

# State Incentives for Achieving Clean and Renewable Energy Development on Contaminated Lands

The development of clean and renewable energy on formerly used land offers many economic and environmental benefits. Combining clean and renewable energy and contaminated land cleanup incentives can allow investors and communities to create economically viable clean and renewable energy redevelopment projects. This document provides information about incentives in your state that can be leveraged for clean and renewable energy and development of contaminated land.



## Incentives for Clean and Renewable Energy

### Funding (grants, loans, bonds, etc.)

#### Renewable Energy Project Grants and Financing

[www.njcleanenergy.com/renewable-energy/programs/clean-energy-financing/clean-energy-financing-and-assistance-programs](http://www.njcleanenergy.com/renewable-energy/programs/clean-energy-financing/clean-energy-financing-and-assistance-programs)

Provides grants and financing up to 20% of eligible project development costs for large-scale renewable energy facilities larger than 1 MW. Eligible facilities include wind, solar power (PV), landfill gas, digester gas, and methane. Incentive is currently under review and is not accepting proposals at this time.

#### Sustainable Development Loan Fund

[www.state.nj.us/njbusiness/financing/enviromental/sustainable.shtml](http://www.state.nj.us/njbusiness/financing/enviromental/sustainable.shtml)

Provides low-interest loans for up to 85% of eligible capital costs (\$250,000 maximum) to assist in capitalizing sustainable projects, including pollution prevention, energy conservation, or sustainable production.

#### Renewable Energy Development Initiative (REDI)

[www.njcleanenergy.com/files/file/Honeywell\\_2008\\_NJCEP\\_Program\\_Plan\\_120707\\_FINAL.pdf](http://www.njcleanenergy.com/files/file/Honeywell_2008_NJCEP_Program_Plan_120707_FINAL.pdf)

Provides up to \$50,000 for project design, feasibility studies, and permitting processes, and other financial incentives for the rapid development and construction of projects, with further payment schedules based on project milestones. Eligible technologies include PV, wind energy, fuel cells, wave, tidal, renewably generated hydrogen, and sustainably harvested biomass.

### Tax Incentives (abatements, deductions, credits, etc.)

#### Solar and Wind Energy Systems Exemption

<http://www.dsireusa.org/documents/Incentives/NJ01F1.htm>

Provides a full exemption from the state's 7% sales tax for all solar and wind energy equipment to all taxpayers.

### Technical Assistance and Other Incentives

#### Solar Renewable Energy Certificates (SRECs)

[www.njcep.com/srec](http://www.njcep.com/srec)

Provides the opportunity for electric suppliers to buy SRECs to meet their solar renewable portfolio standard (RPS). A generator can be compensated up to \$0.71 per kWh. Effective in June 2008, the solar alternative compliance payment (SACP) will be determined according to an eight-year schedule. Each year, the New Jersey Board of Public Utilities (BPU) will review the SACP and add one additional year to the back end of the schedule.

#### New Jersey Clean Energy Rebate Program

[www.njcleanenergy.com/renewable-energy/programs/core-rebate-program/incentives/core-rebate-program](http://www.njcleanenergy.com/renewable-energy/programs/core-rebate-program/incentives/core-rebate-program)

Provides a rebate up to 60% of eligible costs for fuel cells and sustainable biomass up to 10 kW; up to 30% for fuel cells; and for wind energy systems, 120% of estimated system performance at a reference wind speed of 11.4 mph.

#### CleanPower Choice Program

[www.njcleanenergy.com/renewable-energy/programs/cleanpower-choice-program/new-jersey-cleanpower-choice-program](http://www.njcleanenergy.com/renewable-energy/programs/cleanpower-choice-program/new-jersey-cleanpower-choice-program)

Provides consumers with the option to support renewable energy sources. Additional consumers added to the program allow for more renewable energy sources added to the energy mix.

#### Net Metering

[www.newrules.org/electricity/netmeternj.html](http://www.newrules.org/electricity/netmeternj.html)

Provides credits to customer's next bill at retail rate and is purchased by utility at avoided-cost rate at the end of a 12-month billing cycle. Net-metering rules apply to all commercial systems using solar technologies, wind, fuel cells, geothermal, wave or tidal, or sustainable biomass.

#### Quick Facts

Public Benefit Fund (PBF)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Renewable Portfolio Standard	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
22.5% by 2021: 2.12% from solar; 17.88% from other Class I renewables; 2.5% from Class II or additional Class I renewables		
Net Metering	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Interconnection Standards	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

#### Electric Power Industry Generation by Primary Energy Source (EIA, 2006)

Petroleum-Fired	0.5%	Nuclear	53.7%
Natural Gas-Fired	25.8%	Hydroelectric	0.1%
Coal-Fired	17.9%	Other Renewables	1.5%

#### Points of Contact

#### Clean Energy Financing and Assistance Program Renewable Energy Project Grants and Financing, REDI, Clean Energy Rebate Program, CleanPower Choice Programs

[www.njcleanenergy.com](http://www.njcleanenergy.com), (609) 777-3300, [info@njcep.com](mailto:info@njcep.com)  
Benjamin Scott Hunter, [benjamin.hunter@bpu.state.nj.us](mailto:benjamin.hunter@bpu.state.nj.us)

#### New Jersey Commerce Commission

#### Sustainable Development Loan Fund

[www.state.nj.us/commerce/](http://www.state.nj.us/commerce/), (866) 534-7789

#### New Jersey Board of Public Utilities (BPU),

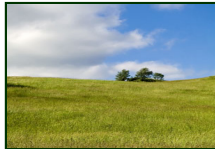
[www.bpu.state.nj.us](http://www.bpu.state.nj.us), (609) 777-3300

#### Solar and Wind Energy Systems Exemption, Net Metering

Benjamin Hunter, [benjamin.hunter@bpu.state.nj.us](mailto:benjamin.hunter@bpu.state.nj.us)

#### SRECs, Clean Power Markets

[njsrec@cleanpowermarkets.com](mailto:njsrec@cleanpowermarkets.com), (201) 612-3221



# Incentives for Development of Contaminated Land



## Funding (grants, loans, bonds, etc.)

### Hazardous Discharge Site Remediation Fund (HDSRF)

[www.state.nj.us/dep/srp/finance/hdsrf/factsheet.htm](http://www.state.nj.us/dep/srp/finance/hdsrf/factsheet.htm)

Provides low-interest loans and grants of up to \$1 million to private entities for site assessment and remediation activities, including up to \$250,000 to implement an innovative cleanup.

### Brownfields Redevelopment Loan Program

[www.locationnj.com/Incentives\\_Smart\\_Growth.asp](http://www.locationnj.com/Incentives_Smart_Growth.asp)

Provides loans up to \$750,000 from the Economic Development Authority (EDA) to meet remediation costs. EDA also works with the Department of Environmental Protection to provide loans up to \$1 million for up to 10 years for site investigation and cleanup.

### Sustainable Development Loan Fund

[www.state.nj.us/njbusiness/financing/enviromental/sustainable.shtml](http://www.state.nj.us/njbusiness/financing/enviromental/sustainable.shtml)

Offers low-interest loans of up to \$250,000 to assist companies wishing to improve the environmental quality of their operations.

### Urban Site Acquisition Program

[www.njra.us/njra/cwp/view.asp?a=3&Q=453435&njraNav=|27894|](http://www.njra.us/njra/cwp/view.asp?a=3&Q=453435&njraNav=|27894|)

Provides project-specific loans for the acquisition, site preparation, and redevelopment of urban redevelopment properties from a \$20 million revolving loan fund.

### Pre-Development Loan Program

[www.njra.us/njra/cwp/view.asp?a=3&Q=453470&njraNav=|27894|](http://www.njra.us/njra/cwp/view.asp?a=3&Q=453470&njraNav=|27894|)

Provides up to \$250,000 per project for pre-development costs, including feasibility studies, architectural costs, environmental and engineering studies, and other related costs, from a \$2.5 million revolving loan fund.

### Redevelopment Authority's Environmental Equity Program

[www.njra.us/njra/cwp/view.asp?a=3&Q=455913&njraNav=|27894|](http://www.njra.us/njra/cwp/view.asp?a=3&Q=455913&njraNav=|27894|)

Provides project-specific up-front capital to developers to assist with site acquisition, remediation, and demolition costs for brownfields projects in NJRA eligible municipalities, from a \$9 million revolving loan fund.

### Smart Growth Pre-Development Funding

[www.state.nj.us/njbusiness/financing/enviromental](http://www.state.nj.us/njbusiness/financing/enviromental)

Provides short-term, low-interest financing up to \$1 million to developers for projects in NJ State Planning Areas 1 and 2. Eligible activities include acquisition, demolition, and other pre-development costs.

### Redevelopment Area Bond Financing

[http://www.njeda.com/web/Aspx\\_pg/Templates/Pic\\_Text.aspx?Doc\\_Id=300&menuid=985&topid=718&levelid=6&midid=735](http://www.njeda.com/web/Aspx_pg/Templates/Pic_Text.aspx?Doc_Id=300&menuid=985&topid=718&levelid=6&midid=735)

Provides long-term, low-interest bonds to municipalities for infrastructure improvements and other costs, including demolition and remediation. Bonds are secured by a Payment in Lieu of Taxes Agreement.

### Community Development Fund

[http://www.njeda.com/web/Aspx\\_pg/Templates/Pic\\_Text.aspx?Doc\\_Id=320&menuid=986&topid=718&levelid=6&midid=735](http://www.njeda.com/web/Aspx_pg/Templates/Pic_Text.aspx?Doc_Id=320&menuid=986&topid=718&levelid=6&midid=735)

Provides up to \$50,000 to finance feasibility studies and other pre-development costs.

## Tax Incentives (abatements, deductions, credits, etc.)

### Environmental Opportunity Zones

[www.epa.gov/region02/superfund/brownfields/njdep.htm](http://www.epa.gov/region02/superfund/brownfields/njdep.htm)

Allows municipalities to offset cleanup costs through incrementally increasing real property tax abatements, for up to 15 years as needed.

### Brownfields Reimbursement Program

[www.state.nj.us/treasury/taxation](http://www.state.nj.us/treasury/taxation)

Provides reimbursement of up to 75% of authorized remediation costs through a tax credit based on new taxes generated from the site.

## Technical Assistance and Other Incentives

### New Jersey Brownfields Redevelopment Resources Kit

[www.state.nj.us/dca/osg/docs/brownfieldsresourcekit.pdf](http://www.state.nj.us/dca/osg/docs/brownfieldsresourcekit.pdf)

Provides list of grants, loans, tax incentives, and programs from multiple agencies for brownfields redevelopment and site activities.

## Limitations on Liability

[www.state.nj.us/dep/srp/brownfields/faq/#liability](http://www.state.nj.us/dep/srp/brownfields/faq/#liability)

[www.state.nj.us/dep/commissioner/policy/pdir2003-07.htm](http://www.state.nj.us/dep/commissioner/policy/pdir2003-07.htm)

Offers No Further Action (NFA) letter with Covenant Not to Sue (CNTS). The state Spill Act also contains an innocent purchaser defense, which includes third party liability protection. Also, prospective purchaser agreements are available. Under state Natural Resources Damages policy, claims for damages or compensatory restoration shall not be asserted against brownfields developers that meet the innocent purchaser defense requirements under state law.

### Quick Facts

Limitations on Liability Yes  No

Number of State-Tracked Contaminated Properties: 20,000  
Includes VCP sites

Number of EPA CERCLIS Sites: 569  
Sites identified for potential investigation under the federal Superfund Program

Number of EPA Brownfields Properties: 18  
Properties being funded or addressed under the EPA Brownfields Program

*There may be some overlap among the categories listed and sites listed may not represent all potentially contaminated sites in New Jersey.*

### Points of Contact

#### New Jersey Department of Environmental Protection (NJDEP) Brownfields

[www.state.nj.us/dep/srp/brownfields/](http://www.state.nj.us/dep/srp/brownfields/)

HDSRF, Brownfields Redevelopment Loan Program, NRD Policy, Environmental Opportunity Zones  
Ken Kloo, Ken.Kloo@dep.state.nj.us, (609) 292-1251

New Jersey Commerce Commission, [www.state.nj.us/commerce/](http://www.state.nj.us/commerce/)  
Sustainable Development Loan Fund, (866) 534-7789

#### New Jersey Redevelopment Authority

[www.njra.us](http://www.njra.us), (609) 292-3739

Urban Site Acquisition Program, Pre-Development Loan Program, Redevelopment Authority's Environmental Equity Program  
Antonio Henson, ahenson@njra.state.nj.us

#### New Jersey Economic Development Authority (EDA)

Smart Growth Pre-Development Funding, Redevelopment Area Bond Financing, Community Development Fund  
[www.njeda.com](http://www.njeda.com), [njeda@njeda.com](mailto:njeda@njeda.com), (609) 292-1800

New Jersey Division of Taxation, [www.state.nj.us/treasury/taxation](http://www.state.nj.us/treasury/taxation)  
Brownfields Reimbursement Program

Curt Seifert, [curt.seifert@treas.state.nj.us](mailto:curt.seifert@treas.state.nj.us), (609) 984-5111