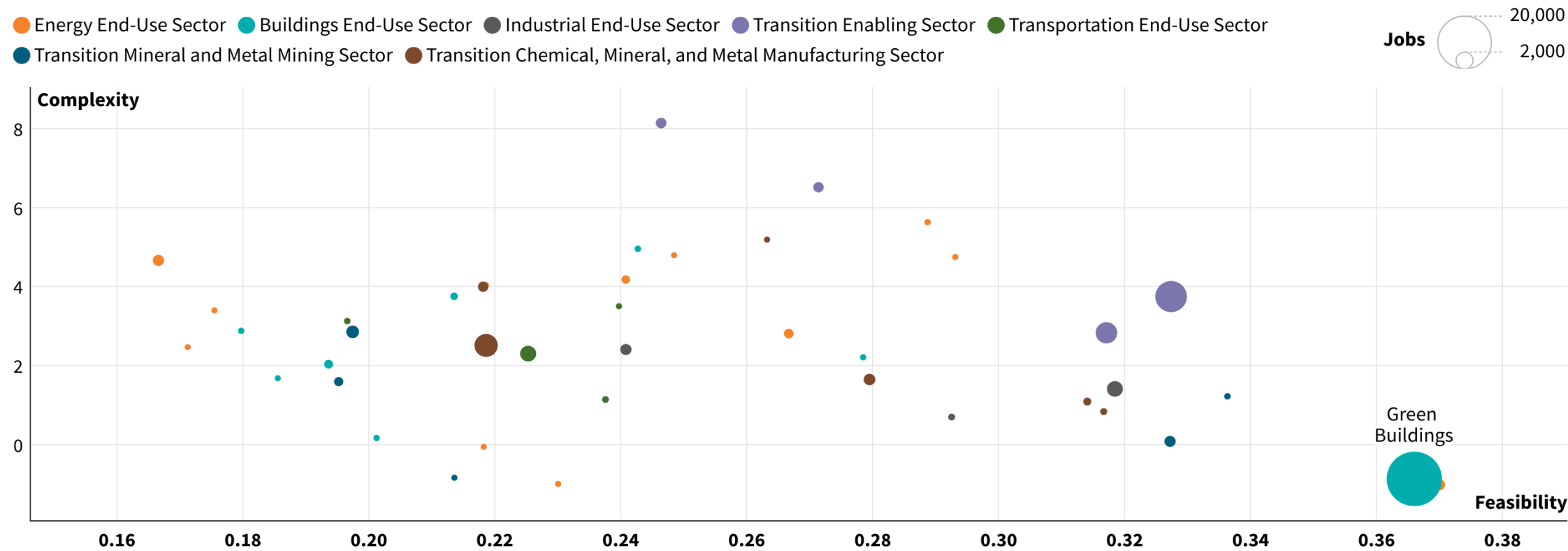
Energy End-Use Sector Buildings End-Use Sector Transition Mineral and Metal Mining Sector Transition Enabling Sector Industrial End-Use Sector Transition Chemical, Mineral, and Metal Manufacturing Sector



Source: Clean Growth Tool, Brookings Institution

The region’s robust construction sector can support new and retrofit green buildings while driving further workforce development and employment opportunities

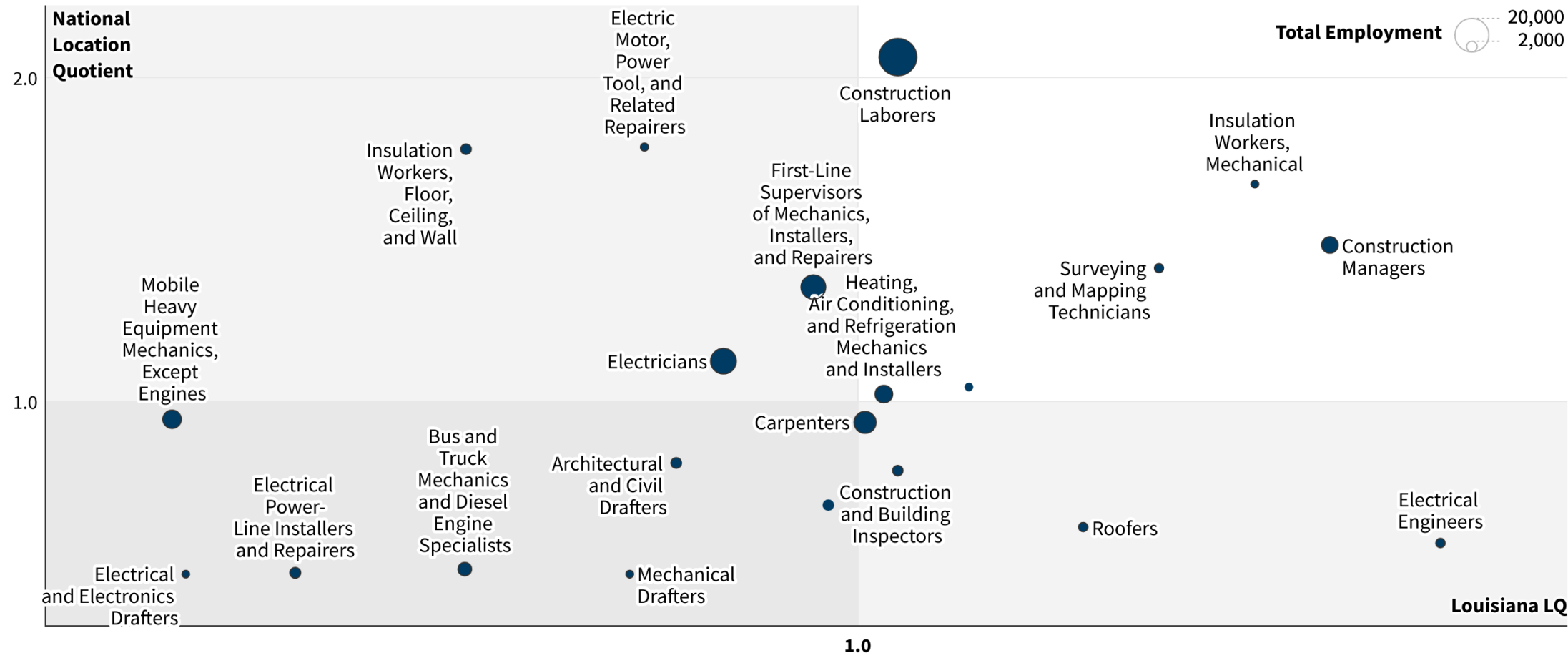
New Orleans Region Cleantech Feasibility and Complexity



Source: Clean Growth Tool

New Orleans has occupational strengths and gaps in GGRF-relevant industries

GGRF-Related Occupations in the New Orleans Region





Regional Constraints

Constraints Key Messages



Policy: Louisiana has a weak enabling environment to foster clean energy and cleantech.



Workforce: Programs need to scale and tailor for priority fields to overcome development gaps.

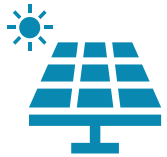


Finance: There are limited financial institutions in the New Orleans region, capital availability is constrained, and knowledge of green finance isn't widespread.



Construction: Buildings need complicated and costly repairs before they are ready for measures like energy efficiency improvements or rooftop solar.

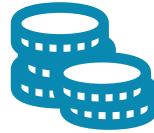
Louisiana lacks an enabling policy environment for clean energy



State ended the solar tax credit, increasing cost for homeowners



No incentives for electric vehicles or low-emission vehicles



No Property Assessed Clean Energy (PACE) loans



Grid reliability is low



Policies for offshore wind, hydrogen, and carbon capture are immature, and siting and permitting is slow

Targeted policies can help boost emerging clean energy technologies

- **Expanding clean electricity and addressing grid reliability will make Louisiana more competitive for clean industry**
- **Local engagement and community benefits agreements must be central to policy and guide future industry deployment to center environmental justice**

Limited capital and coordination amplify universal green finance challenges

 Lack of knowledge around GGRF opportunity and how to get engaged

 Without a clear template, CDFIs don't know where to start on green finance

 GGRF awardees may prioritize CDFIs with green finance experience

 Capital is limited

 New Orleans has few CDFIs, and there is no statewide coordination

 Regional CDFIs are less connected to other stakeholder groups

↑
Universal

↓
Regional

Buildings need prerequisite repairs

- **Weatherization and roof fortification are necessary in addition to buildings retrofits for solar and energy efficiency upgrades.**
 - Limited funding for fortified roof programs doesn't cover what's needed
 - Moderate income left out of programs
- **Insurance prices have gone up due to hurricanes, increasing the cost of living for residents in the New Orleans region.**
- **History of bad actors in the solar and building industries post-Katrina led to distrust of solar companies.**

Education and funding are needed to scale workforce development

- **More awareness is needed of what clean energy jobs are and what opportunities exist.**
- **More trainings are needed for electricians and building trades.**
- **Louisiana lost substantial solar workforce when the tax credit was terminated.**



Regional Coordination Opportunities and Needs

Coordination Key Messages



The New Orleans region has most of the entities needed to drive cleantech-led economic development, but more coordination is needed.



Existing coordination mechanisms and relationships provide starting points for broader coordination to attract funding and investment.

More coordination is needed across siloed groups



Existing coordination mechanisms and relationships provide starting points for broader coordination to attract funding and investment



Improved coordination can build on existing efforts



H2theFuture is already an example of a multi-stakeholder partnership between economic development organizations, technical colleges, and employers.



The City of New Orleans' Federal Infrastructure task force could work with external organizations to attract greater investment to the region.



There is a strong presence of chambers of commerce to support local small businesses. They already work with community lenders and could serve as connection points between business and finance.



Finance New Orleans and local CDFIs could partner on GGRF capacity building and training.



The City of New Orleans and workforce training groups could work together to create a pipeline for job opportunities.

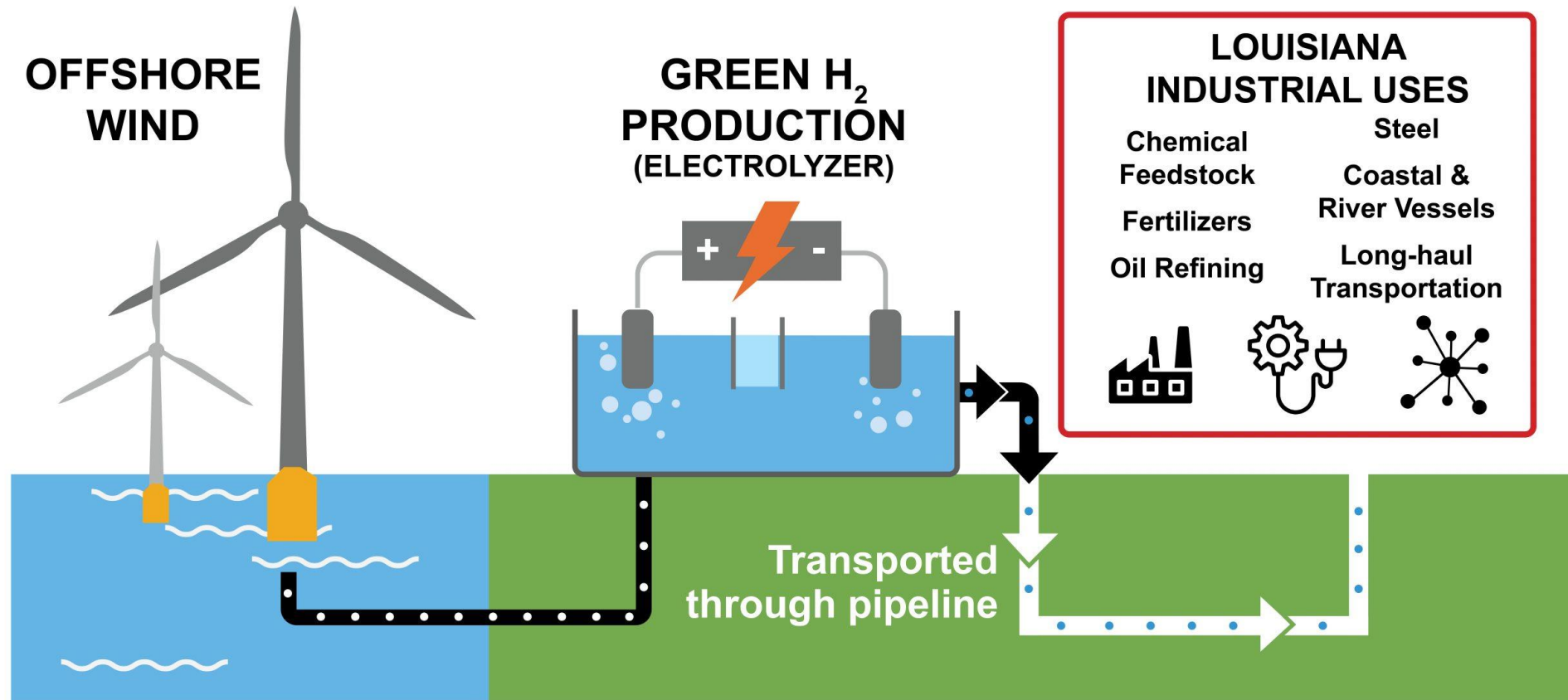


A Closer Look at Two Opportunities for the New Orleans Region



South Louisiana's Green Hydrogen Opportunity

Green hydrogen is a promising alternative feedstock for Louisiana industry

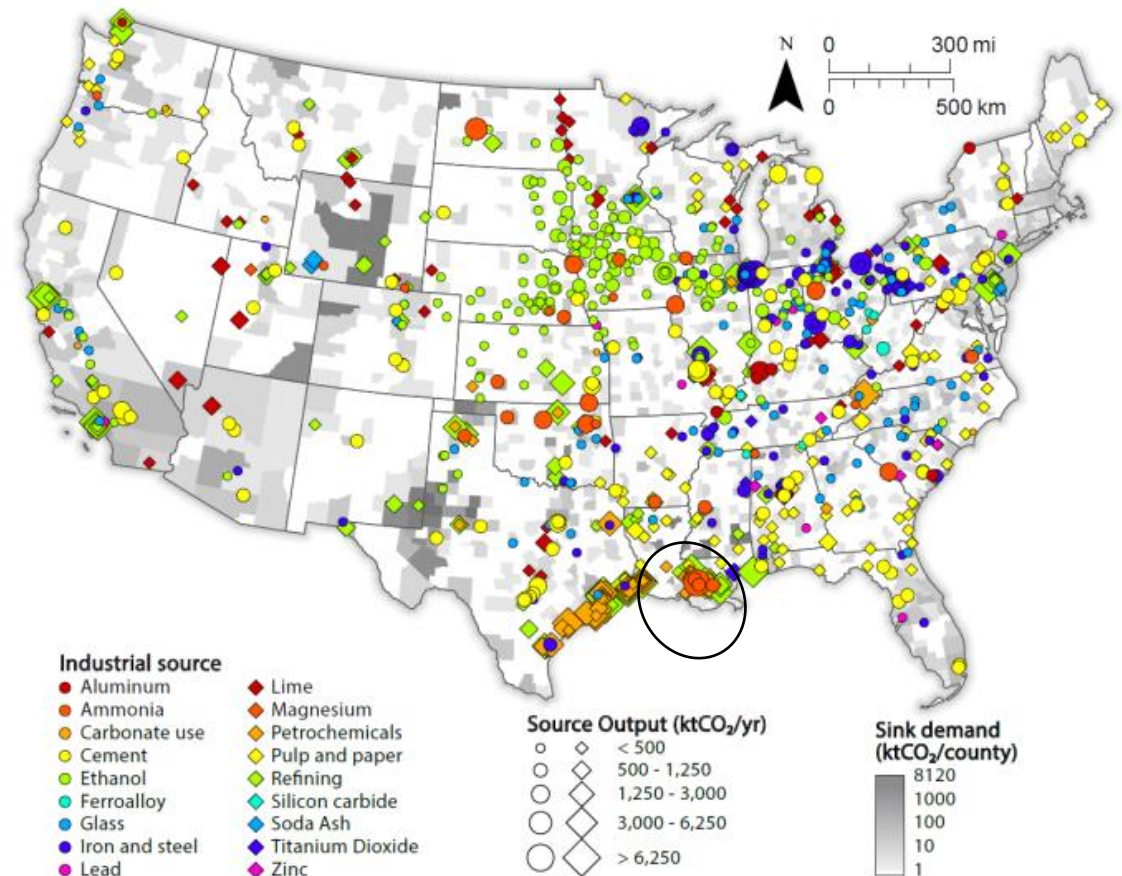


South Louisiana already has high hydrogen demand and consumption

Production could create a green hydrogen cluster.

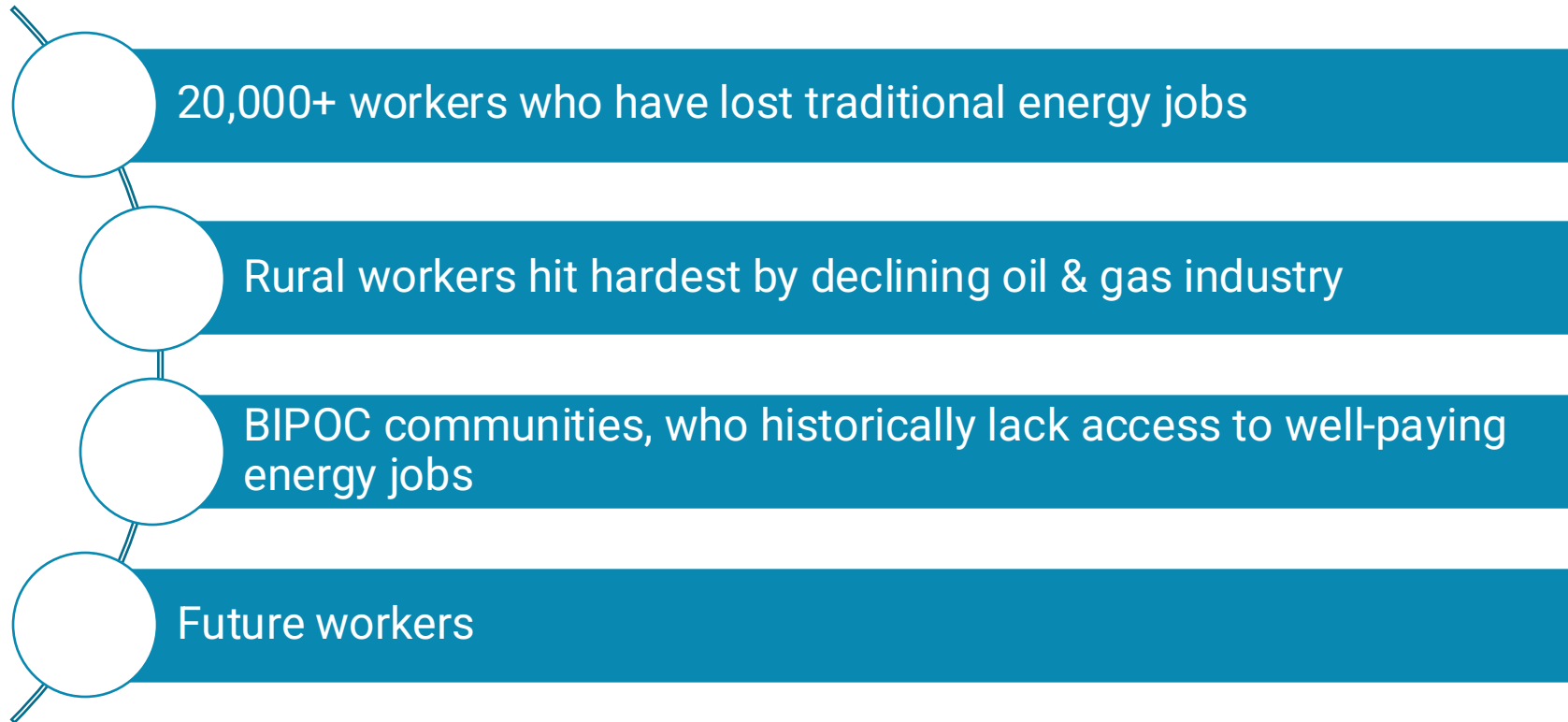
- Louisiana has the highest per-capita use of industrial hydrogen, the densest pipeline system in America, and the second-largest port complex in the Western Hemisphere.
- Producing green hydrogen would make a cluster of producers and offtakers.

Industrial sites with potential hydrogen demand

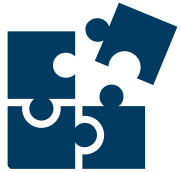


Green hydrogen can have socioeconomic benefits when planned properly

H2theFuture is targeting four participant groups to build the necessary workforce for green hydrogen.



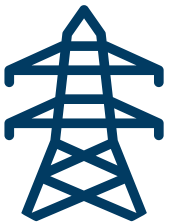
Green hydrogen is most likely to succeed if it has a clear place in the region's economic development strategy



Green hydrogen requires supportive and compatible federal, state, and local policies.



A comprehensive workforce development strategy can deliver socioeconomic benefits by transitioning the existing workforce and training for the future.



Clean energy infrastructure is essential for green hydrogen cluster growth.



New Orleans' Green Buildings Opportunity

What are “green buildings”

Efficient, low-emissions buildings improve quality of life

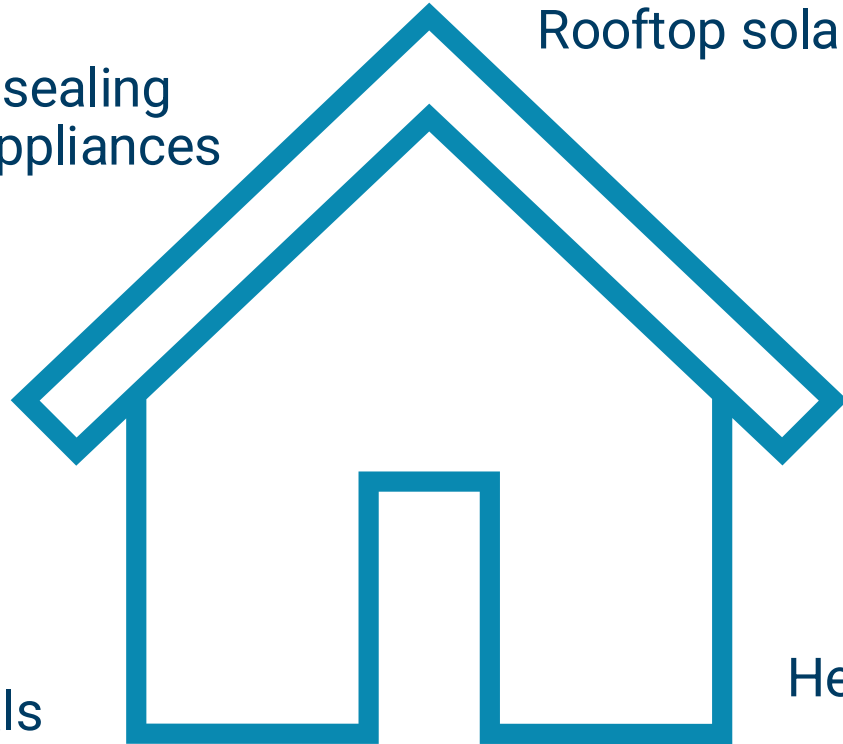
Energy efficiency

- Insulation and air sealing
- Energy-efficient appliances
- LED lighting

Rooftop solar

Low-carbon
building materials

Heat pump



Green buildings:

- **Reduce energy bills and energy burden**
- **Provide healthy indoor environments**
- **Reduce emissions**
- **Increase bargaining power with insurers**

New Orleans' green buildings opportunity from a housing perspective



A wave of post-Katrina housing needs upgrades.



Construction of ~35,000 new energy-efficient affordable housing units would cost almost \$16 billion.



Rehabilitation, weatherization, and solar + storage for almost 30% of New Orleans' ~194,000 housing units would cost over \$3 billion.

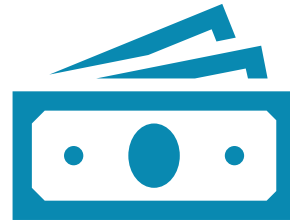
Green buildings can drive economic development far beyond the construction sector, throughout the supply chain and the community



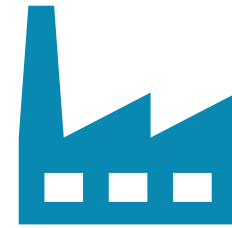
Green buildings sector actions require supporting actions



Invest in trainings to upskill the workforce on necessary skills



Boost incentives and enabling programs



Create connections and career paths between construction, construction manufacturing, and other cleantech manufacturing



Contact

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