

# 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 Grant Program**

www.energy.sc.gov/index.aspx?m=29&t=90&h=405

#### **Planning Grants**

Provides up to \$10,000 to a research institution or private organization to develop proposals to obtain federal grants and other funding sources for biomass, solar, and wind energy projects.

#### **Matching Grants**

Provides matching grants up to \$200,000 for research and development projects that relate to development of biomass, solar, and wind energy resources, and demonstration projects that validate the effectiveness of new and future biomass technologies and products, provided that the grant does not exceed 50% of the total project cost.

#### Renewable Energy Revolving Loan Program

www.energy.sc.gov/index.aspx?m=29&t=90&h=404

Provides low-interest loans for up to 50% of the total cost of a project and a maximum of \$250,000 to an individual or organization that plans to build a qualified renewable energy production facility.

#### **Biomass Energy Production Incentive**

www.scstatehouse.net/sess117\_2007-2008/bills/243.htm

Provides production incentives up to \$100,000 per taxpayer for qualifying biomass-energy facilities of \$0.01 per kWh for electricity generated and \$0.09 per therm for methane gas produced from biomass resources.

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

#### **Biomass Energy Tax Credit**

www.scstatehouse.net/sess117\_2007-2008/bills/243.htm

Provides a 25% corporate tax credit for costs incurred for the use of landfill methane gas to provide power for a manufacturing facility. Also provides a credit against income tax and/or license fees for 25% of the costs incurred for the purchase and installation of equipment used to create energy for commercial use from a fuel consisting of at least 90% biomass resources. Maximum credit of \$650,000 per year, not to exceed 50% of tax liability.

#### Tax Credit for Solar Equipment

www.energy.sc.gov/publications/SOLAR\_CREDITS.pdf

Provides a 25% state income tax credit of the cost of solar equipment used for heating water, space heating, air cooling, or the generation of electricity.

# Sales Tax Exemption for Hydrogen Fuel Cells

www.scstatehouse.net/code/t12c036.htm

Provides a sales tax exemption for any device, equipment or machinery that is: 1) operated by hydrogen or fuel cells; 2) used to generate, produce, or distribute hydrogen and designated specifically for hydrogen applications or for fuel cell applications; and 3) used for the manufacturing of, or research and development involving hydrogen or fuel cells.

#### Ethanol and Biodiesel Fuel State Income Tax Credit

www.energy.sc.gov/publications/alternative\_fuel\_production.pdf

Provides a state income tax credit for up to 25% of the cost of constructing and equipping a facility for "processing" alternative fuels. This also includes biomass handling equipment, crushing and milling equipment, and other equipment necessary to produce biofuels.

# **Technical Assistance and Other Incentives**

### Renewable Energy One-Stop Shop

www.energy.sc.gov/index.aspx?m=6&t=92

Assists renewable energy businesses interested in locating in South Carolina through collaboration between state and federal agencies and key stakeholders.

#### **Green Power Purchasing**

www.energy.sc.gov/publications/SOLAR\_CREDITS.pdf

The following companies purchase clean energy including solar, biofuel, and wind power: Santee Cooper www.santeecoopergreen.com; PACE www.palmettocleanenergy.org.

# **Net Metering**

www.energy.sc.gov/index.aspx?m=6&t=99

Each utility has proposed its own net metering program. Duke Energy, Progress Energy, and SCE&G are regulated by the SC Public Service Commission, which will soon release a final decision about net metering requirements. Santee Cooper, a state-owned utility, began a pilot net billing program in fall 2007. The electric cooperatives, which purchase power from Santee Cooper, announced a pilot net metering program in February 2008.

Quick Facts			
Public Benefit Fund (PBF)			es 🗆 No 🗹
Renewable Portfolio Standard			es 🗆 No 🗹 📗
Net Metering		Ye	es 🗆 No 🗹 📗
Interconnection Standards		Ye	es ☑ No □
Electric Power Industry Generation by Primary Energy Source (EIA, 2006)			
Petroleum	0.3%	Hydroelectric	1.8%
Natural Gas	6.1%	Other Renewable	s 1.9%
Coal	39.8%	Pumped Storage	-1.1%
Nuclear	51.2%	Other	0.1%

# **Points of Contact**

All South Carolina Energy Incentives and Programs Erika Hartwig, ehartwig@energy.sc.gov, (803) 737-7951



# **Incentives for Development of Contaminated Land**



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

#### **Brownfields Cleanup Revolving Loan Fund**

www.scdhec.gov/environment/lwm/forms/BCRLF Fact Sheet.pdf

Provides low-interest loans at two points below prime rate for environmental cleanup, through a U.S. EPA grant. Members of the coalition partnership (consisting of the Counties of Abbeville, Anderson, Greenville, Kershaw, and Spartanburg; the Towns of Bluffton, Cowpens, Johnston, Lyman, Ware Shoals, and Yemassee; and the Cities of Anderson and Greenville) currently have specific amounts available to them for cleanup. Other local governments, businesses, nonprofit organizations, and public and private parties are eligible to apply if they are not responsible parties for the site being remediated.

# **South Carolina Department of Health and Environmental** Control (DHEC) Site Specific Assessments

www.epa.gov/brownfields/pubs/bf\_states\_r4.pdf

Conducts a limited number of site-specific assessments through an EPA grant at selected and EPA-approved sites that are publicly owned or have strong local government support for redevelopment.

#### **Dry Cleaning Restoration Trust Fund**

www.sc.gov/NewsCenter/DHEC/nr20060925-02.htm

Provides funding for assessment and remediation activities performed by DHEC at participating dry cleaning plants that meet specific eligibility criteria specified by law.

# State Underground Petroleum Environmental Response Bank (SUPERB) Account and SUPERB Financial Responsibility

www.scdhec.net/environment/lwm/forms/d-3472.pdf

Provides funding for usual and customary costs for site rehabilitation of underground storage tank (UST) releases to UST owners or operators. The SUPERB Financial Responsibility fund is used for compensating third parties for actual costs for injury and property damage caused by a petroleum release. These two state assurance funds provide a combined maximum of \$1 million per eligible occurrence to cover these costs after payment of the \$25,000 deductible established by the SUPERB Act.

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

#### **Voluntary Cleanup Program Tax Incentives**

www.scdhec.gov/environment/lwm/HTML/brownfields.htm

Provides the following tax incentives to non-responsible parties that meet Voluntary Cleanup Program requirements: 1) a state corporate income tax credit of 50% of expenses paid and accrued in performing a voluntary cleanup, up to \$50,000 in a taxable year, plus an unused credit up to \$100,000 may be carried forward for five years—an additional credit of 10% of cleanup costs (not to exceed \$50,000) is allowed in the year that the cleanup is certified; 2) a \$1,000 jobs tax credit in addition to the established job tax credit; 3) up to a five-year property tax exemption with county concurrence; and 4) fees in lieu of property taxes for eligible cleanups that exceed a cost of \$1 million.

# **Limitations on Liability**

www.scdhec.gov/environment/lwm/HTML/brownfields.htm

Provides state Superfund liability protection, contribution protection, and third party liability protection for non-responsible parties that complete Voluntary Cleanup Program requirements.

#### **Quick Facts**

Limitations on Liability

Yes ☑ No □

Number of State-Tracked Contaminated Properties: Includes DHEC Land and Waste Management Public Record sites 293

Number of EPA CERCLIS Sites:

243

Sites identified for potential investigation under the federal Superfund Program

Number of EPA Brownfields Properties:

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 South Carolina.

#### **Points of Contact**

All South Carolina Cleanup Incentives and Programs Gail Rawls Jeter, jetergr@dhec.state.sc.gov, (803) 896-4069