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NJEDA Clean Energy Solutions Grants & Loans

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EDA - Who We Are

State financing and economic development agency dedicated to offering:

- Financing Assistance
- Access to Small Business Services
- Real Estate Development Assistance
- International Trade Services

Mission: To strengthen New Jersey's economy by retaining and growing businesses through financial assistance, by renewing communities, and by promoting the State's strategic advantages to attract domestic and international businesses.

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EDA Results

EDA Results 2008	
<i>Projects Assisted</i>	396
<i>Total Assistance</i>	\$551.5 Million
<i>Public/Private Investments</i>	\$1.4 Billion
<i>Estimated New Permanent Jobs</i>	7,018
<i>Estimated Construction Jobs</i>	16,943

EDA Results 1974-2008	
<i>Projects Assisted</i>	9,996
<i>Total Assistance</i>	\$19.6 Billion
<i>Public/Private Investments</i>	\$41.4 Billion
<i>Estimated New Permanent Jobs</i>	295,018
<i>Estimated Construction Jobs</i>	299,943

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EDA Resources

Traditional Lending

*Loan Participations/Direct Loans
Guarantees
Bond Financing
Statewide Loan Pool
Preferred Lender Program
New Jersey Business Growth Fund
Fast Start for small business*

Expansion/Relocation

*BEIP
BRRAG*

Real Estate Assistance

*Site Location Services
Technical Assistance*

Technology & Life Sciences

Edison Innovation Fund:
*Edison Innovation R&D Fund Wraparound
Edison Innovation Commercialization Fund
Edison Innovation Growth Fund
Technology Business Tax Certificate Transfer Program
Venture Fund Investments
Edison Innovation Clean Energy Manufacturing Fund*

Urban & Site Solutions

*Urban Plus
Sales Tax Exemption (UEZ)
Local Development Financing Fund (LDFF)
Urban Transit Hub Tax Credit Program
Fund for Community Economic Development
Brownfields Reimbursement*

Small Business Services

International Trade Services

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New Jersey Energy Master Plan

- **Blueprint** for the State's Clean Energy Future, released October 2008, updated every 3 years
- **Spells** out how the State will meet our energy needs, spur the development of clean energy businesses, and control energy costs
- **Lists** a series of goals and related action items that will put the State on track to successfully meet the energy challenges facing it:
 - Reduce energy consumption by at least 20% by 2020
 - Reduce peak demand for electricity by 5,700 mW by 2020
 - Achieve 30% of the state's electricity needs from renewable sources by 2020
 - Develop a 21st century energy infrastructure
 - Invest in innovative clean energy technologies and businesses to stimulate the industry's growth in New Jersey

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EDA Role in Energy Master Plan

- Develop a product portfolio of grants, loans and investments to provide assistance to businesses with projects that advance the goals of the state's Energy Master Plan.
- Expand the Edison Innovation Fund to invest in innovative clean energy technologies including both energy efficiency and renewable energy manufacturing businesses to stimulate the industry's growth in New Jersey.

EDA Clean Energy Strategy for Energy Master Plan (Programs)

- **Lower demand** by encouraging the use of energy efficient technologies by the business community by creating incentives that complement others offered by sister state agencies.
- **Increase energy supply** through incentives for co-generative facilities and state-of-the-art electric generation, financing for renewable energy manufacturers, and investments in new renewable energy technologies.

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NJ Clean Energy Solutions

- New suite of products for “green” programs with the goal of reducing the amount of greenhouse gases produced in New Jersey to support the goals of the State’s Energy Master Plan.
- The products enhance the EDA’s capacity to provide funds to encourage the creation of green collar jobs in New Jersey.
- The NJ Clean Energy Solutions portfolio delivers products based on the following funding sources:
 - BPU Clean Energy Program Fund
 - Global Warming Solutions Fund/Regional Greenhouse Gas Initiative (RGGI)
 - Retail Margin Fund
 - American Recovery and Reinvestment Act

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Edison Innovation Clean Energy Manufacturing Fund (CEMF)

- Designed to support companies looking to site a Class I renewable energy or energy efficiency product manufacturing facility in New Jersey.
- New Jersey clean technology manufacturers can receive funding under two separate components: project assessment and design, and project construction and operation.
- In total, up to \$3.3 million in grants and interest-free loans available.
 - Up to \$300,000 for predevelopment
 - Up to \$3 million as a zero-interest, 10-year loan to support site improvements, equipment purchases, and facility construction and completion.
- Competitive solicitation closed for 2009. Open rolling application process to open in **2010 with \$18 million in funding.**

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CEMF Program Eligibility

- Company must be a legally organized, for-profit entity and may include corporate joint ventures.
- Company must currently, or plan to within 36 months of Tranche II closing, manufacture products in NJ with no prototyping.
- Minimum 50% cash match of total project costs.
- Preference given to those projects that display a greater percentage of project activity in New Jersey (design, manufacture, processing, assembly).
- Projects subject to Prevailing Wage and Affirmative Action where applicable.
- Company does not have to be headquartered in NJ, but manufacturing project has to be located in NJ and within the service territory of a public utility whose customers pay Societal Benefits Charge.

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CEMF Program Background

2 Program Components:

- Project Assessment and Design Grant (up to \$300,000)
- Project Construction and Operation Zero Interest Loan with Performance Grant (up to \$3 Million)

CEMF Program Description

Project Assessment and Design Grant – Tranche I

- Up to \$300,000 to assist with manufacturing site identification and procurement, design, and permits
- Minimum 50% cash match from other (non-state) funding sources
- Tranche I Funds Advancement: 20% available as upfront seed funds, Remainder paid after submission of invoices

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CEMF Program Description

Project Construction and Operation Zero Interest Loan with Performance Grant – Tranche II

- Up to \$3 Million to support site improvements, equipment purchases, and facility construction and completion
- 10 Year, Zero Interest Loan
- Minimum 50% cash match from other (non-state) funding sources
- 1/3 of loan (up to \$1 Million) may convert to a performance grant if the business and technology milestones specific to each company are met during the first 3 years
- Repayments to begin at Start of 4th year for a 7 year term
- BPU takes subordinate lien on assets

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Regional Greenhouse Gas Initiative (RGGI)

Program Description

- Initiative by states in Northeastern US regions to reduce greenhouse gas emission
- “Cap and trade program” – states sell emissions allowances through auctions and invest proceeds in support of a clean energy economy
- EDA to receive 60% of NJ auction proceeds
 - Proceeds to finance a broad variety of projects that support the goals of the State’s EMP
 - 1st auction held Dec '08, March '09, June '09, December '09
 - EDA forecasting upwards of \$28MM in 2009 RGGI proceeds with a second round in 2010

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Clean Energy Solutions Capital Investment (CESCI) Loan/Grant

- CESCI supports commercial, institutional or industrial entities advancing energy-efficient end-use projects, combined heat and power (CHP or cogen) production facilities, or construction of state-of-the-art, efficient electric generation facilities, including Class I and Class II renewable energy.
- Zero-interest loans and grants of up to \$5 million are available to eligible commercial, industrial or institutional customers, with up to 10-year loan term to fund purchase of fixed-assets (including real estate or equipment).
- Maximum/Limits:
 - 100% loan, a portion of which can become a grant, based on EDA scoring criteria
 - Total EDA RGGI funding cannot exceed \$5 million per applicant and aggregate state public funding cannot exceed 50% of the project cost
 - Business should create or maintain jobs in New Jersey
- The loans and grants offered through CESCI are capitalized through RGGI in partnership with the DEP.

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NJ Clean Energy Solutions CHP (Combined Heat & Power) Program

- \$60 million available through the Retail Margin Fund to further CHP projects
- Performance based grant program based on electric savings - \$450 per kilowatt hour of electric savings.
- Paid annually with no cap.
- Competitive Solicitation closed in September, 2009. BPU may have more funds available in 2010.

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Federal American Recovery And Reinvestment Act

- \$15 million competitive grant/investment program
- Innovative use of commercially available technology
- Applicant must own a patented technology
- Up to \$5 million as a grant – up to 35% of total costs
- Warrants will be taken as collateral
- Launch anticipated in October, 2009.

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

New Jersey Economic Development Authority

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