

**pennsylvania**  
DEPARTMENT OF COMMUNITY  
& ECONOMIC DEVELOPMENT

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Pennsylvania Department of Community & Economic Development

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# Renewable Energy Program Geothermal and Wind Projects

Provides financial assistance in the form of grant and loan funds that will be used by eligible applicants to promote the use of alternative energy in the Commonwealth.



## Renewable Energy Program

### Eligible Applicants

The following applicants are eligible for grants/loans:

- **A Business** – A corporation, partnership, sole proprietorship, limited liability company, business trust or other commercial entity approved by the Commonwealth Financing Authority. The term shall include not-for-profit entities.
- **An Economic Development Organization** – A non-profit corporation or association whose purpose is the enhancement of economic conditions in their community.
- **A Political Subdivision** – Includes municipalities, counties, and school districts.
- **An Individual** – Any person who seeks to install a geothermal heating and cooling system in a dwelling they currently occupy as their primary residence.

### Eligible Projects

- Geothermal Technologies, including closed loop geothermal heat pump systems that use the ground, ground water and underground mine water as an energy source.
- Wind Energy, including facilities to produce or distribute wind generated energy as well as manufacturing facilities for wind turbines and other energy components.

## Renewable Energy Program

### Eligible Use of Funds

Funds may be used by the applicant to pay for any of the following project costs :

- Acquisition of land and buildings, rights-of-way, and easements.
- The clearing and preparation of the land.
- Construction or renovation of a building by a manufacturer.
- The purchase and installation of equipment by a manufacturer.
- The purchase, installation, and construction of energy facilities that generate or distribute geothermal or wind energy.
- Planning activities.
- Permit fees.
- Administrative costs up to 3%.

Ineligible costs include but are not limited to fees for securing other financing, interest on borrowed funds, refinancing of existing debt, and costs incurred prior to the approval of CFA financing.

## Renewable Energy Program

### Loans

1. Loan Amount
  - Manufacturer - \$35,000 for every new job created within three years.
  - Wind energy generation - \$5 million.
  - Geothermal system commercial projects - \$3 / sq. ft. of space heated / cooled.
  - Geothermal residential projects – 50% of project cost.
2. Repayment Term – 10 years for equipment and 15 years for real estate.
3. Interest Rate – For geothermal projects 1%. The current interest rate for other projects is posted on the [www.newpa.com](http://www.newpa.com) website.
4. Security – All loans are to be secured by a lien on the asset financed. The Authority may require additional security as necessary, including but not limited to, a pledge of additional assets or securities or dedicated revenues.

## Renewable Energy Program

### Grants

1. Manufacturers - \$5,000 for every job created within three years. If the component manufacturer fails to create the projected number of jobs, the Authority may require the full amount of the grant to be repaid.
2. Wind energy generation or distribution project - \$1 million.
3. Planning grants - \$175,000 or 50%, whichever is less.

## Renewable Energy Program

### Guarantee

The Authority may award grants to applicants that would serve as a guarantee for the financing in the project. The Guarantee is subject to the following conditions:

1. A standby letter of credit and issued directly to the company/developer.
2. The funds may only be drawn upon in the event the company defaults on its financing and there is a deficiency in collateral for the lending institution to collect upon. The funds will pay up to 75% of the deficiency.
3. The term of the guarantee will not be more than 5 years.
4. The amount of the guarantee shall not exceed \$5 million.

## Renewable Energy Program

### Application Evaluation

All applications are reviewed by the Department of Community and Economic Development and the Department of Environmental Protection. Projects will be evaluated using the appropriate criteria from the following comprehensive list of evaluation criteria for the various types of eligible projects:

1. The level of non-CFA matching investment in the project.
2. The technical and financial feasibility of the project.
3. Energy savings generated or peak load reduced by the project.
4. The amount of alternative energy produced by the project.
5. The number and quality of the jobs to be created or preserved by the project.
6. The financial need of the project.
7. Project readiness.
8. The level to which the project exhibits principals of sound land and water use.
9. Environmental benefits arising from the project including the creation of allowances that can be used to facilitate additional economic development in the region.

## Renewable Energy Program

### Program Highlights

- 22 projects approved
- \$4,303,400 awarded to projects
- Average award amount - \$195,609
- Leveraged \$40,681,385 in private investment
- Estimated yearly energy savings - 48,756,028 kBTU's

## Solar Energy Program

Provides financial assistance in the form of grant and loan funds that will be used by eligible applicants to promote the generation and use of solar energy and the manufacture or assembly of solar equipment in the Commonwealth.

## Solar Energy Program

### Eligible Applicants

The following applicants are eligible for grants/loans:

- **A Business** – a corporation, partnership, sole proprietorship, limited liability company, business trust, or other commercial entity approved by the Commonwealth Financing Authority. The term shall include venture capital firms, solar energy and solar thermal system installers, and other business entities capable of raising a significant amount of capital. The term shall also include not-for-profit entities.
- **An Economic Development Organization** – a nonprofit corporation or association whose purpose is the enhancement of economic conditions in their community.
- **A Political Subdivision** – A municipality, county, or school district.

### Eligible Projects

- Facilities to generate, distribute, or store solar energy, manufacturing facilities. Solar photovoltaic (electric) and solar thermal (hot water) technologies are eligible.
- The development or construction of facilities used for the research and development of technology related to solar energy.

## Solar Energy Program

### Eligible Use of Funds

Funds may be used by the applicant to pay for any of the following project costs :

- Acquisition of land and buildings, rights-of-way, and easements.
- The clearing and preparation of the land.
- Construction or renovation of a building for manufacturing.
- The purchase and installation of equipment used for manufacturing.
- The purchase and installation of solar PV and solar thermal facilities.
- For eligible public and non-profit applicants, planning and feasibility work.
- Permit fees.
- Administrative costs up to 3%.

Ineligible costs include but are not limited to fees for securing other financing, interest on borrowed funds, refinancing of existing debt, and costs incurred prior to the approval of CFA financing.

## Solar Energy Program

### Loans

1. Loan Amount
  - Manufacturer - \$35,000 for every new job created within three years.
  - Solar energy generation - \$5 million or \$2.25 per watt, whichever is less.
  - Research and development facility or a solar thermal project - \$5 million.
2. Repayment Term – Loans will be repaid over a period not to exceed 10 years for equipment and 15 years for real estate.
3. Interest Rate – The interest rate for the loan will be fixed at the time of approval of the loan. The current interest rate is posted on the [www.newpa.com](http://www.newpa.com) website.
4. Security – All loans are to be secured by a lien on the asset financed. The Authority may require additional security as necessary, including but not limited to, a pledge of additional assets or securities or dedicated revenues.

## Solar Energy Program

### Grants

1. Manufacturer - \$5,000 for every job created within three years. If the manufacturer fails to create the projected number of jobs, the Authority may require all or a portion of the grant to be repaid.
2. Solar PV projects - \$2.25 per watt.
3. Research and development facility or a solar thermal project - \$1 million.
4. Planning or feasibility studies - \$175,000 or 50% of the cost, whichever is less.
5. The CFA will consider grant requests for generation projects in instances where there is not a long-term contract of at least 10 years in place for Solar Renewable Energy Credits. For projects that enter into a long-term SREC contract subsequent to CFA approval of a grant, the grant approval will be rescinded and grant funds returned to the CFA.

## Solar Energy Program

### Guarantee

The Authority may award grants to applicants that would serve as a guarantee for the financing in the project. The Guarantee is subject to the following conditions:

1. A standby letter of credit and issued directly to the company/developer. Projects applying for a loan guarantee from the Authority will be required to invest a minimum of 10% in equity as part of the project financing.
2. The funds may only be drawn upon in the event the company defaults on its financing and there is a deficiency in collateral for the lending institution to collect upon. The funds will pay up to 75% of the deficiency.
3. The term of the guarantee will not be more than 5 years.
4. The amount of the guarantee shall not exceed \$30 million.

## Solar Energy Program

### Application Evaluation

All applications are reviewed by the Department of Community and Economic Development and the Department of Environmental Protection. Projects will be evaluated using the following criteria:

1. The level of non-CFA matching investment in the project.
2. The technical and financial feasibility of the project.
3. Energy savings generated or peak load reduced by the project.
4. The amount of solar energy produced by the project.
5. The number and quality of the jobs to be created or preserved in Pennsylvania by the project including construction jobs.
6. The financial need of the project.
7. The capital efficiency of the project.
8. Project readiness.
9. The level to which the project exhibits principles of sound land and water use.
10. Environmental benefits arising from the project including the creation of allowances that can be used to facilitate additional economic development in the region.
11. The nation and state of origin of equipment used in the solar project.

## Solar Energy Program

### Program Highlights

- 34 Projects Approved
- Total system size of approved projects: 32.238 megawatts
- Total approved: \$40,571,881
  - Grants: \$24,859,381
  - Loans: \$15,712,500
- Average cost per watt of approved projects: \$1.41/per watt

## High Performance Building

Provides financial assistance in the form of grant or loan funds that will be used by eligible applicants to underwrite the cost premiums associated with the design and construction or major renovation of high performance buildings in the Commonwealth.

## High Performance Building

### Eligible Applicants

The following applicants are eligible for grants/loans:

- **A Small Business** – a for-profit corporation, limited liability company, partnership, proprietorship or other legal business entity located within the Commonwealth of Pennsylvania and having 100 or fewer full-time employees worldwide at the time of submission of the application.
- **An Individual** – any person engaged in the construction or renovation of a dwelling that he or she currently occupies or will occupy as a primary residence.

### Eligible Projects

High performance building projects that meet or exceed the standards identified in guidelines will be eligible for consideration under this program.

Projects are limited to the construction or renovation of a building for the use of a small business and/or for the primary residence of an individual.

The high performance standards adopted herein are intended to optimize the energy performance of buildings; increase the use of and demand for environmentally preferable building materials, furnishes and finishes; reduce pollutant and waste generation; select appropriate sites; improve environmental quality; promote good building operations practices and conserve natural resources in the Commonwealth.



## High Performance Building

### Eligible Use of Funds

Funds may be used by the applicant to pay for any of the following project costs associated with a high-performance building:

- The acquisition of land and buildings, rights-of-way, and easements.
- The clearing and preparation of the land.
- The planning, designing, or modeling work necessary to construct or renovate a high performance building.
- Registration and certification of the project with.
- Construction or renovation of a high performance building.
- Commissioning and enhanced verification of building performance.

Ineligible costs include but are not limited to fees for securing other financing, interest on borrowed funds, refinancing of existing debt, and costs incurred prior to the approval of CFA financing.



## High Performance Building

### Loans

1. Loan Amount
  - Small businesses - \$2 million.
  - Individual residential projects - \$100,000.
2. Repayment Term – Loans may be amortized over a period not to exceed 25 years and will be repaid over a period not to exceed 10 years.
3. Interest Rate – 4%.
4. Security – All loans are to be secured by a lien on the asset financed. The Authority may require additional security as necessary, including but not limited to, a pledge of additional assets or securities or dedicated revenues.

### Grants

Amount - \$500,000 or 10% of the total eligible building construction/renovation costs, whichever is less. An eligible applicant may apply for a grant or a loan, but not both for the same building project.

## High Performance Building

### Guarantees

The Authority may award grants to applicants that would serve as a guarantee for the financing in the project. The Guarantee is subject to the following conditions:

1. A standby letter of credit and issued directly to the business or individual.
2. The funds may only be drawn upon in the event the grant recipient defaults on its financing and there is a deficiency in collateral for the lending institution to collect upon.
3. The term of the guarantee will not be for more than 5 years.
4. The amount of the guarantee shall not exceed \$2 million for a business and \$100,000 for an individual.

## High Performance Building

### Application Evaluation

All applications are reviewed by the Department of Community and Economic Development and the Department of Environmental Protection. Projects will be evaluated using the following criteria:

1. The level of non-CFA matching investment in the project.
2. The number and quality of the jobs to be created or preserved by the project (small business only).
3. The technical and financial feasibility of the project.
4. Project readiness.
5. The level to which the project exhibits principals of sound land and water use.
6. Environmental benefits arising from the project.
7. The nation and state of origin of building materials used to qualify the building as a high performance building.

## Alternative and Clean Energy

Provides financial assistance in the form of grant and loan funds that will be used by eligible applicants for the utilization, development and construction of alternative and clean energy projects in the Commonwealth.

## Alternative and Clean Energy

### Eligible Applicants

The following applicants are eligible for grants/loans:

- **A Business** – a corporation, partnership, sole proprietorship, limited liability company, business trust, or other commercial entity approved by the Commonwealth Financing Authority. The term shall also include not-for-profit entities.
- **An Economic Development Organization** – a nonprofit corporation or association whose purpose is the enhancement of economic conditions in their community.
- **A Political Subdivision** – A municipality, county, or school district.

## Alternative and Clean Energy

### Eligible Project Costs

Funds may be used for any of the following **Clean Energy Project** costs:

- Installation of equipment for energy conservation or energy efficiency (including but not limited to heating, lighting, and cooling equipment). Energy Star rated equipment is required if the type or class of equipment being installed is rated under the Energy Star Program (refer to [www.energystar.gov](http://www.energystar.gov)).
- Installation of an alternative energy system which produces energy from sources defined under the Portfolio Standards Act of 2004 including but not limited to waste coal, biomass, wind energy, geothermal technologies, clean coal technologies, waste energy technologies, large-scale or low-impact hydro, biologically derived methane gas, fuel cells, coal mine methane, or by-products of the pulping and wood manufacturing process in a new or existing building.
- Replacement or enhancement of an existing energy system that utilizes nonrenewable energy with an energy system that utilizes alternative energy.
- Modification of the contract terms of an energy service project by a political subdivision pursuant to a new energy savings contract (ESCO) with a qualified provider under the Guaranteed Energy Savings Act (GESA) of 1996. The PA Department of General Services manages the GESA program for the Commonwealth, and maintains a list of qualified providers on their website ([www.dgs.state.pa.us](http://www.dgs.state.pa.us)).

## Alternative and Clean Energy

### Eligible Project Costs Continued...

- Preparation of plans and energy audits.
- Administrative costs up to 3%.

Funds may be used for the construction or development of an **Alternative Energy Production Project** including:

- A facility that produces or distributes energy from sources defined in the Portfolio Standards Act of 2004 including but not limited to waste coal, biomass, wind energy, geothermal technologies, clean coal technologies, municipal solid waste energy technologies, large-scale or low-impact hydro, biologically derived methane gas, fuel cells, coal mine methane, or by-products of the pulping and wood manufacturing process.
- A facility that manufactures or produces alternative fuels.

## Alternative and Clean Energy

### Eligible Project Costs Continued...

- A facility that manufactures or produces products, including component parts that provide alternative energy, alternative fuels, energy efficiency, or conservation.
- The purchase and installation of equipment used for manufacturing.
- A facility used for the research and development of technology to provide alternative energy sources or alternative fuels.
- A project for the development or enhancement of rail transportation systems that deliver alternative fuels or high efficiency locomotives.
- Preparation of plans and studies.
- Administrative costs up to 3%.

## Alternative and Clean Energy

### Loans

1. Loan Amount
  - Amount - Alternative energy production or clean energy projects - \$5 million or 50% of the total project cost, whichever is less.
  - Manufacturer - \$35,000 for every new job created within three years.
  - High Performance Building - \$2 million.
  - Geothermal project - \$3 / sq. ft. of space heated / cooled.
  - All eligible applicants may apply for loans for eligible projects except that political subdivisions may not apply for Alternative Energy Production Projects as defined in Section II B.
2. Repayment Term
  - 10 years for most projects.
  - High Performance Buildings – 10 year balloon with 25 year amortization.

## Alternative and Clean Energy

### Loans Continued...

3. Interest Rate
  - Energy efficiency and conservation projects - 1%
  - Alternative energy production projects - 5%
  - High performance building projects - 4%
4. Security – All loans are to be secured by a lien on the asset financed. The Authority may require additional security as necessary, including but not limited to, a pledge of additional assets or securities or dedicated revenues.

### Grants

1. Amount - Alternative energy production or clean energy projects - \$2 million or 50% of the total project cost, whichever is less.
2. Manufacturer - \$10,000 for every job created within three years. If the manufacturer fails to create the projected number of jobs, the Authority may require all or a portion of the grant to be repaid.

## Alternative and Clean Energy

### Grants Continued...

3. Energy Savings Contract (ESCO) or a High Performance Building - \$500,000.
4. Political subdivisions are eligible to apply for grants only for Clean Energy Projects as defined in Section II B. Businesses and non-profit economic development organizations are eligible to apply for grants only for Site Preparation Projects and Alternative Energy Production Projects.

### Guarantees

The Authority may award grants to applicants that would serve as a guarantee for the financing in the project. The Guarantee is subject to the following conditions:

1. A standby letter of credit and issued directly to the company/developer.
2. The funds may only be drawn upon in the event the company defaults on its financing and there is a deficiency in collateral for the lending institution to collect upon. The funds will pay up to 75% of the deficiency.
3. The term of the guarantee will not be more than 5 years.
4. The amount of the guarantee shall not exceed \$5 million.

## Alternative and Clean Energy

### Application Evaluation

All applications are reviewed by the Department of Community and Economic Development and the Department of Environmental Protection. Projects will be evaluated using the appropriate criteria from the following list of evaluation criteria for the various types of eligible projects:

1. The level of non-CFA matching investment in the project.
2. The technical and financial feasibility of the project.
3. Energy savings generated or peak load reduced by the project.
4. Conventional energy displaced by the deployment of the alternative energy production project.
5. The amount of alternative energy or alternative fuels produced by the project.
6. The number and quality of the jobs to be created or preserved in Pennsylvania by the project including construction jobs.
7. The financial need of the project.
8. The capital efficiency of the project.
9. Project readiness.
10. The level to which the project exhibits principles of sound land and water use.
11. Environmental benefits arising from the project including the creation of allowances that can be used to facilitate additional economic development in the region.
12. The nation and state of origin of equipment/components used in the project.

## Alternative and Clean Energy

### Program Highlights

- \$25,032,186 Approved to Date
- Leveraged \$79,176,578 in Private Investment
- 451 Jobs Created
- 22 approved projects:
  - Energy Efficient Lighting
  - Biomass Facilities
  - Biofuel Production
  - Pellet Production
  - Landfill Gas Production
  - Geothermal
  - Manufacturers of Energy Efficiency Components
  - High Performance Buildings
  - Research and Development

## Important Information

### Application Procedures

- Submit an electronic Single Application for Assistance

### Next Application Deadlines

- High Performance Building/ Solar Energy Programs – February 14, 2010
- Alternative Clean Energy/ Renewable Energy Programs – March 11, 2010

### Commonwealth Financing Authority Website

- [www.newpa.com](http://www.newpa.com)

### Questions

- Contact CBF at (717) 787-7120