

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

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

Texas Franchise Tax Exemption

www.seco.cpa.state.tx.us/re_incentives-taxcode-statutes.htm

Provides a franchise tax exemption to manufacturers, sellers, or installers of solar energy devices, which allows for the deduction of the total cost of the system from the company's taxable capital or 10% of the system's cost off the company's income.

Technical Assistance and Other Incentives

Renewable Energy Credit (REC)

www.seco.cpa.state.tx.us/re_rps-portfolio.htm

Creates great flexibility in the development of renewable energy projects through an REC trading system. The program is anticipated to continue through 2019.

Innovative Energy Demonstration Project

www.seco.cpa.state.tx.us/re.htm

Funds solar, wind, and biomass demonstration projects throughout Texas, and sponsors conferences, workshops and educational efforts that motivate Texans to use and promote all renewable energy systems in their communities.

Net Metering

www.puc.state.tx.us/rules/subrules/electric/25.242/25.242ei.cfm

Requires Texas utilities to offer a net metering option to qualifying facilities of 50 kW or less, using renewable energy resources. There is no statewide limit on the number of customers or total capacity under the net metering program.

Quick Facts

Public Benefit Fund (PBF)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Renewable Portfolio Standard 5,580MW by 2015	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
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	0.4%	Nuclear	10.3%
Natural Gas-Fired	49.0%	Hydroelectric	0.2%
Coal-Fired	36.5%	Other Renewables	2.0%

Points of Contact

Texas Franchise Tax Exemption

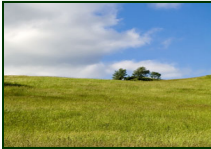
Theresa Bostick, (512) 305-9952

REC, Innovative Energy Demonstration Program

Pam Groce, pam.groce@cpa.state.tx.us (512) 463-1889 or 1-800-531-5441, Ext. 3-1889

Net Metering

Public Utility Commission of Texas, customer@puc.state.tx.us (512) 936-7000



Incentives for Development of Contaminated Land



Funding (grants, loans, bonds, etc.)

Railroad Commission of Texas (RRC) Brownfield Response Program (BRP)/Voluntary Cleanup Program

www.rrc.state.tx.us/divisions/og/brownfield/index.html

Provides EPA grant funding for environmental site assessments. Provides an incentive to remediate oil and gas-related pollution by participants as long as they did not cause or contribute to the contamination. RRC promotes voluntary cleanups by identifying brownfield sites associated with exploration and production.

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

State Property Tax Incentives for Brownfields Redevelopment (Ad Valorem Property Tax Abatements)

www.tceq.state.tx.us/remediation/bsa/bsa.html#prop

Provides state property tax incentives for brownfields redevelopment. To be eligible, the real property must: 1) be located in a reinvestment zone created under Section 311 of the Texas Tax Code; 2) not be in an improvement project financed by tax increment bonds; and 3) have received a Certificate of Completion (COC) from the voluntary cleanup program (VCP). The governing body must enter into a tax abatement agreement with the owner of the property. The governing body is allowed to exempt from taxation: 1) not more than 100% of the value of the property in the first year covered by the agreement; 2) not more than 75% of the value of the property in the second year covered by the agreement; 3) not more than 50% of the value of the property in the third year covered by the agreement; and 4) not more than 25% of the value of the property in the fourth year covered by the agreement.

Technical Assistance and Other Incentives

Technical Assistance to Local Governments

www.tceq.state.tx.us/remediation/bsa/bsa.html#assist

Allows state to provide technical advice, education, and project partnering (including partnering with other federal and state agencies) for some brownfields redevelopment projects owned by local governments, or where the local government plays a key role in the redevelopment.

Innocent Owner Program (IOP)

www.tceq.state.tx.us/remediation/iop/iop.html

Provides a certificate to an innocent owner or operator if their property is contaminated as a result of a release or migration of contaminants from a source or sources not located on the property, and they did not cause or contribute to the source or sources of contamination. Like the Texas VCP, the IOP can be used as a redevelopment tool or as a tool to add value to a contaminated property by providing an Innocent Owner/Operator Certificate (IOC). However, unlike the VCP release of liability, IOCs are not transferable to future owners/operators. Future innocent owners or operators are eligible to enter the IOP and may receive an IOC only after they become an owner or operator of the site.

Limitations on Liability

Texas Voluntary Cleanup Program

www.tceq.state.tx.us/remediation/vcp/vcp.html#Database

Provides that any site not subject to response actions under RRC authority or an order or permit from the Texas Commission on Environmental Quality (TCEQ), or where TCEQ enforcement action is pending, is eligible to enter the voluntary cleanup program. Provides parties with a COC after cleanup completion. The COC states that all non-responsible parties are released from all liability to the state for cleanup of areas covered.

Quick Facts

Limitations on Liability	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Number of State-Tracked Contaminated Properties:	1,582	
Includes Voluntary Remediation Program		
Number of EPA CERCLIS Sites:	467	
Sites identified for potential investigation under the federal Superfund Program		
Number of EPA Brownfields Properties:	290	
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 Texas.

Points of Contact

RRC BRP/Voluntary Cleanup Program

Aimee Beveridge, aimee.beveridge@rrc.state.tx.us, (512) 463-7995

State Property Tax Incentives for Brownfields Redevelopment, Technical Assistance to Local Governments, IOP

Mike Frew mfrew@tceq.state.tx.us (512) 239-5872