



Clean Energy Transition Policy Inventory - Pennsylvania

CURRENT STATE AND FEDERAL POLICIES AND PROGRAMS SUPPORTING
BUSINESSES AND COMMUNITIES AIMING TO DEVELOP CLEAN ENERGY RESOURCES

OCTOBER
2013

ABOUT BLUEGREEN ALLIANCE FOUNDATION

The BlueGreen Alliance Foundation is a non-profit, 501(c)(3) organization that conducts research and educates the public and media about solutions to environmental challenges that create economic opportunities for the American people.

The BlueGreen Alliance Foundation and its Clean Energy Manufacturing Center also provide analytic and economic development advice for units of government and private companies on a range of subjects.

For more information, visit www.bgafoundation.org or www.thecemc.com or contact Linda Nielsen, CEMC Program Manager at 612-466-4506.

The BlueGreen Alliance Foundation works with the BlueGreen Alliance — a national partnership of labor unions and environmental organizations dedicated to expanding the number and quality of jobs in the clean economy — to achieve its mission. For more information about the BlueGreen Alliance, visit www.bluegreenalliance.org or contact via phone at 612-466-4479, or via mail at BlueGreen Alliance, 2828 University Ave SE, STE 200, Minneapolis MN 55414.



Introduction

This tool was developed to provide local economic developers, policy makers, and community organizers with accessible information on both state and federal policies and programs that can support their businesses and communities as renewable energy sources continue to expand as part of each focus state's energy portfolio. This report contains detailed information on each state or federal incentive, including the name of the federal or state incentive, a brief summary, a detailed description, the information source and link to a website, the type of funding, detailed information on who is eligible for the program, the government agency that operates the incentive, and contact information.

To make this information easier to access for economic developers and business owners, we have included a “*where to start*” page. Whether you are an entrepreneur looking to start your first business or an existing business looking to develop your workforce or make your facilities more efficient, simply locate the section that applies to you and you will be directed to the policies and programs that will be most helpful in your endeavor. In the online tool, you can navigate the tool by clicking on a policy or program and the link will take you to the information about the incentive. Whenever possible, the policies were prioritized within each category, with the most generous and/or commonly used incentives listed first. The “where to start” page also contains links to additional state and federal resources that provide low- or no-cost business consultation services, research and technology databases, and much more. Note that most or all of this inventory content was obtained from the sources cited and more information may be found by accessing the documented source directly. Please note that the inclusion of policies and programs in this inventory does not signify that the authors endorse the policy or program; rather the policies listed here all contain some useful incentives that will help these states make a transition to cleaner energy generation.

Other States

This report is part of a collection of Inventories released by the BlueGreen Alliance Foundation cataloging existing federal and state economic development resources that can be employed by communities to increase economic opportunity for workers and businesses in several states.

For a full listing of available Inventories, visit <http://www.bgafoundation.org/clean-energy-transition-policy-inventory>.

References

Most of the state-level entries in this Inventory are listed in the following two databases, which contain additional information about each program and policy. Links to the direct information source, usually the government agency that operates the program or policy, are provided in the Inventory where available.

North Carolina State University

Database of State Incentives for Renewables and Efficiency, Raleigh, NC.

Accessible online at <http://www.dsireusa.org/rpsdata/index.cfm>.

Council for Community and Economic Research

State Business Finance and Incentives Resource Center, Arlington, VA.

Accessible online (with membership password) at <http://www.stateincentives.org/>.



Federal: *Where to Start*

I WANT TO . . .

START OR EXPAND MY BUSINESS:

FEDERAL POLICIES: Economic Adjustment Assistance; Modified Accelerated Cost-Recovery System; Industrial Development Revenue Bonds; Economic Development Administration Planning Program and Local Technical Assistance Program

ADDITIONAL RESOURCES: NIST Manufacturing Extension Partnership

PRODUCE RENEWABLE ENERGY:

FEDERAL POLICIES: Renewable Electricity Production Tax Credit; Industrial Development Revenue Bonds; Rural Energy for America Program; Department of Energy Loan Programs

ADDITIONAL RESOURCES: NIST Manufacturing Extension Partnership

INCREASE MY FACILITIES' ENERGY EFFICIENCY:

FEDERAL POLICIES: Renewable Energy for America Program; Energy Efficient Commercial Buildings Tax Credit; Industrial Development Revenue Bonds **ADDITIONAL RESOURCES:** NIST Manufacturing Extension Partnership

DEVELOP OR RETRAIN MY WORKFORCE:

FEDERAL PROGRAMS: Federal Workforce Development Programs

EXPAND MY RESEARCH AND DEVELOPMENT:

FEDERAL POLICIES: Energy Efficiency and Renewable Energy Grants **ADDITIONAL RESOURCES:** National Institute of Standards and Technology, NIST Manufacturing Extension Partnership

Federal State Policies

Economic Adjustment Assistance

SUMMARY: This grant program provides funding to assist distressed communities by stimulating private investment to increase economic competitiveness.

DESCRIPTION: “Economic Adjustment Assistance grants are intended to enhance a distressed community’s ability to compete economically by stimulating private investment in targeted areas. Current investment priorities include proposals that focus on (a) Collaborative Regional Innovation, (b) Public/Private Partnerships, (c) National Strategic Priorities, (d) Global Competitiveness, (e) Environmentally-Sustainable Development, (f) Economically Distressed and Underserved Communities.”

INFORMATION SOURCE: Catalog of Federal Domestic Assistance Economic Adjustment Assistance Program Information webpage

WEBSITE: <https://www.cfda.gov/?s=program&mode=form&tab=step1&id=b6288a16987f7dcbff7a5a23d12d99f>

ADDITIONAL DETAILS: International Economic Development Council, “Jobs in the Making: Economic Development Strategies to Grow Manufacturing” (McHugh et al. 2011, p. 171)

TYPE OF FUNDING: Grant

RECIPIENT TYPE/INFORMATION: State, city, county or other political subdivision of a state

STATE(S) ELIGIBLE: All

GOVERNMENT AGENCY: U.S. Department of Commerce, Economic Development Administration

CONTACT: Maureen Klovers, mklovers@eda.doc.gov, 202-482-2785

Industrial Development Revenue Bonds (IDRB)

SUMMARY: These bonds may be used to finance equipment and real estate, and they are often used to build new or expand/renovate existing manufacturing facilities. The bonds are exempt from federal taxes, allowing projects to be financed at lower rates than conventional bonds.

DESCRIPTION: “Earnings on IDRBs are exempt from federal taxes, which allows projects to be financed at a significantly lower interest rate than through conventional financing or taxable bonds. The federal government only provides the tax relief; the bonds themselves are issued by state and local governments and Economic Development Organizations. IDRBs can be used to finance equipment and real estate purchases, and they are frequently used for building new manufacturing facilities or expanding or renovating current ones.”

INFORMATION SOURCE: International Economic Development Council, “Jobs in the Making: Economic Development Strategies to Grow Manufacturing” (McHugh et al. 2011, p. 179)

WEBSITE: <http://www.irs.gov/>

TYPE OF FUNDING: Bond

RECIPIENT TYPE/INFORMATION: State and local governments

STATE(S) ELIGIBLE: All

GOVERNMENT AGENCY: Internal Revenue Service

CONTACT: Varies by state or local area

Energy Efficiency and Renewable Energy (EERE) Grants

SUMMARY: This program offers assistance through funding, property, or services for renewable energy and energy efficiency research and development.

DESCRIPTION: “Through financial assistance, EERE provides funding for renewable energy and energy efficiency research and development. Financial assistance awards transfer money, property, or services to a recipient so that it can accomplish a public purpose authorized by federal statute. For example, a financial assistance award might be used to fund research to improve the efficiency of photovoltaic cells.”

INFORMATION SOURCE: Energy Efficiency and Renewable Energy:

Financial Opportunities Types of Financial Assistance webpage

WEBSITE: http://www1.eere.energy.gov/financing/types_assistance.html

TYPE OF FUNDING: Awards of money, property or services

RECIPIENT TYPE/INFORMATION: Various grants are available for business, universities and industry

STATE(S) ELIGIBLE: All

GOVERNMENT AGENCY: U.S. Department of Energy

CONTACT: Varies

Rural Energy for America Program (REAP)

SUMMARY: This program provides funding to assist agricultural producers and rural small business in purchasing, installing and constructing renewable energy systems, energy efficiency projects, and other related initiatives.

DESCRIPTION: “The Rural Energy for America Program (REAP) provides financial assistance to agricultural producers and rural small businesses in rural America to purchase, install, and construct renewable energy systems; make energy efficiency improvements to non-residential buildings and facilities; use renewable technologies that reduce energy consumption; and participate in energy audits, renewable energy development assistance, and feasibility studies. REAP creates opportunities for economic development for rural businesses by supporting renewable energy and energy efficiency projects, via loan guarantees and grants.”

INFORMATION SOURCE: Rural Development Business and Cooperative Assistance Rural Energy for America Program: Renewable Energy System and Energy Efficiency Improvement Guaranteed Loan and Grant Program webpage

WEBSITE: http://www.rurdev.usda.gov/BCP_ReapResEei.html

TYPE OF FUNDING: Loan

RECIPIENT TYPE/INFORMATION: Rural small businesses and agricultural producers

STATE(S) ELIGIBLE: All

GOVERNMENT AGENCY: U.S. Department of Agriculture

CONTACT: Varies by state

Modified Accelerated Cost-Recovery System (MACRS)

SUMMARY: Under this program, businesses may recover investments in property through depreciation deductions, with class lives for property established the program. Several renewable energy technologies qualify.

DESCRIPTION: “Under the federal Modified Accelerated Cost-Recovery System (MACRS), businesses may recover investments in certain property through depreciation deductions. The MACRS establishes a set of class lives for various types of property, ranging from three to 50 years, over which the property may be depreciated.”

INFORMATION SOURCE: Select USA: Modified Accelerated Cost-Recovery System (MACRS) webpage

WEBSITE: <http://selectusa.commerce.gov/investment-incentives/modified-accelerated-cost-recovery-system-macrs-bonus-depreciation-2008-2012>

ADDITIONAL DETAILS: Database of State Incentives for Renewables & Efficiency (DSIRE)

TYPE OF FUNDING: Depreciation Deductions

RECIPIENT TYPE/INFORMATION: Businesses

STATE(S) ELIGIBLE: All

GOVERNMENT AGENCY: Department of Treasury

CONTACT: <http://www.irs.gov/>

Energy Efficient Commercial Buildings Tax Deductions

SUMMARY: These tax deductions apply to commercial buildings that are constructed to be energy efficient.

DESCRIPTION: “The federal Energy Policy Act of 2005 established a tax deduction for energy-efficient commercial buildings applicable to qualifying systems and buildings...The deductions are available primarily to building owners, although tenants may be eligible if they make construction expenditures. In the case of energy efficient systems installed on or in government property, tax deductions will be awarded to the person primarily responsible for the system’s design. Deductions are taken in the year when construction is completed.”

INFORMATION SOURCE: Database of State Incentives for Renewables & Efficiency (DSIRE): Energy Efficient Commercial Buildings Tax Deductions webpage

WEBSITE: http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US40F&re=1&ee=1

TYPE OF FUNDING: Tax Deductions

RECIPIENT TYPE/INFORMATION: Commercial building owners

STATE(S) ELIGIBLE: All

GOVERNMENT AGENCY: Internal Revenue Service

CONTACT: <http://www.irs.gov/>

Renewable Electricity Production Tax Credit (PTC)

SUMMARY: This tax credit applies to electricity generated by qualified renewable sources, and it is available for 10 years after a facility is placed in service.

DESCRIPTION: “The federal renewable electricity PTC is a per-kilo-watt-hour tax credit for electricity generated by qualified energy resources and sold by the taxpayer to an unrelated person during the taxable year.”

INFORMATION SOURCE: Database of State Incentives for Renewables & Efficiency (DSIRE): Renewable Electricity Production Tax Credit (PTC) webpage

WEBSITE: http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US13F&re=1&ee=1

TYPE OF FUNDING: Tax Credit

RECIPIENT TYPE/INFORMATION: Electrical Utilities

STATE(S) ELIGIBLE: All

GOVERNMENT AGENCY: Internal Revenue Service

CONTACT: <http://www.irs.gov/>

U.S. Department of Energy Loan Programs

SUMMARY: This program guarantees loans to eligible clean energy projects and provides direct loans to manufacturers and advanced technology vehicles and components to create jobs, reduce dependency on foreign oil, improve the environment, and enhance U.S. competitiveness in the global economy.

DESCRIPTION: “The mission of the U.S. Department of Energy Loan Programs Office is to accelerate the domestic commercial deployment of innovative and advanced clean energy technologies at a scale sufficient to contribute meaningfully to the achievement of our national clean energy objectives including job creation; reducing dependency on foreign oil; improving our environmental legacy; and enhancing American competitiveness in the global economy of the 21st century. LPO executes this mission by guaranteeing loans to eligible clean energy projects and by providing direct loans to eligible manufacturers of advanced technology vehicles and components.”

INFORMATION SOURCE: Loans Program Office webpage

WEBSITE: https://lpo.energy.gov/?page_id=17

TYPE OF FUNDING: Loan

RECIPIENT TYPE/INFORMATION: Manufacturing Companies

STATE(S) ELIGIBLE: All

GOVERNMENT AGENCY: U.S. Department of Energy

CONTACT: None listed

Federal State Policies

Economic Development Administration (EDA) Planning Program and Local Technical Assistance Program

SUMMARY: Under the Planning program EDA assists eligible recipients in creating regional economic development plans designed to stimulate and guide the economic development efforts of a community or region.

DESCRIPTION: “As part of this program, EDA supports Partnership Planning investments to facilitate the development, implementation, revision, or replacement of Comprehensive Economic Development Strategies (CEDS), which articulate and prioritize the strategic economic goals of recipients’ respective regions. In general, EDA provides Partnership Planning grants to the designated planning organization (e.g., District Organization) serving EDA-designated Economic Development Districts to enable these organizations to develop and implement relevant CEDS. In addition, EDA provides Partnership Planning grants to Indian Tribes to help develop and implement CEDS and associated economic development activities. The Planning program also helps support planning organizations (including District Organizations, Indian Tribes, and other eligible recipients) by providing Short Term and State Planning investments designed to guide the eventual creation and retention of higher-skill, higher-wage jobs, particularly for the unemployed and underemployed in America’s most economically distressed regions.

The Local Technical Assistance program strengthens the capacity of local or State organizations, institutions of higher education, and other eligible recipients to undertake and promote effective economic development programs through projects such as feasibility analyses and impact studies.”

INFORMATION SOURCE: Planning Program and Local Technical Assistance Program website full announcement: Planning and Local Technical Assistance FFO

WEBSITE: <http://www.eda.gov/ffo.htm> (redirects to grants.gov hosted information site)

TYPE OF FUNDING: Grant

RECIPIENT TYPE/INFORMATION: State, county, city, and township governments; public and state controlled institutions of higher education; Native American tribal governments (federally recognized); nonprofits

STATE(S) ELIGIBLE: All

GOVERNMENT AGENCY: U.S. Department of Commerce, Economic Development Administration

CONTACT: David Ives, david.raymond.ives@eda.gov

ADDITIONAL FEDERAL RESOURCES

Manufacturing Extension Partnership

The National Institute of Standards and Technology's (NIST) Hollings Manufacturing Extension Partnership (MEP) works with small and mid-sized U.S. manufacturers to help them create and retain jobs, increase profits, and save time and money. The nationwide network provides a variety of services, ranging from innovation strategies to process improvements to green manufacturing. MEP also works with partners at the state and federal levels on programs that put manufacturers in position to develop new customers, expand into new markets and create new products.

MEP's field staff has over 1,400 technical experts — located in every state — serving as trusted business advisors, focused on solving manufacturers' challenges and identifying opportunities for growth. As a program of the U.S. Department of Commerce, MEP offers its clients a wealth of unique and effective resources centered on five critical areas: technology acceleration, supplier development, sustainability, workforce and continuous improvement.

For more information, go to: <http://www.nist.gov/mep/>

Federal Workforce Development Programs

The National Conference of State Legislatures (NCSL) has identified 12 different federal agencies that provide funds for workforce development, including the following four major programs:

- The Workforce Investment Act
- Temporary Assistance for Needy Families
- The Wagner-Peyser Act
- The Trade Adjustment Act

For more information on these and other federal workforce development programs, go to the NCSL's website:

<http://www.ncsl.org/issues-research/labor/federal-workforce-development-programs.aspx>

National Institute of Standards and Technology

The National Institute of Standards and Technology (NIST) provides funding for numerous areas of industrial and academic research, including research and development proposals from small businesses and targeted grants to encourage research in specific fields.

For more information on the funding opportunities available, go to NIST's website: <http://www.nist.gov/director/ocfo/grants/grants.cfm>

U.S. Economic Development Administration

Housed under the Department of Commerce, the U.S. Economic Development Administration (EDA) aims to establish a foundation for sustainable job growth and the building of durable regional economies throughout the United States. This foundation builds upon two key economic drivers - innovation and regional collaboration. U.S. EDA offers several funding opportunities beyond what is listed in this tool, many of which can be used to help local and state governments, organizations, companies, partnerships, and others for sustainable economic development including clean energy projects.

According to the website, all projects are evaluated to determine if they advance global competitiveness, create jobs, leverage public and private resources, can demonstrate readiness and ability to use funds quickly and effectively, and link to specific and measureable outcomes.

For more information about funding opportunities, visit <http://www.eda.gov/ffo.htm>.



Pennsylvania: *Where to Start*

I WANT TO . . .

START OR EXPAND MY BUSINESS:

STATE POLICIES: PEDFA Tax-Exempt Bond Program; PEDFA Taxable Bond Program; Pennsylvania First Program; Infrastructure Development Program; Infrastructure and Facilities Improvement Program; Small Business First; Machinery and Equipment Loan Fund **FEDERAL POLICIES:** Economic Adjustment Assistance; Modified Accelerated Cost-Recovery System; Industrial Development Revenue Bonds; Economic Development Administration Planning Program and Local Technical Assistance Program **ADDITIONAL RESOURCES:** Manufacturing Extension Partnership; Keystone Communities Program; Appalachian Regional Commission; Small Business Development Centers

PRODUCE RENEWABLE ENERGY:

STATE POLICIES: Alternative and Clean Energy Program; Solar Alternative Energy Credits; Property Tax Assessment for Commercial Wind Farms; Sunshine Solar Rebate Program; Interconnection Standards; Net Metering; Sustainable Energy Fund **FEDERAL POLICIES:** Renewable Electricity Production Tax Credit; Industrial Development Revenue Bonds; Rural Energy for America Program; Department of Energy Loan Programs **ADDITIONAL RESOURCES:** Manufacturing Extension Partnership

INCREASE MY FACILITIES' ENERGY EFFICIENCY:

STATE POLICIES: High Performance Buildings Incentive Program; Small Business Pollution Prevention Assistance Account Loan Program **FEDERAL POLICIES:** Renewable Energy for America Program; Energy Efficient Commercial Buildings Tax Credit; Industrial Development Revenue Bonds **ADDITIONAL RESOURCES:** Manufacturing Extension Partnership

DEVELOP OR RETRAIN MY WORKFORCE:

STATE POLICIES: Guaranteed Free Training Program **FEDERAL PROGRAMS:** Federal Workforce Development Programs

EXPAND MY RESEARCH AND DEVELOPMENT:

STATE POLICIES: Research and Development Tax Credit; Discovered and Developed in Pennsylvania Program **FEDERAL POLICIES:** Energy Efficiency and Renewable Energy Grants; National Institute of Standards and Technology **ADDITIONAL RESOURCES:** Ben Franklin Technological Development Authority

Pennsylvania State Policies

Alternative and Clean Energy Program (ACE)

SUMMARY: This grant and loan program offers financial assistance to promote the development of alternative and clean energy projects in Pennsylvania.

DESCRIPTION: “The Alternative and Clean Energy Program (ACE) 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 state. The program is jointly administered by the Department of Community and Economic Development (DCED) and the Department of Environmental Protection (DEP), under the direction of the Commonwealth Financing Authority (CFA).”

INFORMATION SOURCE: Pennsylvania Department of Community & Economic Development: Alternative and Clean Energy Program webpage

WEBSITE: <http://www.newpa.com/find-and-apply-for-funding/funding-and-program-finder/alternative-and-clean-energy-program-ace>

ADDITIONAL DETAILS: Database of State Incentives for Renewables & Efficiency (DSIRE)

TYPE OF FUNDING: Loans, grants, loan guarantees

RECIPIENT TYPE/INFORMATION: Businesses (including non-profits), economic development organizations, and political subdivisions (e.g., local governments, schools, etc.)

GOVERNMENT AGENCY: Jointly administered by the Department of Community and Economic Development (DCED) and the Department of Environmental Protection (DEP), under the direction of Commonwealth Finance Authority (CFA)

CONTACT: (717) 787-7120

Discovered and Developed in Pennsylvania Program

SUMMARY: This grant program provides resources for economic development activities that promote entrepreneurship and building business capacity.

DESCRIPTION: “The Discovered in Pennsylvania, Developed in Pennsylvania program is devoted to increasing economic opportunity in the commonwealth by seeding innovative ideas that promote entrepreneurship, technology transfer, business outreach, and increased capacity... Eligible uses include: reasonable salary/personnel expenses; consultant fees relating to approved programmatic activities; land/building/equipment improvements; meeting/travel expenses; costs associated with preparation and publishing of educational/marketing materials.”

INFORMATION SOURCE: Pennsylvania Department of Community & Economic Development: Discovered and Developed in Pennsylvania Program webpage

WEBSITE: <http://www.newpa.com/find-and-apply-for-funding/funding-and-program-finder/discovered-and-developed-pa-program-d2pa>

ADDITIONAL DETAILS: State Business Finance & Incentives Resource Center

TYPE OF FUNDING: Grants

RECIPIENT TYPE/INFORMATION: “Eligible applicants shall include private and public sector entities whose mission includes economic development. Competitive projects will include ongoing or innovative new activities, programs or events to promote entrepreneur-

ship, encourage technology transfer, improve capacity building for regional economic development or provide outreach to businesses.”

GOVERNMENT AGENCY: Pennsylvania Department of Community and Economic Development

CONTACT: (717) 720-7388

Guaranteed Free Training Program (GFT)

SUMMARY: This grant program helps businesses provide their workers with additional basic skills training and information technology specific training.

DESCRIPTION: “The Guaranteed Free Training (GFT) program provides grants to businesses to provide incumbent workers with basic skills and information technology training. It is administered by the Workforce and Economic Development Network of Pennsylvania (WEDnet) comprised of 20+ partners located across Pennsylvania that serve as the point of contact for businesses, including: state system universities, community colleges, Pennsylvania College of Technology, Greater Altoona Career & Technology Center, Lancaster County Career & Technology Center, North Central Pennsylvania Regional Planning & Development, [and the] University of Pittsburgh at Bradford.”

INFORMATION SOURCE: Pennsylvania Department of Community & Economic Development: Guaranteed Free Training Program webpage

WEBSITE: <http://www.newpa.com/find-and-apply-for-funding/funding-and-program-finder/guaranteed-free-training-program-gft-wednetpa>

ADDITIONAL DETAILS: State Business Finance & Incentives Resource Center

TYPE OF FUNDING: Grant

RECIPIENT TYPE/INFORMATION: Businesses

GOVERNMENT AGENCY: Pennsylvania Department of Community and Economic Development

CONTACT: (717) 787-4147

High Performance Buildings Incentive Program

SUMMARY: This grant and loan program assists business and individuals with costs associated with the design, construction, and renovation of high performance buildings.

DESCRIPTION: “The High Performance Building Program (HPB) provides financial assistance in the forms of grants and loan funds to underwrite the cost premiums associated with the design and construction or major renovation of high performance buildings in the state... Loans for high performance building projects for small businesses shall not exceed \$2 million. Loans for individual residence projects shall not exceed \$100,000. Grants for high performance building projects shall not exceed \$500,000 or 10 percent of the total eligible building construction/renovation costs, whichever is less.”

“Guarantees: Grants shall not exceed \$2 million for a small business and \$100,000 for an individual and have a term of not more than five years. The grants 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.”

INFORMATION SOURCE: Pennsylvania Department of Community & Economic Development: High Performance Building Program webpage

WEBSITE: <http://www.newpa.com/find-and-apply-for-funding/funding-and-program-finder/high-performance-building-program-hpb>

ADDITIONAL DETAILS: Database of State Incentives for Renewables & Efficiency (DSIRE)

TYPE OF FUNDING: Loans, grants, loan guarantees

RECIPIENT TYPE/INFORMATION: Small businesses or individuals

GOVERNMENT AGENCY: Jointly administered by the Department of Community and Economic Development (DCED) and the Department of Environmental Protection (DEP) under the direction of the Commonwealth Financing Authority.

CONTACT: (717) 783-5046

Infrastructure Development Program (IDP)

SUMMARY: This grant and loan program assists with financing for infrastructure improvements.

DESCRIPTION: "Grant and low-interest loan financing for public and private infrastructure improvements... Uses: transportation facilities and airports, clearing and preparation of land and environmental remediation, water and sewer systems, storm sewers, energy facilities, parking facilities, bridges & waterways, rail & port facilities; at former industrial sites only: land and building acquisition, construction and renovation by private developers, telecommunications infrastructure. Funding: loans and grants up to \$1.25 million. No more than 20 percent of the annual appropriation for a single municipality; No more than 10 percent of the annual appropriation will be loans or granted to applicant for speculative Greenfield projects not involving private companies."

INFORMATION SOURCE: Pennsylvania Department of Community & Economic Development: Infrastructure Development Program webpage

WEBSITE: <http://newpa.com/find-and-apply-for-funding/funding-and-program-finder/infrastructure-development-program-idp>

ADDITIONAL DETAILS: State Business Finance & Incentives Resource Center

TYPE OF FUNDING: Loans and grants

RECIPIENT TYPE/INFORMATION: "Municipalities, industrial development authorities and corporations, municipal authorities, redevelopment authorities and local development districts may apply for IDP assistance for themselves or on behalf of eligible private companies engaged in: agriculture, industrial, manufacturing, research and development and export services; Real estate developers who are developing sites for eligible private companies"

GOVERNMENT AGENCY: Pennsylvania Department of Community & Economic Development

CONTACT: (717) 787-7120

Infrastructure and Facilities Improvement Program

SUMMARY: These multi-year grants offer financial assistance to help pay debts from spending associated with infrastructure and facilities improvements that enhance the economic development of the commonwealth.

DESCRIPTION: "A multi-year grant program that will provide grants to certain issuers of debt in order to assist with the payment of debt service. . . Uses: payment of debt service incurred by the authority relating to debt issued for the project. Funding: grants up to \$1 million for eligible cases... Terms: grant cannot exceed the amount of the eligible tax increment generated by the project."

INFORMATION SOURCE: Pennsylvania Department of Community & Economic Development: Infrastructure and Facilities Improvement Program webpage

WEBSITE: <http://www.newpa.com/find-and-apply-for-funding/funding-and-program-finder/infrastructure-and-facilities-improvement-program-ifip>

ADDITIONAL DETAILS: State Business Finance & Incentives Resource Center

TYPE OF FUNDING: Grants

RECIPIENT TYPE/INFORMATION: "Authorities that issue debt for Tax Increment Financing; Redevelopment Authorities; Convention center authorities, including municipal authorities formed for the purpose of convention center activities; The Pennsylvania Economic Development Financing Authority"

GOVERNMENT AGENCY: Pennsylvania Department of Community and Economic Development

CONTACT: (717) 787-7120

Interconnection Standards

SUMMARY: This regulatory standard regulates interconnections for customer-generators. It aims to reduce barriers without posing unnecessary risks to the electric distribution systems. The regulations were drafted with a view towards promoting on-site renewables.

DESCRIPTION: "The Commission has published a final rulemaking order which establishes regulations governing interconnection for customer-generators. The regulations have been drafted with a view towards promoting onsite generation by customer-generators using renewable resources, consistent with the over-arching goal of the Act. The regulations strive to eliminate barriers which may have previously existed with regard to interconnection while ensuring that interconnection by customer-generators will not pose unnecessary risks to the electric distribution systems in the Commonwealth."

INFORMATION SOURCE: Pennsylvania Public Utility Commission: Alternative Energy webpage

WEBSITE: http://www.puc.pa.gov/consumer_info/electricity/alternative_energy.aspx

ADDITIONAL DETAILS: Database of State Incentives for Renewables & Efficiency (DSIRE)

TYPE OF FUNDING: Regulatory Standard

RECIPIENT TYPE/INFORMATION: Customer power generators

GOVERNMENT AGENCY: Pennsylvania Public Utility Commission

CONTACT: (717) 425-7584

Pennsylvania State Policies

Machinery and Equipment Loan Fund (MELF)

SUMMARY: This loan program offers financing of costs for machinery and equipment and related engineering and installation costs.

DESCRIPTION: "Low-interest loans to acquire and install new or used machinery and equipment or to upgrade existing machinery and equipment... Uses: machinery and equipment acquisition and upgrading and related engineering and installation costs directly related to the business process. Funding: loans up to \$5,000,000 or 50 percent of the total eligible project costs, whichever is less... Terms: up to 10 year term, depending upon the useful life of the machinery being financed; \$25,000 cost per job retained or created; Project must be directly related to the business process. The interest rate for the loan will be fixed at the time of approval of the loan and remain fixed for the duration of the repayment term. Interest rates are subject to change based on market conditions. Contact DCED for the current interest rate."

INFORMATION SOURCE: Pennsylvania Department of Community & Economic Development: Machinery and Equipment Loan Fund webpage

WEBSITE: <http://www.newpa.com/find-and-apply-for-funding/funding-and-program-finder/machinery-and-equipment-loan-fund-melf>

ADDITIONAL DETAILS: State Business Finance & Incentives Resource Center

TYPE OF FUNDING: Loans

RECIPIENT TYPE/INFORMATION: "Manufacturing, industrial, agricultural processors, direct mining operations, information technology, biotechnology and medical facilities. A medical facility may only use MELF funds for the acquisition and installation of equipment and technology necessary to comply with FDA requirements regarding pharmaceutical management"

GOVERNMENT AGENCY: Pennsylvania Department of Community and Economic Development

CONTACT: (717) 787-6245

Net Metering

SUMMARY: This regulatory standard promotes on-site renewable customer generation and provides a compensation mechanism for surplus energy supplied to the electric grid.

DESCRIPTION: "The Commission has published a final rulemaking order which promotes onsite generation by customer-generators using renewable resources and eliminates barriers which may have previously existed regarding net metering. The regulations also provide for metering capabilities that will be required and a compensation mechanism which reimburses customer-generators for surplus energy supplied to the electric grid."

INFORMATION SOURCE: Pennsylvania Public Utility Commission: Alternative Energy webpage

WEBSITE: http://www.puc.pa.gov/consumer_info/electricity/alternative_energy.aspx

ADDITIONAL DETAILS: Database of State Incentives for Renewables & Efficiency (DSIRE)

TYPE OF FUNDING: Regulatory Standard

RECIPIENT TYPE/INFORMATION: Customer power generators

GOVERNMENT AGENCY: Pennsylvania Public Utility Commission

CONTACT: (717) 425-7584

Pennsylvania First Program (PA 1st)

SUMMARY: This grant and loan program offers funding to facilitate increased investment and job creation within the commonwealth.

DESCRIPTION: "PA 1st is a comprehensive funding tool to facilitate increased investment and job creation within the Commonwealth... Uses: machinery/equipment; job training; infrastructure; land and building improvements; environmental assessment/remediation; acquisition of land, buildings, right-of-ways; working capital; site preparation, demolition, clearance."

INFORMATION SOURCE: Pennsylvania Department of Community & Economic Development: Pennsylvania First Program webpage

WEBSITE: <http://www.newpa.com/find-and-apply-for-funding/funding-and-program-finder/pennsylvania-first-program-pa-first>

ADDITIONAL DETAILS: State Business Finance & Incentives Resource Center

TYPE OF FUNDING: Grants, loans, loan guarantees

RECIPIENT TYPE/INFORMATION: "Businesses, or IDCs, municipalities or authorities on behalf of businesses, which will create or preserve a significant number of jobs and will make a significant investment within the Commonwealth using Pennsylvania 1st"

GOVERNMENT AGENCY: Pennsylvania Department of Community and Economic Development

CONTACT: (717) 787-7120

Property Tax Assessment for Commercial Wind Farms

SUMMARY: This property tax benefit disallows wind turbines and related equipment (including towers and foundations) from being counted by tax assessors when setting property values.

DESCRIPTION: "Pennsylvania enacted legislation in November 2006 providing that wind turbines and related equipment (including towers and foundations) may not be counted by tax assessors when setting property values. However, the law states that the valuation of real property used for the purpose of wind-energy generation 'shall be developed by the county assessor utilizing the income capitalization approach to value.' This valuation is determined by the capitalized value of the land-lease agreements, supplemented by a sales comparison data approach as deemed necessary by county assessors. Lessees or lessors must provide relevant, non-proprietary lease and lease-income information to county assessors by September 1 of each year."

INFORMATION SOURCE: Database of State Incentives for Renewables & Efficiency (DSIRE); Pennsylvania Property Tax Assessment for Commercial Wind Farms webpage

WEBSITE: http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=PA26F&re=0&ee=0

TYPE OF FUNDING: Property tax benefit

RECIPIENT TYPE/INFORMATION: Wind farm landowners

GOVERNMENT AGENCY: Local County Tax Assessment Departments

CONTACT: Municipal Tax Information: 888-223-6837

Research and Development Tax Credit

SUMMARY: This tax credit allows companies to sell unused Research and Development tax credits.

DESCRIPTION: “Allows companies holding qualifying Research and Development Tax Credits to apply for approval to sell those tax credits and assign them to the buyer(s)... Uses: applied research and development expenditures. Funding: 10 percent tax credit of company’s increased research and development expenses over a base period (prorated to not exceed \$15 million annual cap for all businesses), up to 20 percent of total pool set aside for small businesses... Terms: applicable to Corporate Net Income, Corporate Stock and Franchise, and Personal Income Tax liability, unused credits may be carried over for up to 15 succeeding taxable years.”

INFORMATION SOURCE: Pennsylvania Department of Community & Economic Development: Research and Development Tax Credit webpage

WEBSITE: <http://www.newpa.com/find-and-apply-for-funding/funding-and-program-finder/research-and-development-tax-credit>

ADDITIONAL DETAILS: State Business Finance & Incentives Resource Center

TYPE OF FUNDING: Tax credit

RECIPIENT TYPE/INFORMATION: “Businesses qualifying for the federal Research and Development tax credit and making research and development investments in Pennsylvania”

GOVERNMENT AGENCY: Pennsylvania Department of Revenue

CONTACT: (866) 466-3972

Small Business First

SUMMARY: This loan program offers financing for small businesses.

DESCRIPTION: “Funding for small businesses, including: low-interest loan financing for land & building acquisition and construction, machinery and equipment purchases, working capital... Uses: land and building acquisition & construction, machinery and equipment purchase and upgrades, working capital. Funding: loans up to \$200,000 or 50 percent of total eligible project costs, whichever is less. Maximum loan amount for working capital is \$100,000 or 50 percent of total eligible project costs, whichever is less.”

INFORMATION SOURCE: Pennsylvania Department of Community & Economic Development: Small Business First webpage

WEBSITE: <http://www.newpa.com/find-and-apply-for-funding/funding-and-program-finder/small-business-first-sbf>

ADDITIONAL DETAILS: State Business Finance & Incentives Resource Center

TYPE OF FUNDING: Loans

RECIPIENT TYPE/INFORMATION: “A for-profit small business (100 full-time employees or less) which are: manufacturing, industrial, agricultural enterprises, research and development, construction, computer-related services, hotels, motels, or restaurants, municipal or commercial recyclers, defense-related, child day-care”

GOVERNMENT AGENCY: Pennsylvania Department of Community & Economic Development

CONTACT: (717) 783-5046

Small Business Pollution Prevention Assistance Account Loan Program (PPAA)

SUMMARY: This loan program offers financing to small businesses for projects that reduce waste, pollution, or energy use.

DESCRIPTION: “The Small Business Pollution Prevention Assistance Account (PPAA) Loan Program provides low interest loans to small businesses undertaking projects (located within the Commonwealth of Pennsylvania) that reduce waste, pollution or energy use. Loans will be used to fund 75 percent of the total eligible project cost. The maximum loan amount is \$100,000 within any 12-month period... The loan has a fixed interest rate of 2 percent and a maximum loan term of 10 years. This funding can help small businesses comply with environmental regulations while receiving the economic benefits of preventing pollution and using energy more efficiently.”

INFORMATION SOURCE: Pennsylvania Department of Environmental Protection: Pollution Prevention Assistance Account (PPAA) Loan Program

WEBSITE: http://www.portal.state.pa.us/portal/server.pt/community/financial_assistance/10495/ppaa_loan/553247

ADDITIONAL DETAILS: Database of State Incentives for Renewables & Efficiency (DSIRE)

TYPE OF FUNDING: State loan program

RECIPIENT TYPE/INFORMATION: Small businesses (100 full-time employees or less) located within the state

GOVERNMENT AGENCY: Jointly administered by the Pennsylvania Department of Environmental Protection and the Pennsylvania Department of Community and Economic Development

CONTACT: (717) 783-8411

Solar Alternative Energy Credits

SUMMARY: This performance based incentive makes it easy for individuals and businesses to finance and invest in solar power by requiring retail energy suppliers to meet compliance obligations under the law by purchasing Solar Alternative Energy Credits or paying a Solar Alternative Compliance Payment.

DESCRIPTION: “The Pennsylvania Alternative Energy Portfolio Standard (AEPS) requires that an annually increasing percentage of electricity sold to retail customers in Pennsylvania is from alternative energy sources. The program requires that retail energy suppliers utilize Alternative Energy Credits (AECs) for demonstrating compliance with the standard. An AEC is created each time a qualified alternative energy facility produces 1,000 kilowatt hours of electricity. The AEC is then be sold or traded separately from the power. This makes it easy for individuals and businesses to finance and invest in clean, emission free solar power.”

INFORMATION SOURCE: Pennsylvania Public Utilities Commission: Pennsylvania AEPS Alternative Energy Credit Program webpage

WEBSITE: <http://paaeps.com/credit/>

ADDITIONAL DETAILS: Database of State Incentives for Renewables & Efficiency (DSIRE)

TYPE OF FUNDING: Performance based incentive

RECIPIENT TYPE/INFORMATION: Owners of qualifying solar photovoltaic (PV) facilities

GOVERNMENT AGENCY: Public Utility Commission

CONTACT: (877) 237-7773

Pennsylvania State Policies

Sunshine Solar Rebate Program

SUMMARY: This rebate program provides an incentive for homeowners and small businesses to install solar photovoltaic (PV) or solar thermal projects.

DESCRIPTION: "The Pennsylvania Sunshine Solar Program will provide \$100 million in rebates to help fund solar electric (solar photovoltaic, or PV) and solar hot water (solar thermal) projects for homeowners and small businesses in Pennsylvania."

INFORMATION SOURCE: Pennsylvania Department of Environmental Protection: Pennsylvania Sunshine Solar Program webpage

WEBSITE: http://www.portal.state.pa.us/portal/server.pt/community/grants_loans_tax_credits/10395/pa_sunshine_solar_program/821790

ADDITIONAL DETAILS: Database of State Incentives for Renewables & Efficiency (DSIRE)

TYPE OF FUNDING: State rebate program

RECIPIENT TYPE/INFORMATION: Approved solar photovoltaic (PV) and solar thermal installers on behalf of residential and small commercial residents

GOVERNMENT AGENCY: Pennsylvania Department of Environmental Protection

CONTACT: (717) 783-8411

Sustainable Energy Fund

SUMMARY: This financing program promotes development of sustainable and renewable energy programs and clean energy technologies.

DESCRIPTION: "Four funds were created as a result of the restructuring plans of five electric companies. The funds are designed to promote the development of sustainable and renewable energy programs and clean-air technologies on both a regional and statewide basis. The funds have provided more than \$20 million in loans and \$1.8 million in grants to over 100 projects. A Statewide Sustainable Energy Board was formed in 1999 to enhance communications among the four funds and state agencies. The board includes representatives from the Commission; the Department of Environmental Protection; the Department of Community and Economic Development; the Office of Consumer Advocate; the Pennsylvania Environmental Council; and each regional board."

INFORMATION SOURCE: Pennsylvania Public Utility Commission: Sustainable Energy webpage

WEBSITE: http://www.puc.pa.gov/utility_industry/electricity/sustainable_energy_fund.aspx

ADDITIONAL DETAILS: Database of State Incentives for Renewables & Efficiency (DSIRE)

TYPE OF FUNDING: Public Benefits Fund; loans, grants

RECIPIENT TYPE/INFORMATION: Sustainable and renewable energy programs/projects and clean-air technologies on both a regional and statewide basis

GOVERNMENT AGENCY: Pennsylvania Public Utility Commission

CONTACT: (717) 425-7584

Pennsylvania Economic Development Financing Authority (PEDFA) Tax-Exempt Bond Program

SUMMARY: These bonds provide financing for businesses for land, buildings, equipment, working capital and refinancings.

DESCRIPTION: "Tax-exempt and taxable bonds, both in pooled transactions and stand-alone transactions, to be used to finance land, building, equipment, working capital and refinancings. Uses: land and building acquisition, building renovation and new construction, machinery and equipment acquisition and installation, designated infrastructure, tax-exempt bond refinancing."

Funding: loans no less than \$400,000 and no more than \$10 million for manufacturers; no upper limit for other projects; up to 100 percent of project costs."

INFORMATION SOURCE: Pennsylvania Department of Community & Economic Development: Pennsylvania Economic Development Financing Authority (PEDFA) Tax Exempt Bond Program webpage

WEBSITE: <http://newpa.com/find-and-apply-for-funding/funding-and-program-finder/pennsylvania-economic-development-financing-authority-pedfa-tax-exempt-bon>

ADDITIONAL DETAILS: State Business Finance & Incentives Resource Center

TYPE OF FUNDING: Bonds

RECIPIENT TYPE/INFORMATION: Industrial Development Authorities and businesses

GOVERNMENT AGENCY: Pennsylvania Department of Community & Economic Development

CONTACT: (717) 783-1109

Pennsylvania Economic Development Financing Authority (PEDFA) Taxable Bond Program

SUMMARY: These bonds provide financing for businesses for land, buildings, equipment, working capital and refinancings.

DESCRIPTION: "Tax-exempt and taxable bonds, both in pooled transactions and stand-alone transactions, to be used to finance land, building, equipment, working capital and refinancings... Uses: land and building acquisition, building renovation and new construction, machinery and equipment acquisition and installation, designated infrastructure, e-financing, working capital. Funding: loans no less than \$400,000; up to 100 percent of project costs."

INFORMATION SOURCE: Pennsylvania Department of Community & Economic Development: Pennsylvania Economic Development Financing Authority (PEDFA) Taxable Bond Program webpage

WEBSITE: <http://www.newpa.com/find-and-apply-for-funding/funding-and-program-finder/pennsylvania-economic-development-financing-authority-pedfa-taxable-bond-p>

ADDITIONAL DETAILS: State Business Finance & Incentives Resource Center

TYPE OF FUNDING: Bonds

RECIPIENT TYPE/INFORMATION: Businesses that need access to low-cost capital

GOVERNMENT AGENCY: Pennsylvania Department of Community & Economic Development

CONTACT: (717) 783-1109

ADDITIONAL PENNSYLVANIA RESOURCES

Pennsylvania Manufacturing Extension Partnership (MEP)

Pennsylvania has seven (MEP) Centers that serve the needs of Pennsylvania's small manufacturers and small businesses:

Innovative Manufacturers' Center (IMC) in Williamsport, PA

Delaware Valley Industrial Resource Center (DVIRC) in Philadelphia, PA

Northwest Pennsylvania Industrial Resource Center (NWIRC) in Erie, PA

Catalyst Connection in Pittsburgh, PA

Manufacturers Resource Center (MRC) in Bethlehem, PA

Northeastern Pennsylvania Industrial Resource Center (NEIRC) in Hanover Township, PA

MANTEC in York, PA

Link: <http://patapsco.nist.gov/mep/centers-near-you/index.htm>

Ben Franklin Technology Development Authority (BFTDA)

The BFTDA works to ensure Pennsylvania companies and entrepreneurs have all the tools they need to build globally competitive technology companies right here in Pennsylvania.

Link: <http://www.newpa.com/business/business-assistance/ben-franklin-technology-development-authority>

Keystone Communities Program

The Keystone Communities Program assists Pennsylvania's communities in achieving revitalization and economic development through a variety of activities.

Link: <http://www.newpa.com/find-and-apply-for-funding/funding-and-program-finder/keystone-communities-program-kcp>

Appalachian Regional Commission (ARC)

The Appalachian Regional Commission (ARC) is a regional economic development agency that represents a partnership of federal, state, and local government.

Link: <http://www.arc.gov/about/index.asp>

Small Business Development Centers

The Pennsylvania Small Business Development Centers (SBDC) are the only statewide, nationally accredited program that provides high quality one-on-one consulting, training and information resources to empower new and existing businesses.

Link: <http://www.pasbdc.org/about-us>

Conclusion

Financial incentive programs have tremendous power to stimulate supply and demand for renewable energy: a well-crafted state renewable energy incentive program can dramatically increase private investment by eliminating barriers to investment and channeling federal, state, and local level policies into robust funding streams.

This tool was developed to provide local economic developers, policy makers, and community organizers with accessible information on both state and federal policies and programs that can support their businesses and communities as renewable energy sources continue to expand. The tool was designed to help communities harness the economic benefits of renewable energy in the states that rely significantly on coal-fired electricity generation and predict power plant closures in the near future. It is our hope that this tool will help expand economic development, maximize job growth, and lead to stronger, more vibrant communities.

