

# “What keeps you up at night?”

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## New guidelines released for Pennsylvania Renewable Energy Program Geothermal and Wind Projects

By Pamela S. Goodwin

The Commonwealth of Pennsylvania recently released its January 2009 program guidelines for the Renewable Energy Program Geothermal and Wind Projects. They can be found at [www.newpa.com/download.aspx?id=1091](http://www.newpa.com/download.aspx?id=1091).

The program, which is one of many enumerated in Pennsylvania's Alternative Energy Investment Act enacted in July 2008, will provide grant and loan funding to businesses (both for and not for profit), Economic Development Organizations, and political subdivisions for projects involving geothermal technologies and wind energy. The former includes closed loop geothermal heat pump systems that use the ground, ground water and underground mine water as an energy source. The latter includes facilities to produce or distribute wind generated energy as well as manufacturing facilities for wind turbines and other energy components. Funds may be used to :

- acquire land and buildings, rights-of way, and easements
- clear and prepare land
- construct or renovate a building that will be used to manufacture components of wind or geothermal energy systems
- purchase and install equipment used for the manufacturing of geothermal or wind energy systems
- purchase, install and construct energy facilities that generate or distribute geothermal or wind energy
- prepare plans, specifications, studies and surveys necessary or incidental to determining the feasibility or practicability of a proposed project
- pay permit fees
- pay for administrative costs associated with a program grant. These costs include advertising, legal and audit costs as well as documented staff expenses not to exceed 3% of the program grant or loan.

The program has a matching funds requirement of at least \$1 for every \$1 of program funds. Funding is available in the form of loans, grants and guarantees. The maximum loan amount for a geothermal system or a wind energy generating or distribution project is \$5 million. Loans

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must be repaid over a period not to exceed 10 years for equipment and 15 years for real estate. Interest on loans will be Prime minus 1%. The maximum grant amount is \$1 million for a project and \$175,000 for planning and feasibility studies. Grants are also available to guarantee financing.

If this program is of interest, you will need to make an electronic submission to the Department of Community and Economic Development located at <http://www.newpa.com/index.aspx>. Thereafter you will need to send ten hard copies of your application. Applications must be submitted at least 45 days prior to the next scheduled Authority meeting at which Renewable Energy Programs are to be considered. The current meeting schedule is as follows:

- February 9, 2009
- March 10, 2009
- April 13, 2009
- May 14, 2009
- June 9, 2009

The Alternative Energy Investment Act provides a total of \$650 million in funding and tax credits for alternative energy and conservation. Other programs providing grant and loan funding include

solar energy, consumer energy conservation projects, high performance buildings, clean energy projects and replacement energy projects.

For more specific information about any of these programs and the application process you may contact the author or any member of Saul Ewing's Environmental or Energy practice groups.

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