

# 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.)

#### Solar Energy Grant Program

<http://energy.maryland.gov/incentives/business/solargrants/index.asp>  
Provides funding for a portion of the cost to install certain qualifying solar energy systems. Offers grants of \$2,500 per kilowatt of solar electric power, capped at \$10,000, and 30% of the cost of solar water heating systems, capped at \$3,000. For the Geothermal Heat Pump Grant Program, the program offers \$1,000 per ton of cooling capacity, capped at \$10,000 for non-residential systems. Based on Maryland legislation, there will be some changes to this program beginning in July 2008. Please see the following link for more information:  
<http://mlis.state.md.us/2008rs/bills/hb/hb0377e.pdf>  
[www.governor.maryland.gov/pressreleases/080424.asp](http://www.governor.maryland.gov/pressreleases/080424.asp)

#### Maryland Strategic Energy Investment Fund

[www.governor.maryland.gov/pressreleases/080424.asp](http://www.governor.maryland.gov/pressreleases/080424.asp)  
Combines utility fees for non-compliance with the renewable portfolio standard (RPS) along with proceeds from the upcoming auction of carbon allowances to electric power plants under the Regional Greenhouse Gas Initiative (RGGI). It is estimated that the auction will generate between \$80 and \$140 million annually. The fund will invest in a wide range of clean and renewable energy projects and programs.

#### Windswept Grant Program

<http://energy.maryland.gov/incentives/business/windswept/index.asp>  
Offsets a portion of the cost of small-scale wind energy projects to Marylanders who install eligible wind energy systems of at least 1.5 kW for non-residential properties. A limited number of grants are available in amounts of \$1,500/kW up to a maximum amount of \$5,000.

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

#### Clean Energy Production Tax Credit

[http://energy.maryland.gov/incentives/allprograms/cep\\_taxcredit.asp](http://energy.maryland.gov/incentives/allprograms/cep_taxcredit.asp)  
Provides individuals and corporations with a state income tax credit for electricity generated by qualified resources of 0.85cents/kW hour and 0.50 center/kW hour for electricity generated from co-firing a qualified resource with coal. Each producer is eligible for up to \$2.5 million in tax credits over a total of five years, but must begin producing energy no later than January 1, 2011. Qualified resources include wind, biomass, geothermal, solar, small irrigation, municipal solid waste, and qualified hydropower. The annual credits cannot exceed one-fifth of the initial credit certificate issued by the Maryland Energy Administration, but can be claimed over a five-year period up to January 1, 2016.

### Technical Assistance and Other Incentives

#### Solar Incentives

[www.governor.maryland.gov/pressreleases/080424.asp](http://www.governor.maryland.gov/pressreleases/080424.asp)  
Creates easements for solar energy systems to prevent projects that would block the sunlight. It also prohibits unreasonable restrictions on solar energy systems, such as homeowner association covenants against their installation.

#### Net Metering

[www.energy.state.md.us](http://www.energy.state.md.us)  
Requires utilities to install a single, bi-directional meter and offer net metering free of charge to residents, businesses, schools, or government entities that own or lease systems that generate electricity using solar, wind, or biomass resources. The maximum capacity of all eligible systems is two MW.

#### Quick Facts

Public Benefit Fund (PBF)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Renewable Portfolio Standard	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
20% by 2022, including 2% derived from solar energy by 2011 *Regulations being finalized that may include Solar Renewable Energy Credits (SRECs)	
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	1.2%	Nuclear	28.3%
Natural Gas-Fired	3.6%	Hydroelectric	4.3%
Coal-Fired	60.1%	Other Renewables	1.3%
Other Gases	0.7%	Other	0.6%

#### Points of Contact

##### Maryland Energy Administration

##### Solar Energy Grant Program

Tim LaRonde, [meainfo@energy.state.md.us](mailto:meainfo@energy.state.md.us), (800) 723-6354

##### Maryland Strategic Energy Investment Fund

Incentive created in April 2008 and POC is to be determined

##### Windswept Grant Program

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##### Clean Energy Production Tax Credit

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##### Solar Incentives

Incentive created in April 2008 and POC is to be determined



# Incentives for Development of Contaminated Land



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

### Brownfields Revitalization Program

[www.mde.state.md.us/Programs/LandPrograms/ERRP\\_Brownfields/bf\\_info/index.asp](http://www.mde.state.md.us/Programs/LandPrograms/ERRP_Brownfields/bf_info/index.asp)

Provides low interest loans or grants for Phase I and II environmental assessments for the redevelopment of eligible brownfields in areas where cleanup will have significant environmental, economic development, and urban revitalization benefits. Eligible properties must either qualify for the Voluntary Cleanup Program (VCP) or be contaminated by oil, must be industrial or commercial sites that are located in densely populated urban centers, and must be generally underutilized to qualify for the program. Incentives are only available to jurisdictions that have enacted or put in place enabling legislation and/or tax ordinances for the difference on the assessed property value after pre- and post-cleanup and/or redevelopment.

### Water Quality Revolving Loan Fund

[www.mde.state.md.us/Programs/WaterPrograms/Water\\_Quality\\_Finance/Water\\_Quality\\_Fund/index.asp](http://www.mde.state.md.us/Programs/WaterPrograms/Water_Quality_Finance/Water_Quality_Fund/index.asp)

Provides low-interest loans for cleanup costs to complete approved cleanup plans for sites on the state Master List (commonly referred to as state Superfund sites or CERCLIS No Further Response Action Planned Sites (NFRAP) sites) or in the VCP where water quality is an issue. This funding is provided to parties legally responsible for cleanup of sites or parties who have been accepted into the VCP.

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

### Property Tax Credits

[www.choosemaryland.org/businessservices/taxincentives/brownfields.html](http://www.choosemaryland.org/businessservices/taxincentives/brownfields.html)

Provides tax credits in jurisdictions that have enacted enabling legislation for the difference on the assessed property value after pre- and post-cleanup and/or redevelopment. Tax credits may be extended to 10 years in designated Enterprise Zones.

## Technical Assistance and Other Incentives

### Brownfields Site Assessment Initiative

[www.mde.state.md.us/assets/document/brownfields/brwnflds\\_sai\\_fs.pdf](http://www.mde.state.md.us/assets/document/brownfields/brwnflds_sai_fs.pdf)

Helps property owners or prospective property owners determine the type and extent of possible contamination on a property. These assessments are conducted by the MD Department of the Environment (MDE) free of charge. The property should meet the following conditions: have perceived or known contamination; be vacant or underutilized; be located in a commercial or industrial area; create jobs through redevelopment; and improve the local tax base following redevelopment. Eligible properties also include sites on the EPA CERCLIS and MD state Master List. Properties under active enforcement by MDE are not eligible to participate. This initiative is administered on a first-come, first-serve basis beginning July 1 of each calendar year and is open to both the public and private sector

## Limitations on Liability

### Voluntary Cleanup Program – Certification of Completion or No Further Requirements Determination

[www.mde.state.md.us/Programs/LandPrograms/ERRP\\_Brownfields/vcp\\_info/index.asp](http://www.mde.state.md.us/Programs/LandPrograms/ERRP_Brownfields/vcp_info/index.asp)

Ensures purchasers who did not cause or contribute to contamination may limit their retroactive liability upon purchase of a property. Amendments (effective October 1, 2004) clarify that someone who is not a “responsible person” because they meet one of the statutory exclusions is entitled to “incurable person” status. The new law also ensures liability protection, but sites contaminated after October 1, 1997, listed on the National Priorities List (NPL), or under active enforcement are not eligible.

### Quick Facts

Limitations on Liability	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Number of State-Tracked Contaminated Properties: Includes VCP, National Priorities List, Federal Facilities, state Master List (includes MD CERCLIS sites), and state Non-Master List sites	975	
Number of EPA CERCLIS Sites: Sites identified for potential investigation under the federal Superfund Program	159	
Number of EPA Brownfields Properties: Properties being funded or addressed under the EPA Brownfields Program	86	
<i>There may be some overlap among the categories listed and sites listed may not represent all potentially contaminated sites in Maryland.</i>		

### Points of Contact

#### Maryland Department of Business and Economic Development Brownfields Revitalization Incentive Program

Jim Henry, [jhenry@choosemaryland.org](mailto:jhenry@choosemaryland.org), (410) 767-6353

#### Maryland Department of the Environment

##### Water Quality Revolving Loan Fund

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##### Brownfields Site Assessment Initiative

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##### Voluntary Cleanup Program

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