AgSTAR
ENERGY AND POLLUTION PREVENTION

# Funding On-Farm Biogas Recovery Systems

## A Guide to Federal and State Resources

EPA United States Environmental Protection Agency

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# Funding On-Farm Biogas Recovery Systems

## A Guide to Federal and State Resources

Biogas recovery systems, also know as anaerobic digesters, are a manure management technology that promotes the recovery and use of biogas as energy. By treating animal waste in a controlled anaerobic environment, these systems offer significant environmental benefits, such as improved air and water quality, odor control, nutrient management flexibility, and greenhouse gas emission reductions. In addition, the collection and use of biogas as a renewable energy source for on-farm power needs or for sale to the electrical grid generates additional energy and environmental benefits by displacing conventional fossil fuel energy sources.

The advantages of biogas recovery and increased financial support from state and federal programs have led to a substantial increase in the number of operational animal waste digestion systems in the United States. In the last two years alone, the number of operational systems has increased by 30 percent. The majority of this growth has focused on farm-scale systems with a small, but emerging, number of centralized applications for dairy operations.

Despite this recent success, significant opportunities remain for the further growth of biogas recovery systems. This guidebook was developed to help realize this potential by assisting parties interested in implementing anaerobic digestion technology overcome financial barriers to project development. This guidebook includes information about many innovative state and federal funding programs and strategies, such as low-interest loans, grants, and tax incentives that can improve project economics.

Please note that this guidebook is not intended to provide an exhaustive list of all state and federal funding programs; instead, it is intended to provide a snapshot of the broad range of opportunities that exist for project funding.

## How to Use This Guidebook

This guidebook is divided into two sections: State Resources and Federal Resources. Each resource entry contains the following information:

**Type of Program Assistance:**

- *Grants* provide direct financial support and usually target a particular subject area.
- *Loans* are arrangements in which a lender provides money to a borrower. The borrower must repay the money, along with interest, at some future date.
- *Tax credits and exemptions* reduce the tax liability of eligible parties.
- *Production incentives* are financial payments, usually on a cents-per-kilowatt-hour basis, for electricity generated by a qualifying renewable energy project.

**Program Description** provides background on the program, who administers it, typical funding amounts, and the program's objectives.

**Requirements** discusses eligibility requirements and application deadlines.

**For More Information** lists the program's Web site address and a contact for each funding source, including contact name, address, phone number, and E-mail address. Many federal and state agencies provide technical assistance on agricultural, livestock waste management, or renewable energy projects, which may lead to an improved project design or strengthen a funding proposal. Before pursuing funding opportunities, AgSTAR recommends that applicants discuss their ideas with the funding agency to ensure that the program is appropriate for the project and its goals.

# The AgSTAR Program

The AgSTAR Program is a voluntary effort jointly sponsored by the U.S. Environmental Protection Agency, the U.S. Department of Agriculture, and the U.S. Department of Energy. The program encourages biogas capture and utilization at animal feeding operations that manage manures as liquids and slurries. A biogas system reduces emissions of methane, a greenhouse gas, while achieving other environmental benefits. In addition, converting livestock wastes into an energy source may increase net farm income.

AgSTAR currently provides the following reports and tools to assist livestock producers and other interested parties in making informed business decisions about the financial and environmental performance of these technologies:

**General Information**

*The AgSTAR Program - Managing Manure with Biogas Recovery Systems*

*AgSTAR Digest*: an annual newsletter

**Project Development Tools**

*AgSTAR Handbook: A Manual for Developing Biogas Systems at Commercial Farms in the United States*

*FarmWare:* A pre-feasibility software package that accompanies the *AgSTAR Handbook*

*Industry Directory for On-farm Biogas Recovery Systems:* a listing of digester designers and equipment suppliers

*Funding On-farm Biogas Recovery Systems: A Guide to National and State Funding Resources*

*Market Opportunities for Biogas Recovery Systems: A Guide to Identifying Candidates for On-farm and Centralized Systems*

**Environmental Performance**

*Dairy Cattle Manure Management: A Case Study of a Plug Flow Anaerobic Digestion System* (under development)

*Swine Manure Management: A Case Study of a Covered Lagoon Anaerobic Digestion System* (under development)

*Swine Manure: A Case Study of a Complete Mix Digester System* (under development)

All these products are free of charge and can be downloaded at *www.epa.gov/agstar* or ordered through the AgSTAR Hotline: 1-800-95AgSTAR (1-800-952-4782).




# Federal Resources

# Federal

## Environmental Quality Incentives Program (EQIP)

### Type of Assistance

Grant

### Program Description

The Environmental Quality Incentives Program (EQIP), administered by USDA's Natural Resources Conservation Service (NRCS), promotes agricultural production and environmental quality as compatible goals. EQIP was reauthorized and the funding amount significantly expanded under the Farm Security and Rural Investment Act of 2002 (Farm Bill). The 2002 Farm Bill requires that 60 percent of EQIP funds be spent on animal operations. EQIP funds are distributed primarily in priority areas with serious environmental needs and resource concerns. EQIP activities are carried out according to an EQIP plan of operations developed in conjunction with the producer that identifies the appropriate conservation practice or practices to address the resource concerns.

EQIP may provide up to 75 percent of the costs of certain conservation practices. Incentive payments may be provided for up to three years to encourage producers to carry out management practices they may not otherwise use without the incentive. However, limited resource producers and beginning farmers and ranchers may be eligible for cost-share funding up to 90 percent. The contract length is one year after the installation of the last conservation practice, up to a maximum of 10 years.

State conservationists have discretion over the allocation of the funding within their areas. Workgroups, convened by local Soil and Water Conservation Districts, identify the specific resource concerns to be addressed, set priority area goals, select cost-share practices, establish ranking criteria for evaluating applications, and set their own schedule for approving applications. Applications are usually awarded based on environmental benefit and cost effectiveness.

An example of biogas recovery project that received EQIP funding is the Haubenschild Farms digester project in Minnesota. The project used EQIP funding to determine the nutrient value of the anaerobic digester end product, which is spread as fertilizer on cropland. The release of an NRCS conservation practice technical standard for both ambient and controlled temperature anaerobic digesters indicates that funding might be available in 2004 in states that adopt localized standards for anaerobic digesters.

### Requirements

Landlords, operators, tenants, and nonfederal landowners involved in livestock or agricultural production are eligible for the program.

Producers are ineligible for EQIP payments in any year in which their adjusted gross income exceeds $2.5 million, unless 75 percent of that income is derived from farming, ranching, or forestry.

Applications are accepted on an ongoing basis and scored by a local workgroup based on the area's ranking criteria. The application is then submitted to the state's NRCS administrator for approval.

All projects are subject to local NRCS technical standards.

## For more information

**Web site:** www.nrcs.usda.gov/programs/eqip

**Application form:** EQIP application information is available online at www.nrcs.usda.gov/programs/eqip. From this site, you can click on a state to view application information, the state's evaluation criteria, and a link to the form CCC-1200, Application for Participation and/or Contract.

To find your local USDA Service Office, which houses representatives from the Farm Service Agency, NRCS, and the Rural Development agencies, please visit http://offices.usda.gov/scripts/ndCGI.exe/oip_public/USA_map.

## Contact

Anthony Esser
U.S. Department of Agriculture
Natural Resources Conservation Service
P.O. Box 2890 Washington, D.C. 20013
Phone: 202-720-1840
E-mail: anthony.esser@usda.gov

# Federal

## Regional Biomass Energy Programs

### Type of Assistance

Grant

### Program Description

The U.S. Department of Energy Regional Biomass Energy Program (RBEP) was formally established by Congress in 1983. The RBEP carries out activities related to technology transfer, infrastructure development, industry support, stakeholder relationships, technology development and demonstration, and matching available bioenergy resources to conversion technologies. With an emphasis on technologies best suited to near-term applications, its major focus is the transfer of current, reliable economic and technical information to potential biomass users.

There are five RBEP regions that carry out their missions through a network of local, state, and national government organizations, and partnerships with private industry. Each region focuses on goals that reflect the unique aspects of the geographic region:

- *Great Lakes Regional Biomass Energy Program* is managed through a cooperative agreement between the U.S. Department of Energy Chicago Regional Office and the Council of Great Lakes Governors for the states of Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, and Wisconsin. Universities and industries throughout the region are the primary recipients of funding. Projects must address commercially viable technologies and must include substantial cost-sharing.
- *Northeast Regional Biomass Program* is managed through a cooperative agreement between the U.S. Department of Energy Boston Regional Office and the Coalition of Northeastern Governors Policy Research Center for the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.
- *Pacific Northwest and Alaska Regional Bioenergy Program* is managed by the U.S. Department of Energy, Seattle Regional Office for the states of Alaska, Idaho, Oregon, Montana, and Washington. During the 1990s, this program provided a grant for a digester project on an 800-cow dairy in Cloverdale, Oregon. Currently, the program is focusing on bio-refinery process and development projects, so funding for anaerobic digesters is available only as part of a larger project scope.
- *Southeastern Regional Biomass Energy Program* is managed by the Southern States Energy Board comprised of representatives from Alabama, Arkansas, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Puerto Rico, South Carolina, Tennessee, Virgin Islands, Virginia, and West Virginia. The Southeastern Regional Biomass Energy Program has provided financial support to several anaerobic digester demonstration projects.

- *Western Regional Biomass Energy Program*, is managed through a cooperative agreement between the U.S. Department of Energy's Denver Regional Office and Nebraska Energy Office for the states of Arizona, California, Colorado, Kansas, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, and Wyoming. This region has a special emphasis on small municipalities and rural communities.

## Requirements

Grants typically require a cost-share match of 50 to 75 percent of nonfederal money. Request for proposals, specific to each of the five program regions, can be found on each region's Web site, listed below. Because program requirements vary from region to region, please visit the Web site for your region to learn about specific eligibility and application requirements.

## For More Information

**Great Lakes Regional Biomass Energy Program**
Fred Kuzel
Council of Great Lakes Governors
35 East Wacker Drive, Suite 1850
Chicago, IL 60601
Phone: 312-407-0177
E-mail: fkuzel@cglg.org
Web site: www.cglg.org/1projects/biomass/index_frame.html

**Northeast Regional Biomass Program**
Rick Handley
CONEG Policy Research Center, Suite 382
400 North Capitol Street, NW
Washington, D.C. 20001
Phone: 202-624-8450
E-mail: nrbp@sso.org
Web site: www.nrbp.org

**Pacific Northwest and Alaska Regional Bioenergy Program**
Jeff James
U.S. Department of Energy
Seattle Regional Office
800 Fifth Avenue, Suite 3950
Seattle, WA 98104
Phone: 206-553-2079
E-mail: Jeffrey.James@hq.doe.gov

**Southeastern Regional Biomass Energy Program**
Kathryn Baskin
Southern States Energy Board
6325 Amherst Court
Norcross, GA 30092
Phone: 770-242-7711
E-mail: baskin@sseb.org
Web site: www.serbep.org

**Western Regional Biomass Energy Program**
Bruce Hauschild
Nebraska Energy Office
P.O. Box 95085
Lincoln, NE 68509-5085
Phone: 402-471-3351
E-mail: bruceh@mail.state.ne.us
Web site: www.westbioenergy.org

# Federal

## Renewable Energy Systems and Energy Efficiency Improvements Program

### Type of Assistance

Grant

### Program Description

The Rural Business-Cooperative Service (RBS) announced the availability of $23 million in fiscal year 2003 for competitive grant funds for farmers, ranchers, and rural small businesses to develop renewable energy systems, such as anaerobic digesters. This money was made available under Title IX, Section 9006 of the 2002 Farm Bill. The grant money may pay up to 25 percent of the eligible project costs, such as professional service fees and equipment and installation costs. Applications for renewable energy systems must be for a minimum grant request of $10,000, but no more than $500,000.

At this time, RBS is offering this grant during fiscal year 2003 only. Applications were due June 27, 2003; however, interested parties are encouraged to contact their USDA Rural Energy Coordinator to discuss similar future grants.

### Requirements

Applicants must be agricultural producers or rural small businesses, possessing U.S. citizen or legal resident status. All applicants must also demonstrate financial need.

### For More Information

**Web site:** www.rurdev.usda.gov/rd/nofas/2003/repo51903.pdf

To locate a local USDA rural development office, please visit www.rurdev.usda.gov/recd_map.html.

### Contact

Diane Berger
U.S. Department of Agriculture
Rural Business-Cooperative Service
Phone: 202-720-2383
E-mail: diane.berger@usda.gov

# Federal

## Sustainable Agriculture Research and Education

### Type of Assistance

Grant

### Program Description

The USDA administers the Sustainable Agriculture Research and Education (SARE) Program through its Cooperative State Research, Education, and Extension Service division. The goal of the program is to assist farmers in adopting sustainable agricultural practices to improve profits, protect the environment, and enhance quality of life. SARE administers three separate grant programs, each with its own priorities and audiences.

- *Research and Education Projects* generally are conducted by interdisciplinary, multi-institutional, and, often, multi-state research teams coordinated by a principal investigator from a nongovernmental organization, university, or governmental agency. These projects include farmers as participants.
- *Producer Grant Projects* are conducted by producers or producer organizations. These projects are generally located in one state, often on one farm, using small grants of up to $5,000 or $10,000, depending on the region.
- *Professional Development Projects* offer agricultural information providers educational opportunities about sustainable agriculture techniques and concepts.

The process begins with the release of Calls for Proposals for each of the programs. Regional award caps may apply based on limited availability of funding. SARE's national database, which can be accessed online at www.sare.org/reporting/report_viewer.asp, features project summaries that include objectives, methods, results, and potential benefits. SARE gives preference to proposals that include economic analysis and outreach components.

### Requirements

The annual Request for Proposal announcement varies by region, so interested applicants should check the main SARE Web site to determine their regional area's schedule.

### For More Information

**Web site:** www.sare.org

## Contact

Jill S. Auburn
Cooperative State Research, Education, and Extension Service
U.S. Department of Agriculture
1400 Independence Ave. SW, Mail Stop: 2223
Washington, D.C. 20250-2223
Phone: 202-690-3162
E-mail: jauburn@csrees.usda.gov

# State Resources

# Alabama

## Renewable Fuels Development Program

### Type of Assistance

Interest subsidy payments

### Program Description

For more than a decade, the Science, Technology, and Energy Division of the Alabama Department of Economic and Community Affairs (ADECA) has sponsored the Renewable Fuels Development Interest Subsidy Program. The Program aims to utilize renewable fuels while reducing air and water pollution. It enables the use of biomass as an alternative energy source through interest subsidy payments on loans to install qualified biomass projects. In addition to basic waste-to-energy conversion equipment, biomass fuel storage, preparation, transport, and other necessary equipment may also be covered by subsidy payments. Program participants can receive up to $75,000 in interest subsidy payments.

### Requirements

Industrial, commercial, and institutional facilities, as well as agricultural property owners and state and local government institutions, may qualify for funding.

Applicants must conduct a feasibility study and preliminary design for the proposed project.

Applicants must contact ADECA and obtain loans from commercial lending institutions. Loans with interest rates more than two percent above the prime rate will not receive funding.

### For More Information

**Web site:** www.adeca.alabama.gov/content/ste/ste_biomass_fuel_dev.aspx

### Contact

Clarence Mann
Alabama Department of Economic and Community Affairs
Science, Technology, and Energy Division (ADECA-STE)
P.O. Box 5690
Montgomery, AL 36103-5690
Phone: 334-242-5330
E-mail: clarencem@adeca.state.al.us

# Arkansas

## Nonpoint Source Management Programs

### Type of Assistance

Grant

### Program Description

Section 319 of the 1987 federal Clean Water Act establishes a grant program to fund nonpoint source pollution management strategies. Arkansas receives annually approximately $3.8 million in federal funds from EPA, which Arkansas supplements with state funding of $700,000. The Arkansas Soil and Water Conservation Commission (ASWCC) administers the Nonpoint Source Management program with an emphasis on funding best management practices in priority watersheds. ASWCC does not fund research or study projects under this grant. An anaerobic digester with poultry litter is one of several projects currently receiving consideration for funding this year.

For a proposed project to be considered for funding, the following conditions must be met:

- The proposed project must be proven and technically sound.
- The process (e.g., equipment, installation, and implementation) must be economically feasible.
- The by-products of any process must be accounted for and disposed of properly as part of the project.

AWSCC prioritizes proposals based on location (i.e., within a priority watershed), cost benefit ratio (environmental benefit versus project cost), and potential sediment load reduction.

### Requirements

Eligible agencies and organizations include:

- State and local governments
- Interstate and intrastate agencies
- Nonprofit organizations

Federal agencies and activities that requires a National Pollutant Discharge Elimination System permit are not eligible. A 43 percent nonfederal cost share of the total project costs is required.

Requests for grant applications are usually issued in the fall, with an application deadline in January.

### For More Information

**Web site:** www.state.ar.us/aswcc/NPS_Webpage/Mgmnt.html

## Contact

Tony Ramick
Arkansas Soil and Water Conservation Commission
101 East Capitol Avenue, Suite 350
Little Rock, AR 72210
Phone: 501-682-3914
E-mail: tony.ramick@mail.state.ar.us

# California

## Dairy Power Production Program

### Type of Assistance

Grants, production credits

### Program Description

The California Energy Commission (CEC) initiated the Dairy Power Production Program to develop manure-based power through the combustion of methane at California dairies. The $10 million program includes both grants and production credits. The buydown grant can cover up to 50 percent of the capital costs of the anaerobic digester system, or $2,000 per installed kilowatt (whichever is less). The production payment is for 5.7 cents per kilowatt-hour of generated electricity, for a cumulative reimbursement of up to 50 percent of the system's capital costs, paid out over five years.

The program is administered through Western United Resources Development, Inc. (WURD). To date, 10 anaerobic digester projects have been approved, and funding is anticipated to be available through 2004.

### Requirements

Funds are awarded on a first-come, first-served basis to projects that meet the project criteria, such as overall suitability of digester use at the facility, technical assessment of the proposed plan (under the grant option), and financial feasibility.

Any owner/operator who has received or will receive any other state energy grants for the project is not eligible to apply.

Applications are available from WURD.

### For More Information

**Web site:** www.wurdco.com

A case study of the program, Two Different Approaches to Funding Farm-Based Biogas Projects in Wisconsin and California (September 2002) is available at:

http://eetd.lbl.gov/ea/EMS/cases/Biogas.pdf

### Contact

Kathi Carkhuff
WURD
1315 K Street
Modesto, CA 95354
Phone: 209-527-6453
E-mail: kcarkhuff@westernuniteddiarymen.com

# California

## Section 319 Grants

### Type of Assistance

Grant

### Program Description

Section 319 of the 1987 Federal Clean Water Act establishes a grant program to fund innovative nonpoint source pollution management strategies. The California State Water Resources Control Board (SWRCB) administers the $5 million grant program with the purpose of implementing projects to reduce, eliminate, and prevent water pollution from nonpoint sources and to enhance water quality. The state's current focus is on projects that will help meet developed total daily maximum load limits in impaired watersheds. The Marin County Resource Conservation district was awarded a grant to construct an advanced waste pond system to treat dairy waste in the Tomales Bay Watershed. Historically, grants have been awarded in the range of $25,000 to $350,000 per project.

### Requirements

Eligible agencies and organizations include:

- State and local governments
- Interstate and intrastate agencies
- Public and private nonprofits and institutions

An activity that requires a National Pollutant Discharge Elimination System permit is not eligible.

### For More Information

**Web site:** www.swrcb.ca.gov/funding/

### Contact

Steve Rodriguez
SWRCB
1001 I Street, 15th Floor
Sacramento, CA 94244-2130
Phone: 916-324-9944
E-mail: rodrs@swrcb.ca.gov

# California

## Self-Generation Incentive Program

### Type of Assistance

Production incentive

### Program Description

California Assembly Bill 970 calls for the in-state development of more energy resources. As part of its implementation, the California Public Utilities Commission requires utilities to provide financial incentives to customers who install distributed generation under the Self-Generation Incentive Program. Approximately $100 million is available annually under the program through 2004.

The program includes a tiered funding system, with Level 1 funding of up to $4,500 per kilowatt (kW) for digester gas fuel cells systems. Level 1 funding is capped at 50 percent of the total project cost. Projects using digester gas can qualify for Level 3-R with an incentive at the lower of $1,500 per kW or 40 percent of the eligible project costs.

### Requirements

Projects with a maximum system size of 1.5 MW qualify for incentives, although incentive payments are limited to 1 MW of generation. Level 1 projects also require a minimum system size of 30 kW.

The site must be connected to the electricity grid and offset a portion of its electricity consumption. The power generated must be consumed on site.

Self-generation equipment must be new and permanent (i.e., demonstration units are not eligible).

The Self-Generation Incentive Program Handbook provides more details can be viewed online at the Program Administrators' Web sites as listed below.

### For More Information

**Southern California Gas Company**
Self-Generation Incentive Program
555 West Fifth St, 22H4
Los Angeles, CA 90013
Phone: 866-DG-REBATE
E-mail: selfgeneration@socalgas.com
Web site: www.socalgas.com/business/selfgen

**Pacific Gas & Electric Company**
Self Generation Incentive Program
P.O. Box 770000; Mail Code B29R
San Francisco, CA 94177
Phone: 415-973-6436

E-mail: selfgen@pge.com
Web site: www.pge.com/002_biz_svc/selfgen
Web site: www.sdenergy.org/selfgen

**San Diego Regional Energy Office**
401 B Street, Suite 800
San Diego, CA 92101
Phone: 619-595-5630
E-mail: selfgen@sdenergy.org

**Southern California Edison**
Self Generation Incentive Program
2131 Walnut Grove Avenue
3rd Floor, MS B10
Rosemead, CA 91770
Phone: 800-736-4777
E-mail: greenh@sce.com
Web site: www.scespc.com/sgip.nsf

# California

## State Assistance Fund for Enterprise, Business, and Industrial Development Corporation: Energy Efficiency Improvements Loan Fund

### Type of Assistance

Loan

### Program Description

Created by the California Legislature in 1980, the State Assistance Fund for Enterprise, Business, and Industrial Development Corporation (SAFE-BIDCO) is a nonbank lender to service businesses whose financing needs are not being met by traditional institutions. SAFE-BIDCO administers the Energy Efficiency Improvements Loan Fund, which includes provisions for low-interest loans to small businesses in California for renewable energy systems.

The costs of the design and consulting fees for the anaerobic digester, along with material and equipment costs incurred after SAFE-BIDCO's acknowledgment of the receipt of the application, can be financed under the program. The maximum loan amount is $350,000, at four percent interest with a five-year repayment period.

### Requirements

A small business as defined by SAFE-BIDCO is a livestock operation that has a business net worth of less than $6 million and a net income of less than $2 million averaged over the last three years.

Applications are reviewed for project technical and economic factors.

Applications require a $100 fee, but there are no other loan charges.

### For More Information

**Web site:** www.safe-bidco.com

### Contact

SAFE-BIDCO
Rich Illingworth
1211 N. Dutton Avenue, Suite D
Santa Rosa, CA 95401
Phone: 707-577-8621
E-mail: s-b@safe-bidco.com

# Illinois

## Clean Energy Community Foundation Grant

### Type of Assistance

Grants

### Program Description

Citing development of renewable energy resources as one of its core goals, the state-sanctioned Illinois Clean Energy Community Foundation (ICECF) provides grants from an endowment of $225 million provided by Commonwealth Edison. Most of the renewable energy grants to date have supported wind and solar projects, with funding amounts between $20,000 and $150,000. Biomass demonstration projects are also eligible for funding.

Grants are awarded through two competitive grant cycles each year. Applicants should submit a letter of inquiry (three pages maximum) that describes the proposed project, explains the need for the project, summarizes the total project expenses, lists the proposed sources of funding, and states the specific amount requested from ICECF. Upon review of the letter of inquiry, ICECF notifies applicants to inform them if they should submit a full proposal for consideration.

### Requirements

Eligible applicants include charitable (501.c3) organizations, educational institutions, and state and local governments in Illinois.

For the 2003 winter grant cycle, letters of inquiry for biomass projects were due January 15 with full proposals due in mid-February; for the summer grant cycle, letters of inquiry for biomass projects were due July 15, with full proposals due in mid-August.

### For More Information

**Web site:** www.illinoiscleanenergy.org

### Contact:

Ed Miller
Illinois Clean Energy Community Foundation
2 North LaSalle Street, Suite 950
Chicago, IL 60602
Phone: 312-372-5191
Email: emiller@illinoiscleanenergy.org

# Illinois

## Renewable Energy Resource Program

### Type of Assistance

Grant

### Program Description

The Renewable Energy Resource Program (RERP) promotes renewable energy investment, development, and utilization in Illinois. Funded by the state's Renewable Energy Resources Trust Fund and administered by the Illinois Department of Commerce and Community Affairs, RERP administers grants for large-scale projects. These include organic waste biomass projects for heat or electrical production. RERP furnishes up to 50 percent of installation and equipment expenses, but no more than $350,000 for heat projects or $550,000 for electrical projects. These figures are subject to availability of funds.

### Requirements

Associations, individuals, private businesses, public and private educational institutions, not-for-profit organizations, and state and local governments are eligible. Applicants must be located in Illinois within the service area of either a gas or electric utility or an electric cooperative that imposes the Renewable Energy Resources and Coal Technology Development Assistance Charge.

Organic waste biomass systems must complete one year of field testing to receive funding through this program. Systems are evaluated on a case-by-case basis and must produce electricity or heat.

Applications are accepted year round, but must be received at least 60 days prior to award date. Funding rounds last July 1 through June 30. Expenses must be pre-approved for funding; costs incurred prior to acceptance of a proposal are ineligible for funding.

### For More Information

**Web site:** www.illinoisbiz.biz/com/energy/renewable.html

### Contact

Rex Buhrmester
Illinois Department of Commerce and Community Affairs
Bureau of Energy and Recycling
620 East Adams Street
Springfield, IL 62701
Phone: 217-557-1925
E-mail: rbuhrmes@illinoisbiz.biz

# Indiana

## Alternative Power and Energy Grant Program

### Type of Assistance

Grant

### Program Description

Through the Alternative Power and Energy Grant Program, Indiana's Energy and Policy Division (EPD) and the Indiana Department of Commerce fund ventures by businesses and institutions seeking to install and study alternative and renewable energy systems. These systems may generate electricity, heat or cool buildings, or transform waste to energy.

Grants range from $5,000 to $30,000, covering up to 30 percent of project costs. Installation, equipment, site preparation, storage, and others costs associated with the project are covered. This does not include research and design costs. Seventy percent of the award is paid upon completion of the grant contract. The final 30 percent is paid upon successful completion of two EPD site visits, spaced six months apart.

### Requirements

Only Indiana businesses, nonprofits, public schools, and local governments may apply for this program.

Waste-to-energy systems producing electricity (for onsite or offsite use), heating or cooling, or fuel production qualify. Only commercially available technologies are eligible; research projects are not funded. Fuel production is also ineligible for funding.

Applicants are evaluated based on technical and economic feasibility, fuel and energy savings, environmental benefits, and degree of economic facilitation. Partnerships with utilities, developmental organizations, industry councils, and other pertinent organizations are encouraged.

Third-party supplementary funding is allowed, but applicants must contribute at least 20 percent of total project costs themselves. Reports detailing progress must be completed quarterly, and again at the conclusion of the project.

### For More Information

**Web site:** www.in.gov/doc/businesses/APEGPguidelines.html

### Contact

Philip Powlick
Indiana Department of Commerce
Energy Policy Division
One North Capitol, #700
Indianapolis, IN 46204-2248
Phone: 317-232-8970
E-mail: ppowlick@commerce.state.in.us

# Indiana

## Distributed Generation Grant Program

### Type of Assistance

Grant

### Program Description

Indiana's Energy and Recycling Office (ERO) administers the Distributed Generation Grant Program (DGGP) for businesses and institutions seeking to install and study alternatives to central generation systems. These systems must employ either renewable energy or high-efficiency distributed generation technologies.

Grants range from $5,000 to $30,000. If the facility's average thermal efficiency is greater than 70 percent, or if it uses renewable energy (such as methane gas from manure) or fuel cells, grants pay for up to 30 percent of equipment costs. These amounts are subject to availability of funds. The DGGP does not fund programs retroactively, so interested parties are urged to apply as early as possible.

Projects must generate power of 20 kWh or more to the facilities at which they are located. Projects providing more than just electricity are preferred. Commercially proven technologies are preferred.

### Requirements

Businesses, nonprofits, and local governments operating in Indiana may apply.

Applicants are evaluated based on technical and economic feasibility, fuel and energy savings, environmental benefits, and degree of economic facilitation. They must provide complete documentation of bids or estimates from vendors and contractors, along with energy and cost savings estimates.

### For More Information

**Web site:** www.in.gov/doc/businesses/EP_transportation.html

### Contact

Ethan Rogers
Industrial Program Manager
Energy & Recalling Office
Indiana Department of Commerce
One North Capitol, Suite 700
Indianapolis, IN 46204
Phone: 317-232-8961
E-mail: erogers@commerce.state.in.us

# Indiana

## Indiana Biomass Grant Program

### Type of Assistance

Grant

### Program Description

The Indiana Biomass Program, administered by the Energy Policy Division of the Indiana Department of Commerce, assists with research, development, and production of biomass energy systems. The program aims to increase the use of biomass in Indiana, develop biomass energy technologies, and promote investment in these technologies. The program focuses on partnerships among local and regional organizations, researchers, industries, utilities, and government. Grants of up to $20,000 are available through this program.

### Requirements

A large range of biomass energy programs qualify for the program, including digester gas.

Projects must have near-term commercialization potential, must not duplicate previous work, and must capitalize on in-state expertise and resources.

### For More Information

**Web site:** www.in.gov/doc/businesses/EP_research.html

### Contact

Philip Powlick
Indiana Department of Commerce
Energy Policy Division
One North Capitol, #700
Indianapolis, IN 46204-2248
Phone: 317-232-8970
E-mail: ppowlick@commerce.state.in.us

# Iowa

## Alternative Energy Revolving Loan Program

### Type of Assistance

Loan

### Program Description

Iowa's Alternative Energy Revolving Loan Program (AERLP), established by the Iowa Legislature in 1996, promotes the development of renewable energy production in the state. The fund is managed by the Iowa Energy Center. The original $5.9 million of funds for the AERLP was provided by Iowa's investor-owned utilities. Loans can pay for a maximum of 50 percent of a project's financed costs, up to $250,000. Remaining funds must be obtained from a commercial lender chosen by the applicant. Borrowers repay these zero-interest loans over a maximum of 20 years. Qualifying projects are ranked based on feasibility, payback, and requested loan term.

The AERLP funds a balanced mix of renewable energy projects, seeking to distribute approximately 20 percent of funds to biomass energy projects. This category includes waste management, resource recovery, refuse-derived fuel, agricultural crop or residue, and wood-burning projects. To date, the AERLP has issued 25 loans, including nine to biomass energy projects.

### Requirements

Commercial, industrial, and residential projects all qualify.

For projects with a total financed cost of less than $50,000, applications are accepted on a continuing basis; all other applications are accepted quarterly.

Expenses incurred prior to the closing date of the application cycle are ineligible for funding.

### For More Information

**Web site:** www.energy.iastate.edu/funding/aerlp-index.html

### Contact

Keith Kutz
Iowa State University
Iowa Energy Center
2521 Elwood Drive, Suite 124
Ames, IA 50010-8229
Phone: 515-294-8819
E-mail: kkutz@energy.iastate.edu

# Iowa

## Energy Center Grants

### Type of Assistance

Grant

### Program Description

The Iowa Energy Center awards grants to Iowa-based nonprofits for energy-related research, demonstration, and education. In 2003, the Center awarded $1.3 million in these areas for alternative energy and energy efficiency projects. Grants are distributed to the projects that are most valuable and relevant to the state's current energy needs.

Evaluation criteria include: significance to the state of Iowa, feasibility and completeness of plans, capability and appropriateness of personnel, appropriateness of proposed budget, and quality of deliverables, technology transfer, and evaluation components. Proposals must include a cover page, proposed budget, and project schedule.

### Requirements

Requests for proposals are issued every September. Promising projects are selected to submit full proposals for further review. For 2003 funds, applications were due in November of 2002, and final proposals were due at the end of January 2003, with rewards distributed at the beginning of July.

Institutions of higher education, private nonprofits, and foundations in Iowa may receive funding. Private sector research partnerships are encouraged. Energy use may be applied in any sector.

### For More Information

**Web site:** www.energy.iastate.edu/funding/gp-archive.html

**Application form:** www.energy.iastate.edu/about/grantloan/grants/rdgrants.htm

### Contact

Keith Kutz
Iowa State University
Iowa Energy Center
2521 Elwood Drive, Suite 124
Ames, IA 50010-8229
Phone: 515-294-8819
E-mail: kkutz@energy.iastate.edu

# Iowa

## Methane Gas Tax Incentives

### Type of Assistance

Tax exemption

### Program Description

Iowa offers two methane gas tax exemptions:

*Methane Gas Conversion Property Tax Exemption.* All property used for methane gas collection and conversion into energy in the state of Iowa is completely exempt from the state property tax. If other fuels are burned as well, the exemption is equal to the percentage of methane in the overall fuel mix. This exemption applies to all commercial, industrial, and residential property owners. See Iowa Code 427.1(29) for details.

*Methane Energy Replacement Generation Tax Exemption.* All energy generated by methane gas conversion property (such as a digester gas facility) is exempt from the replacement generation tax of .06 cents per kWh.

### For More Information

**Web site:** www.state.ia.us/dnr/energy/programs/methane/financialIncentives.htm

### Contact

David Downing
Iowa Department of Natural Resources
Phone: 515-281-4876
E-mail: david.downing@dnr.state.ia.us

Angela Chen
Iowa Department of Natural Resources
Energy Bureau
Wallace State Office Building
Des Moines, IA 50319-0034
Phone: 515-281-4736
E-mail:angela.chen@dnr.state.ia.us

# Kansas

## Renewable Energy Property Tax Exemption

### Type of Assistance

Tax exemption

### Program Description

The state of Kansas exempts renewable energy equipment from property taxes under Kansas Statute 79-201.

### Requirements

All commercial, industrial, and residential property owners, including utilities, may claim this exemption for biomass property, including digester gas systems and equipment.

### For More Information

**Web site:** www.kcc.state.ks.us/energy/energy.htm

### Contact

Jim Ploger
Kansas Corporation Commission
Energy Office
1500 Southwest Arrowhead Road
Topeka, KS 66604-4027
Phone: 785-271-3349
E-mail: j.ploger@kcc.state.ks.us

# Kansas

## State Energy Program Grants

### Type of Assistance

Grant

### Program Description

The Kansas State Energy Program (SEP) promotes energy conservation and efficiency through its energy grants program. A broad range of projects may be funded through this program, including biomass energy projects, such as anaerobic digesters. The program's goals are to help commercialize developing and underutilized technologies in these categories, and to educate the public about them. About $200,000 was available in 2003 for these annually awarded grants. There is no limit on the amount given to a project, but due to the small size of the fund, SEP prefers to fund smaller grants.

### Requirements

Nearly any institution seeking funding, including commercial, nonprofit, educational, local and state governmental, and other institutions qualify for funding under this program. Individuals and commercial organizations are less likely to receive funding, although the SEP will fund particularly innovative or new applications of technology.

Project proposals must be submitted by March each year.

### For More Information

**Web site:** www.kcc.state.ks.us/energy/forms.htm

**Application form:** www.kcc.state.ks.us/energy/forms.htm

### Contact

Jim Ploger
Kansas Corporation Commission
Energy Office
1500 Southwest Arrowhead Road
Topeka, KS 66604-4027
Phone: 785-271-3349
E-mail: j.ploger@kcc.state.ks.us

# Maryland

## Clean Energy Incentive Act

### Type of Assistance

Tax credit

### Program Description

Maryland offers corporate and personal income tax credits to clean energy producers. Through the Clean Energy Incentive Act, individuals and corporations can claim state income tax credits for the production of electricity from qualified sources, including energy produced from anaerobic digestion. The credit is $0.0085/kWh of electricity produced from waste energy sources.

### Requirements

This tax credit applies to all energy produced from waste in Maryland facilities in their first 10 years of operation. Credit for production of energy from waste materials may be carried forward up to 10 years.

Form 500CR must be submitted with the income tax return to receive the credit.

### For More Information

**Web site:** http://business.marylandtaxes.com/taxinfo/taxcredit/cleanenergy/default.asp

### Contact

Tim LaRonde
Maryland Energy Administration
1623 Forest Drive, Suite 300
Annapolis, MD 21403
Phone: 410-260-7539
E-mail: tlaronde@energy.state.md.us

# Michigan

## Biomass Energy Program

### Type of Assistance

Grants

### Program Description

The goal of the Michigan Biomass Energy Program (MBEP) is to encourage increased production and use of energy derived from biomass resources through program policies, public and private partnerships, information dissemination, and state project grants.

MBEP provides funding for state bioenergy projects on an annual basis. Grant awards range from $5,000 to $30,000. Funding categories include:

- Biofuels and bioenergy education
- Biofuels infrastructure
- Biomass technology development and demonstrations

Two current MBEP projects related to anaerobic digestion include:

- A Michigan State University demonstration of a fixed-film anaerobic digester to create energy from dairy manure.
- A Michigan Allied Poultry Industries feasibility study for the use of poultry litter to generate energy through gasification, combustion, anaerobic digestion, and pyrolysis.

### Requirements

Nonprofits, state and local governments, and educational institutions may apply for grants.

### For More Information

**Web site:** www.michiganbioenergy.org

### Contact

Kelly Launder
Michigan Department of Consumer and Industry Services
Energy Office
6545 Mercantile Way, Suite 9
Lansing, MI 48911
Phone: 517-241-6223
E-mail: klaund@michigan.gov

# Minnesota

## Digester Energy Generation Incentive

### Type of Assistance

Production incentive

### Program Description

Minnesota offers a production incentive of $0.015/kWh of energy generated by on-farm anaerobic manure digester systems. The incentive is available for the first 10 years of a system's operation. Payments are administered by the Minnesota Department of Commerce's Energy Division.

### Requirements

All property owners generating energy from biogas produced by anaerobic digesters qualify for this incentive.

### For More Information

**Web site:** www.state.mn.us

### Contact

Energy Information Center
Minnesota Department of Commerce
Energy Division
85 7th Place East, Suite 600
St. Paul, MN 55101-3165
Phone: 651-296-5175
E-mail: energy.info@state.mn.us

# Minnesota

## Sustainable Agriculture Loan Program

### Type of Assistance

Loan

### Program Description

The Minnesota Department of Agriculture administers loans to facilitate sustainable farming practices. This revolving, low-interest loan program aims to promote alternative agricultural practices among farms and to enhance environmental quality, while endowing farmers with long-term economic benefits.

To qualify, a project must:

- Make efficient uses of resources
- Benefit the environment
- Show reasonable return on investment

A review panel evaluates all applications competing for funding. The panel ranks the projects based on expected economic and environmental benefits and chance of success. Because the state recognizes that farmers must make timely purchasing decisions, a project may begin without approval from the review panel—and therefore prior to being awarded funding through this program—as long as an application listing all project expenses has been submitted.

Individual farm families may receive loans of up to $25,000. Joint farm projects may receive up to a maximum of $100,000. The interest rate is fixed at 6 percent.

### Requirements

Loans pay for future capital purchases only, not operating expenses or refinancing of previous debt. A variety of equipment may qualify for this loan, including anaerobic digester equipment.

Loan terms match expected collateral life, but do not exceed seven years. Payments are made semiannually. The state requires a two-to-one collateral-to-loan ratio. Existing farm equipment may be counted toward this collateral.

Applications are available online or through the Minnesota Department of Agriculture. Each application must be signed and submitted with current cash flow projections for farming operations, copies of the last three years of Federal Income Tax form 1040, and a signed balance sheet.

### For More Information

**Web site:** www.mda.state.mn.us/esap/esaploan.htm

## Contact

Wayne Monsen
Sustainable Agriculture Loan Program
Minnesota Department of Agriculture
90 West Plato Boulevard
St. Paul, MN 55107
Phone: 651-282-2261

# Regional (Michigan, Minnesota, North Dakota, South Dakota, and Wisconsin)

## Xcel Energy Renewable Development Fund

### Type of Assistance

Grant

### Program Description

Xcel Energy's Renewable Development Fund (RDF) provides grants for production of renewable energy, as well as research and development leading to full commercialization of renewable technologies. Xcel Energy created the RDF in 1999 as a result of 1994 legislation concerning spent fuel storage the Prairie Island Nuclear Plant.

In the first round of funding, RDF distributed more than $16 million to 19 renewable energy projects, including seven biomass projects. Funding for biomass projects ranged from $60,000 to $1.25 million. RDF releases its annual round of requests for proposals in the summer.

The Greden Dairy and Crop Farm of Altura, Minnesota received an $80,000 grant from RDF to finance its anaerobic digester. The system has the capacity to generate approximately100 kW (or approximately 325,000 Btu of excess heat) for onsite use.

### Requirements

Projects anywhere within the state of Minnesota can qualify for funding, as can projects in other areas in Xcel Energy's northern service area, including portions of Michigan, North Dakota, South Dakota, and Wisconsin. Projects and companies located in Minnesota generally receive preference over those located out-of-state.

RDF seeks to finance a balanced portfolio of renewable technologies, including anaerobic digesters. Qualifying project categories include research and development of new renewable energy technologies, as well as commercialization and experimentation with current ones.

RDF prefers projects that leverage additional funding sources. Project evaluations also take into account the skill, experience, and knowledge of project team members.

### For More Information

**Web site:** www.xcelenergy.com

### Contact

Debra Paulson
Xcel Energy
414 Nicollet Mall
Minneapolis, MN 55401
Phone: 612-904-5366

# Missouri

## Animal Waste Treatment Loan Program

### Type of Assistance

Loan

### Program Description

The Missouri Agricultural and Small Business Development Authority funds the Animal Waste Treatment Loan Program to finance animal waste treatment systems for independent farmers. Through this program, borrowers receive fixed-rate loans that can be used to purchase new animal waste treatment systems and make improvements to existing systems. As of January 2003, the rate was 5.6 percent. Loans may last up to 10 years, as long as they do not exceed the expected useful lifetime of the equipment or facilities purchased.

Borrowers must have at least 1,000 livestock or poultry animal units and engage in concentrated animal feeding operations. Animal waste systems qualify if located within a poultry house, milk parlor, or hog confinement facility, but funding for composters or pit and flush systems are ineligible.

### Requirements

Individuals, partnerships, corporations, firms, and cooperative associations may qualify for funding. Loan recipients must be Missouri residents or businesses based or making transactions in Missouri. All projects must be located in Missouri.

Loans may be used to finance an immense variety of equipment, including all equipment involved in water pollution reduction activities. The loans provide for all equipment funding, but not construction costs.

Borrowers must also have a Letter of Approval to Operate from the Missouri Department of Natural Resources.

Borrowers must submit claims to the Missouri Agricultural and Small Business Development Authority. They must also meet established cash flow and debt-to-asset requirements, provide adequate security for loans, and provide a dedicated source of repayment.

Applications are available through the Missouri Department of Agriculture Web site, listed below. Applicants must pay a $50 application fee. Loan recipients must also pay a one percent fee for participating in the program, which is capped at $250.

### For More Information

**Web site:** www.mda.state.mo.us/Financial/a2c.htm

### Contact

Missouri Agricultural and Small Business Development Authority
P.O. Box 630
Phone: 573-751-2129
E-mail: masbda@mail.mda.state.mo.us

# Montana

## Alternative Energy Revolving Loan Program

### Type of Assistance

Low-interest loan

### Program Description

The Alternative Energy Revolving Loan Program, established by Montana Senate Bill 506, provides funding to homeowners and small businesses seeking to install alternative energy systems (of which digester gas qualifies) for onsite use. The Department of Environmental Quality finances the program through collection of air quality violations monetary penalties. The five-year loans may be as large as $10,000, with interest rates adjusted annually. The 2003 rate is 5.5 percent.

### Requirements

Montana residents and small businesses may apply. Applications, available online, are processed throughout the year. Evaluation criteria include system reliability, predicted return on investment, and avoided fossil fuel consumption.

### For More Information

**Web site:** www.deq.state.mt.us/energy/Renewable/altenergyloan.asp

**Application form:** www.deq.state.mt.us/energy/Renewable/AltEnergyLoan/AltLoanApplication.pdf

### Contact

Kathi Montgomery
Montana Department of Environmental Quality
P.O. Box 200901
1520 East Sixth Avenue
Helena, MT 59620
Phone: 406-444-6778
E-mail: kmontgomery@state.mt.us

# Montana

## Tax Incentives

### Type of Assistance

Tax credits

### Program Description

The state of Montana offers a wide variety of incentives for renewable and alternative energy development:

- *Property tax exemption for buildings using renewable energy*—A portion of the assessed value of biomass combustors and other equipment used for generation of nonfossil fuel energy are exempt from taxation for a 10-year period following installation. The maximum amount is $20,000 for single-family residential dwellings or $100,000 for all other structures. For more information, see citation 15-6-201(4) MCA. State property tax exemption forms are available from the Department of Revenue's county office.
- *Property tax exemption for renewable generating facilities under 1 MW*—New generating facilities producing less than 1 MW of energy annually are exempt from taxation for the first five years after installation. For more information, see citation 15-6-225 MCA. State property tax exemption forms are available from the Department of Revenue's county office.
- *Property tax reduction for renewable generative facilities of 1 MW or greater*—A facility generating at least 1 MW of energy from renewable sources is taxed at a rate of 50 percent of its taxable value for the first five years following issuance of the construction permit. Each year thereafter, the taxable value is increased by ten percent until the tenth year, when the property is taxed at its full value. Exemptions are subject to approval by local government.
- *New or expanded industry tax credit*—Businesses producing energy from alternative or renewable energy sources are eligible for the new or expanded industry tax credit against corporate income tax. Qualifying industries must see a full-time job increase of 30 percent or more. Credit is one percent of new wages paid in-state for the first three years of operation. No carryback or carryover is allowed. See ARM 42.23.511-522 for more details.
- *Tax credit for individuals installing nonfossil forms of generation*—Resident individuals may claim a tax credit of up to $500 for installing a recognized nonfossil form of electricity or heat generation—including biomass combustion devices. Credit can be carried forward up to four years. Use state tax form ENRG-B. For more information, see citation 15-32-201 seq. MCA.
- *Alternative energy investment tax credit*—Commercial and net metering alternative energy investments of $5,000 or more are eligible for up to 35 percent against individual or corporate tax on net income generated by the investment. Methane from solid waste and other biomass conversion systems qualify for the credit. This applies to commercial operations only, including both taxpayers purchasing existing facilities and those building new ones. Associated facilities, manufacturing plants producing the generating equipment, and industries using the energy

generating are eligible as well. This credit cannot be taken in conjunction with other state energy or investment tax benefits, or with the property tax exemption for nonfossil energy property. The tax credit for the equipment must be taken the year following equipment installation, but can be carried over for up to seven years. The corporate tax rate is 6.75 percent. See citation 15-32-401 for more details.

## For More Information

**Web site:** www.deq.state.mt.us/energy/Renewable/TaxIncentRenew.asp

## Contact

Shona McHugh
Department of Revenue, Call Center
Phone: 406-444-3579

# Montana

## Universal Systems Benefits Grants

### Type of Assistance

Grant

### Program Description

NorthWestern Energy (NWE) furnishes grants to residences, businesses, and municipalities seeking to install renewable energy systems within the company's Montana service territory. NWE funds the program through Universal Systems Benefits (USB) charges, collected by the utility to distribute for publicly beneficial causes.

Past grants ranged from as small as $5,000 to as large as $1.5 million, with approximately $1 million distributed annually. In addition to system installation, projects generally include public education and outreach programs. In 2001, 15 proposals were accepted for funding. Biomass projects, such as combustion of methane gas from livestock waste, qualify for USB funding, although only one biomass project has been funded to date.

### Requirements

Anyone seeking to operate renewable energy system may apply, including applicants from the commercial, industrial, and residential sectors, and the general public. Preference is given to projects installed on public facilities, or projects that develop central electric power generation, particularly in areas with weak distribution systems.

NWE's funding guide for renewable energy projects in Montana, Bright Ideas in Renewable Energy, explains the application procedure in depth. The guide is available on the Internet at the Web site address shown below.

### For More Information

**Web site:** www.northwesternenergy.com/energy/renewables/renewable_energy.htm

**NorthWestern Energy Renewable Energy Guide:**
www.northwesternenergy.com/energy/publications/bright_ideas.pdf

### Contact

Dave Ryan
NorthWestern Energy
40 East Broadway
Butte, MT 59701
Phone: 406-497-2322
E-mail: David.Ryan@northwestern.com

# Nevada

## Renewable Energy Tax Abatements

### Type of Assistance

Tax abatement

### Program Description

Nevada offers a tax abatement for users of renewable energy. Businesses seeking to expand or locate in Nevada may receive a 50 percent property tax abatement over a ten-year period. Applications are overseen by the state Commission on Economic Development. Businesses outside the gaming and hospitality industry are encouraged to apply.

### Requirements

Applicants must meet two of the following three criteria:

- The company's average hourly wage in the facility is equal to or greater than the state's average hourly wage ($15.09 for FY2002).
- The company must provide at least 75 full-time jobs in Nevada if the facility is located in a city or county with a population greater than 50,000, or at least 25 full-time jobs for populations of less than 50,000.
- For a city/county with a population of at least 50,000, a capital investment of at least $5 million in the facility is required. For a city/county with a population of less than 50,000, a capital investment in the facility of at least $500,000 is required. The Commission on Economic Development defines all biomass, including animal waste, as a viable source of renewable energy. Participating facilities must generate at least 10 kW of renewable electricity.

Applications must be sent with a letter from the local development authority supporting the abatement, as well as necessary validation records. They may be sent up to one year prior to breaking ground on the proposed project or expansion.

### For More Information

**Web site:** www.edawn.org/doingbusiness/bi/Renewable.pdf (Renewable Energy Abatement Information) or www.expand2nevada.com (Nevada Commission on Economic Development)

**Application form:** www.edawn.org/doingbusiness/bi/renewable-app.pdf

### Contact

Susan Combs
Nevada Commission on Economic Development
108 East Proctor Street
Carson City, NV 89701-4240
Phone: 775-687-4325 or 800-336-1600
E-mail: scombs@bizopp.state.nv.us

# New Mexico

## Renewable Energy Production Credit

### Type of Assistance

Corporate tax credit

### Program Description

The New Mexico Renewable Energy Production Credit, enacted in 2002 and amended in 2003, provides businesses tax credits against corporate income tax of $0.01 per kWh of energy produced from qualifying renewable energy resources. The credit applies to up to 400,000 megawatt hours of electricity for 10 consecutive years. It may be carried forward up to five consecutive years if the credit claimed exceeds the taxpayer's corporate income tax liability.

### Requirements

Only commercial and industrial entities may claim this credit. Biomass, including biogas from manure, is a qualifying renewable energy resource.

### For More Information

**Web site:** www.emnrd.state.nm.us/ecmd

### Contact

Harold Trujillo
New Mexico Energy, Minerals and Natural Resources Department
Energy Conservation and Management Division
P.O. Box 1948
1220 South Saint Francis Drive
Santa Fe, NM 87504
Phone: 505-827-7804
E-mail: hjtrujillo@state.nm.us

# New York

## New York State Energy Research and Development Authority

### Type of Assistance

Grant

### Program Description

The New York State Energy Research and Development Authority (NYSERDA) provides funding for research and development to help businesses and municipalities of New York solve problems related to energy and the environment. NYSERDA also supports the development of innovative technologies, services, and products, including funding for distributed generation projects.

NYSERDA makes public proposal requests using Program Opportunity Notices (PONs), which are posted year-round on the NYSERDA Web site. These PONs cover a range of energy and environmental topics, generally focusing on a specific segment. Approximately $10 million is available annually to support distributed generation projects, such as anaerobic digester projects.

Examples of NYSERDA-supported anaerobic digester projects include the 650-cow Matlink Farm in upstate New York, which received an Innovation in Agriculture grant, and the 1,100 cow Faber Dairy in the Catskill Mountains. NYSERDA recently awarded grants to Aurora Ridge Dairy, Sheland Farms, and the Town of Perry, New York for demonstration projects of combined heat and power systems utilizing digester gas.

### Requirements

Engineers, scientists, inventors, entrepreneurs, and organizations with experience in areas applicable to PONs receive funding.

NYSERDA awards cost-share funds by contract, transferring them to the grantees in progressive stages. PONs specify the amount of funding available for a given project segment, and divided among the selected projects. The average award is around $200,000.

### For More Information

**Web site:** www.nyserda.org

### Contact

Erin Hogan
New York State Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399
Phone: 518-862-1090 ext. 3246
E-mail: eph@nyserda.org

# North Carolina

## Energy Improvement Loan Program

### Type of Assistance

Low-interest loan

### Program Description

In 2001, North Carolina created the Energy Improvement Loan Program to encourage businesses and other organizations to reduce energy costs. The North Carolina State Energy Office administers this program, which provides low interest loans for onsite renewable energy electricity generation. This program does not specifically target the installation of anaerobic digesters, but they are an eligible technology.

The loans, which range up to $500,000, can be used to support capital improvement projects that utilize reliable and commercially available technologies. The interest rate on the loans is three percent, with an interest rate of one percent for some renewable and recycling energy projects. The time period of the loan equals the average payback time of the project, which is calculated from the avoided utility costs, and is limited to a 10-year maximum.

### Requirements

Any nonpublic business within the state can apply for a loan. Projects must meet federal and state air and water quality standards. Loans are processed on a first-come, first-served basis.

### For More Information

**Web site:** www.energync.net

### Contact

Starlette Brown
State Energy Office
1340 Mail Service Center
Raleigh, NC 27699-1340
Phone: 919-733-1897
E-mail: starlette.brown@ncmail.net

# North Carolina

## Renewable Energy Tax Credit

### Type of Assistance

Tax credit

### Program Description

In 1999, the North Carolina legislature combined the various renewable energy statutes into the comprehensive Renewable Energy Tax Credit program. This new statute expanded the tax credit to 35 percent of the cost of the renewable energy property constructed, purchased, or leased. Renewable energy costs eligible under the tax credit include design, equipment, construction, and installation costs. Any other funding assistance received must be subtracted from the total cost. Additionally, none of the equipment related to the collecting, handling, storing, and transporting of biomass (i.e., manure) prior to its placement in the onsite biomass processing equipment is eligible.

The tax credit cap for biomass applications is $250,000. The credit can be applied against either the livestock operation's income tax or its franchise tax. The tax credit may not exceed 50 percent of the taxpayer's tax liability for the year reduced by the sum of all other credits. The unused portion of the credit may be carried over for a maximum of five years as long as the system remains operating. If the system ceases to operate, the credit is void.

### Requirements

A system is not eligible for the tax credit until it is installed and fully functional. The renewable energy system must meet all applicable state and local codes. Tax forms can be found online at www.dor.state.nc.us/downloads/corporate.html.

### For More Information

**Web site:** www.ncsc.ncsu.edu/information_resources/renewable_energy_tax_guidelines.cfm

### Contact

Bob McGuffey
North Carolina Solar Center
North Carolina State University
Box 7401
Raleigh, NC 27695-7401
Phone: 919-515-9781
E-mail: bob_mcguffey@nscu.edu

# North Carolina

## Section 319 Grants

### Type of Assistance

Grant

### Program Description

Section 319 of the 1987 federal Clean Water Act establishes a grant program to fund innovative nonpoint source pollution management strategies. The North Carolina Division of Water Quality (DWQ) administers the water quality program with the goal of supporting best management practice demonstration projects, environmental education, and technology transfer. Historically, funding has ranged between $6,000 and $400,000 per project, with demonstration projects receiving approximately $100,000 in support.

Typically, DWQ will issue a request for Section 319 proposals in the spring. An interagency committee evaluates proposals based on potential water quality improvement benefits, along with educational opportunities and measurable outputs. Livestock operators have been successful in the past with receiving funding for waste management demonstration projects. For 2004, the committee plans to assign higher priority to projects that demonstrate new technology (such as anaerobic digesters) in impaired or sensitive watersheds.

### Requirements

Eligible agencies and organizations include:

- State and local governments
- Interstate and intrastate agencies
- Public and private nonprofits and institutions

A 40 percent nonfederal cost share of the total project costs is required. An activity that requires a National Pollutant Discharge Elimination System permit is not eligible.

### For More Information

**Web site:** http://h2o.enr.state.nc.us/nps

### Contact

Todd Hoefler
Division of Soil and Water Conservation
1614 Mail Service Center
Raleigh, NC 27699-1614
Phone: (919) 715-9630
E-mail: Todd.Hoefler@ncmail.net

# Ohio

## Conversion Facilities Tax Exemption

### Type of Assistance

Tax exemption

### Program Description

The state of Ohio offers tax exemptions for energy conversion, solid waste energy conversion, and thermal efficiency improvements. Conversion is defined as the replacement of fossil fuels with alternative fuel sources, including digester gas. Originally enacted in 1978, the exemption is listed under Ohio Revised Code Section 5709.46 and is designed to encourage Ohio businesses to make investments that lower their long-term operating costs and reduce their tax liability.

To receive the exemption, a business must apply for an energy conversion certificate from the state Tax Commissioner. The application includes a narrative description of the facility and a descriptive list of component parts and materials incorporated or to be incorporated into the facility. Prior to the issuance of the certificate, the Tax Commissioner must obtain a written opinion from the Department of Development regarding the likelihood of achieving the estimated reductions in power consumption. Upon certification, facilities or their certified portion are not subject to real property taxes for improvements, personal property taxes, or franchise laws as long as the certificate is in force, which is for as long as the equipment is in operation.

### For More Information

**Web site:** www.odod.state.oh.us/cdd/oee/c_i_cfe.htm

**Application form:** www.odod.state.oh.us/cdd/oee/cfeform.pdf
Submit Applications to:
Thomas Snyder
Ohio Department of Taxation
P.O. Box 530
Columbus, OH 43266-0030
Phone: 614-466-3280
E-mail: thomas_snyder@tax.state.oh.us

### Contact

John Greenway
Ohio Department of Development
Office of Energy Efficiency
77 South High Street, 26th Floor
P.O. Box 1001
Columbus, OH 43215-6108
Phone: 614-466-7406
E-mail: jgreenway@odod.state.oh.us

# Ohio

## Energy Loan Fund

### Type of Assistance

Loan

### Program Description

Ohio's Office of Energy Efficiency, a subdivision of the Department of Development's Community Development Division, operates the Energy Loan Fund. The fund is administered in collaboration with participating private lenders to reduce interest costs on loans for investments in technologies that conserve energy or use a renewable energy source. Established by the Ohio General Assembly in 1999, the fund is financed by a $0.0001 per kilowatt hour rider—typically nine cents a month for residential customers—paid on electric bills by customers of the state's five major investor-owned utilities.

The Energy Loan Fund offers four categories of loan assistance, including the Renewable Energy Assistance Program. Residential customers can receive loans ranging from $500 to $25,000, while business loans are in the range of $5,000 to $500,000. In the current financial market, borrowers pay approximately half the standard interest rate. Biomass projects, such as anaerobic digesters, are eligible for loans. However, the expected life of the project should be longer than the payback period, and the equipment must be new.

The Energy Loan Fund uses "linked deposits" to achieve the interest reduction. During the linked deposit process, the Energy Loan Fund deposits funds matching a portion of the energy related costs with the private lender for up to five years, at an interest rate of zero to two percent, in exchange for a certificate of deposit. The difference between the Energy Loan Fund interest rate and the market interest rate is applied to reduce the interest cost on the client's loan.

### Requirements

Residential customers, renewable energy systems purchasers, small commercial and industrial businesses, local governments, educational institutions, nonprofits, and agricultural customers may apply for energy loans. Projects in territories served by municipalities or cooperative utilities cannot receive funds through this program. To qualify for a loan, the project must be located in the service territory of one of the five investor-owned utilities:

- AEP (Columbus Southern Power and Ohio Power)
- Cinergy (Cincinnati Gas and Electric)
- Dayton Power and Light
- First Energy (Cleveland Electric Illuminating, Ohio Edison, and Toledo Edison)
- Monongahela (Allegheny Power)

Borrowers must apply both to private lenders and to the Office of Energy Efficiency. The Office of Energy Efficiency's Web site, shown below, provides a list of participating lenders and detailed program guidelines.

## For More Information

**Web site:** www.odod.state.oh.us/cdd/oee/energy_loan_fund.htm

## Contact

Carolyn Seward
Ohio Department of Development
Office of Energy Efficiency
77 South High Street, 26th Floor
Columbus, OH 43215
Phone: 614-466-4053
E-mail: cseward@odod.state.oh.us

# Ohio

## Water Pollution Control Loan Fund

### Type of Assistance

Low-interest loan

### Program Description

The Ohio Environmental Protection Agency's Division of Environmental and Financial Assistance provides low-interest loans for the environmentally sound collection, treatment, disposal, and reuse of livestock waste. The Division is particularly interested in projects that use innovative technologies that increase the effectiveness of reducing and reusing livestock waste. Eligible costs includes the planning, design, and implementation (construction and equipment) of projects, such as anaerobic digesters, that result in the protection of surface or groundwater quality.

The Division has two methods of financial assistance: direct loans of up to 10 years at a low interest rate (approximately 3.65 percent) and linked deposit loans, for which the Division will work with the borrower's commercial lender to reduce the loan by up to five percent. Approximately $15 million in funding was made available for livestock projects in the Big Darby and Killbuck River Basin.

### Requirements

If the project addresses a nonpoint source of water pollution, the borrower can be anyone who will own and operate the facility for the duration of the loan. The borrower must demonstrate the ability to repay the loan.

### For More Information

**Web site:** www.epa.state.oh.us/defa/assistance_programs.html

### Contact

Greg Smith
Division of Environmental and Financial Assistance
P.O. Box 1049
Columbus, Ohio 43216-1049
Phone: 614-644-2798
E-mail: greg.smith@epa.state.oh.us

# Oregon

## Business Energy Tax Credit

### Type of Assistance

Tax credit

### Program Description

The Oregon Office of Energy offers a Business Energy Tax Credit (BETC) for investment in renewable energy resources (including biomass) and energy conservation to all businesses taxed in Oregon. Energy produced may be sold or used on site. Since 1980, the state has awarded credit to more than 6,500 recipients for project investments of more than $549 million.

The tax credit is 35 percent of the eligible project cost, which includes all costs directly related to the project, such as: equipment; engineering and design; materials; supplies; and loan, permit, and installation costs. Replacement equipment may not be claimed. The credit may be taken over five years: 10 percent the first two years, and five percent each year thereafter. Unused credit can be carried forward up to eight years. Those with eligible project costs under $20,000 may take the entire tax credit in one year. A "pass-through" option enables project owners to transfer the tax credit to a pass-through partner in return for a cash payment upon completion of the project.

### Requirements

Trade, business, or rental property owners who pay taxes for business sites in Oregon are eligible for the BETC. Nonprofits, tribes, schools, and others without tax liability are also eligible under the pass-through option.

New renewable energy must replace at least 10 percent of the electricity, gas, or oil used by the facility. Biomass, including methane derived from manure, is a qualifying renewable as long as the resource is available in amounts exceeding the project's fuel needs.

Applicants must send the application form (available online at the Web site listed below) for Preliminary Certification, the renewables form, and the processing fee payment. Applications must be approved before projects begin. However, waivers may be granted under certain circumstances if the application is delayed. Upon approving the application, the Office of Energy issues a Preliminary Certificate indicating the project may begin. Work on the project must begin within three years of approval.

### For More Information

**Web site:** www.energy.state.or.us/bus/tax/taxcdt.htm

### Contact

Oregon Office of Energy
625 Marion Street NE
Salem, Oregon 97301
Phone: 800-221-8035 (in Oregon) or 503-378-4040
E-mail: energy.in.internet@state.or.us

# Oregon

## New Renewable Energy Resources Unsolicited Proposal

### Type of Assistance

Grant

### Program Description

The Energy Trust of Oregon's Open Solicitation Program funds renewable energy and energy efficiency projects throughout Oregon. The Trust provides grants to projects not already involved in any incentive programs. Grants pay the above-market costs for the projects. The objective is to help the state meet its goal of generating 10 percent of its energy from renewable sources by 2012.

Projects most likely to receive funding involve new technology, old technology in new applications, quick implementation, or clever, creative approaches that have not been enacted due to lack of funding. They are evaluated based on feasibility, capacity, cost, and other factors.

The Trust has committed to assisting the Threemile Canyon Farms digester project. By capturing methane from the manure of more than 20,000 dairy cows, the project will generate nearly 4 MW per year for 15 years starting in 2004, at a cost of $1.5 million.

### Requirements

Any party seeking to establish a renewable energy project within the state of Oregon may apply.

### For More Information

**Web site:** www.energytrust.org/about_energy_trust/renewables/index.html

### Contact

Peter West
The Energy Trust of Oregon
733 Southwest Oak Street, Suite 200
Portland, OR 97205
Phone: 503-493-8888
E-mail: info@energytrust.org

# Oregon

## Section 319 Grants

### Type of Assistance

Grant

### Program Description

Section 319 of the 1987 federal Clean Water Act establishes a grant program to fund innovative nonpoint source pollution management strategies. For fiscal year 2003, Oregon received $3.1 million in federal funds from EPA. The Oregon Department of Environmental Quality (ODEQ) administers the grant program with a goal of addressing water quality impairments in priority areas. Although the grant money is not intended for research, it can be used to evaluate or assess the effectiveness of agricultural management practices target for water quality concerns. Funding for these types of projects has varied over the years depending on the research proposed. ODEQ has funded research projects from cover crops to improved subsurface irrigation. Development and promotion of best management practices benefitting groundwater quality has been the emphasis for research projects. Typically, ODEQ will issue a request for Section 319 proposals in the fall.

### Requirements

Eligible agencies and organizations include:

- State and local governments
- Interstate and intrastate agencies
- Public and private nonprofits and institutions

A 40 percent nonfederal cost share of the total project costs is required. An activity that requires a National Pollutant Discharge Elimination System permit is not eligible.

### For More Information

**Web site:** www.deq.state.or.us/wq/nonpoint/wq319gt.htm

### Contact

Ivan Camacho
Oregon DEQ
Water Quality Division, 6th Floor
811 SW 6th Ave.
Portland, OR 97204-1390
Phone: 503-229-5088
E-mail: camacho.ivan@deq.state.or.us

# Oregon

## State Energy Loan Program

### Type of Assistance

Low-interest loan

### Program Description

The Oregon Office of Energy provides low-interest, long-term, fixed rate loans for energy projects through the sale of bonds to finance the State Energy Loan Program (SELP). The SELP targets projects that promote energy conservation, development of renewable energy resources, or use of alternative fuels. Nearly any institution can apply, so long as the project is located in Oregon. Loans vary greatly in size, from as little as $20,000 to more than $16 million.

The State provided a $98,000 SELP loan to Craven Farms of Tillamook County for its plug-flow digester project.

### Requirements

Loans are available to individuals, businesses, schools, cities, counties, special districts, state and federal agencies, public corporations, cooperatives, tribes, and nonprofits.

Eligible projects must save energy, use recycled materials or alternative fuels, or produce energy from renewable resources. Biomass, waste heat, and other waste materials that can be used to produce energy, such as digester gas, are eligible.

Application costs are 0.1 percent of the amount requested, to a maximum of $2,500. The SELP also charges an underwriting fee of 0.5 percent, to a maximum of $5,000. The loan fee is one percent of the loan amount.

### For More Information

**Web site:** www.energy.state.or.us/loan/selphme.htm

### Contact

Oregon Office of Energy
625 Marion St. NE
Salem, OR 97301
Phone: 503-378-4040
E-mail: energy.in.internet@state.or.us

# Pennsylvania

## Energy Harvest

### Type of Assistance

Grant

### Program Description

Pennsylvania's Department of Environmental Protection oversees the Pennsylvania Energy Harvest, a $5 million grant program designed to assist the state's extensive agricultural community in developing its green power resources. Funded by the Clean Air Fund, Growing Greener, and the U.S. Department of Energy, the program provides grants to livestock producers and other property owners generating power from green and renewable sources.

Projects must address both energy and environmental concerns, reducing reliance on conventional energy sources while bolstering water, air, or land quality. The program was unveiled at the Rocky Knoll Farm, a hog farm using an anaerobic digester to produce electricity since 1985. The farm generates approximately $3,500 in revenue per month by combusting methane gathered from its 4,500 hogs.

### Requirements

Qualifying projects include wind energy, biomass (including digester gas), waste coal, and solar power. Those eligible for grants include: livestock producers, local governments, educational institutions, businesses, and nonprofits.

### For More Information

**Web site:** www.dep.state.pa.us

### Contact

Kurt M. Knauss
Pennsylvania Department of Environmental Protection
P.O. Box 2063
Harrisburg, PA 17105-2063
Phone: 717-787-1323

# Pennsylvania

## Sustainable Energy Funds

### Type of Assistance

Grants and low-interest loans

### Program Description

During the deregulation of the Pennsylvania electric industry, the state's Public Utility Commission (PUC) created the Sustainable Energy Funds (SEFs). In 1998, under the final settlement of the restructuring plans for the state's five largest electric companies, five funds totaling $55 million were established to address environmental and economic development issues across the state. The Boards of Directors of these companies administer the SEFs.

Funds provide loans, investments, and grants for use of renewable energy resources. In 1999, a statewide Sustainable Energy Board (SEB) was established to assist and oversee the SEFs. The SEB and regional boards work together to identify potential opportunities, prioritize SEF objectives, and develop an outreach plan to garner further support for its initiatives. The SEB also serves as an informational clearinghouse and develops educational programs for SEF boards.

The SEFs differ from most state funding resources by actively involving community members in the decision-making process. Local residents serve on SEF boards, funds are administered locally, and locals are generally aware of SEF-funded projects. Grassroots marketing of the funds draw local project proposals and regional funding opportunities.

### Requirements

Although requirements for SEF funding applicants vary from region to region, general guidelines for SEF projects include:

- Promote the development of renewable energy and advanced clean energy technologies and services
- Encourage the adoption of energy conservation and efficiency technologies and services
- Facilitate the growth of sustainable energy businesses that design, manufacture, sell, install, or maintain these technologies

### For More Information

**Pennsylvania Public Utility Commission**
Maria A. Hanley
P.O. Box 3265
Harrisburg, PA 17105-3265
Phone: 717-787-3559
Web site: www.puc.paonline.com/electric/Green_and_Clean.htm

**Sustainable Development Fund**
(PECO Service Territory)
Roger Clark
Cast Iron Building, Suite 300 North
718 Arch Street
Philadelphia, PA 19106-1591
Phone: 215-925-1130
Web site: www.trfund.com/sdf

**Sustainable Energy Fund of Central Eastern Pennsylvania**
(PPL Service Territory)
Thomas J. Tuffey
The Sovereign Building
609 Hamilton Mall
Allentown, PA 18101
Phone: 610-740-3182

**GPU Sustainable Energy Fund**
(Metropolitan Edison Service Territory)
Kevin Murphy
Berks County Community Foundation
P.O. Box 212
Reading, PA 19603-0212
Phone: 610-685-2223
Web site: www.bccf.org

**Pennsylvania Environmental Council**
(Penelec Service Territory)
Mike Kane
64 South 14th Street
Pittsburgh, PA 15203
Phone: 412-481-9400

**West Penn Power Sustainable Energy Fund**
Joel L. Morrison
WPPSEF Program Coordinator
The Energy Institute
The Pennsylvania State University
C-211 CUL
University Park, PA 16802-2323
Phone: 814-863-7432
E-mail: wppsef@ems.psu.edu
Web site: www.wppsef.org

# South Dakota

## Renewable Energy Systems Exemption

### Type of Assistance

Tax exemption

### Program Description

South Dakota offers a property tax exemption of 50 percent of the installed cost of commercial renewable energy systems and the entire assessed value of residential renewable energy systems. There is no maximum limit on the cost of the system, and the full exemption can be taken for three years after installation. After the first three years, the credit is reduced to 75 percent of its original value in the fourth year, 50 percent in the fifth year, and 25 percent in the sixth year. It is void after the sixth year.

### Requirements

Energy must be used on site, not resold. Biomass resources may qualify for the program, although projects are approved on a case-by-case basis.

### For More Information

**Web site:** www.state.sd.us/drr/revenue.html

### Contact

Colleen Skinner
South Dakota Department of Revenue
445 East Capitol Avenue
Pierre, SD 57501
Phone: 605-773-3311
E-mail: colleen.skinner@state.sd.us

# Texas

## LoanSTAR Revolving Loan Program

### Type of Assistance

Low-interest loan

### Program Description

Texas' State Energy Conservation Office (SECO) administers the LoanSTAR (Saving Taxes and Resources) Revolving Loan Program to provide loans to all public entities for projects that provide long-term energy savings.

The current interest rate is three percent. Loans may be repaid through stream-of-cost savings generated by funded projects. The total financed term is a maximum of 10 years.

Legislation requires the program to be maintained at a minimum of $95 million at all times. Since its inception in 1988, Texas taxpayers have saved more than $120 million in energy savings. With this type of savings, it is estimated that the program will provide an additional $200 million in savings over the next 20 years.

### Requirements

The LoanSTAR Program funds loans to all public entities, including state agencies, institutions of higher education, local governments and municipalities, county hospitals, and school districts. Agricultural entities might seek to partner with one of these agencies in a cost-saving manure digester project.

Projects must pay for themselves through reduced expenditures on energy, and the equipment life expectancy must exceed the payback. Qualifying projects include renewable projects, such as digester gas projects.

LoanSTAR funds all aspects of project costs, design, installation, and purchase of equipment. SECO performs design specification and onsite monitoring when projects are 50 and 100 percent complete to assure borrowers that projects are constructed according to proper guidelines.

### For More Information

**Web site:** www.seco.cpa.state.tx.us/ls.html

### Contact

Theresa Sifuentes
LoanSTAR Program Administrator
The State Energy Conservation Office
111 East 17th Street
LBJ State Office Building
Austin, Texas 78701
Phone: 512-463-1896

# Utah

## Renewable Energy Income Tax Credit

### Type of Assistance

Tax credit

### Program Description

Utah offers a Renewable Energy Income Tax Credit, defined in Utah Code Annotated 59-10-134, to encourage individuals and businesses to install renewable energy systems. A commercial organization may receive a credit of 10 percent of the cost of installation or improvements, up to a maximum of $50,000. An individual resident or business owning a residential building may receive a credit of 25 percent of the cost of installation for each system located in a residential building, up to a maximum of $2,000 per system. This credit expires December 31, 2006.

### Requirements

The costs associated with equipment, design, and installation for a biomass energy saving system may be eligible for the credit as long as the system provides more energy than it consumes. The biomass system must have a conversion system and a separate apparatus to transfer the converted energy to the point of use or storage.

Applications are available on the Utah Energy Office's Web site, shown below. Applications must be submitted to the Energy Office, along with any requested receipts. If all provisions of the tax credit rule are met, the Energy Office will certify the system and grant the tax credit.

### For More Information

**Web site:** www.energy.utah.gov/solar/taxcred1.htm

### Contact

Lora Rees
Utah Department of Natural Resources
Utah Energy Office
1594 W. North Temple Street
Suite 3610
Salt Lake City, UT 84114-6480
Phone: 801-521-0657
E-mail: lrees.ueo@state.ut.us

# Vermont

## Vermont Methane Program

### Type of Assistance

Grant

### Program Description

The Vermont Methane Program (VMP) is co-managed by the Biomass Energy Resource Center and the Vermont Department of Agriculture under contract to the Vermont Department of Public Service. This program considers methane recovery as a renewable energy source and as a strategy for greenhouse gas reduction, in addition to being a comprehensive component of a nutrient management plan for dairy farms. The program's goal is to identify and help overcome key strategic hurdles to widespread adoption of methane recovery technologies in Vermont. The VMP has established a research and demonstration site at the Foster Brothers Farm in Middlebury, Vermont, and is actively working with several farmers who are considering installing methane recovery systems.

The VMP is working to accomplish this goal by:

- Identifying market barriers and developing strategies to overcome those barriers
- Performing critical research and development to improve methane recovery technology and reduce future system costs
- Helping farmers and others understand the benefits and limitations to methane recovery technology
- Supporting the engineering community by providing it with data and information on system design and performance
- Assisting farmers in development of conceptual system designs, and helping them choose qualified designers
- Helping farmers negotiate utility contracts and apply for federal grant applications
- Providing strategic cost-share grants to bring projects to commitment and construction

### Requirements

This program has no set grant application process at this time. An Executive Committee composed of state agency staff and program partners convenes periodically to discuss program policy and to determine program direction. Program staff is available to help farmers, engineers, students, and others who are interested in learning more about the technology and its application.

### For More Information

**Web site:** www.state.vt.us/psd/ee/Methane.htm

## Contact

Jeff Forward
Biomass Energy Resource Center, Inc.
PO Box 1161
Montpelier, VT 05601
Phone: 802-262-1009
E-mail: jforward@biomasscenter.org

Dan Scruton
Vermont Department of Agriculture
116 State Street
Drawer 20
Montpelier, VT 05620-2901
Phone: 802-828-3836
E-mail: dan@agr.state.vt.us

# Vermont

## Renewable Energy System Sales Tax Exemption

### Type of Assistance

Sales tax exemption

### Program Description

All equipment purchased in Vermont to install and construct renewable energy systems is exempt from the state's five percent sales tax. This is intended to encourage Vermont residents to produce their own green power.

### Requirements

Anaerobic digester equipment is eligible for the exemption. The digester may produce up to 125 kilowatts of power from methane gas. Unlike other renewable technologies covered by this exemption, which may not produce more than 15 kilowatts of power, digesters are expected to generate enough power to provide for the entire farms on which they are located.

The system must be net metered. Any electric utility customer in Vermont is eligible after having obtained a Certificate of Public Good from the Public Service Board.

### For More Information

**Web site:** www.state.vt.us/psd/ee/ee20.htm

### Contact

Andrew Perchlik
Renewable Energy Vermont
P.O. Box 1036
Montpelier, VT 05601
Phone: 802-229-0099
E-mail: perchlik@revermont.org

# Wisconsin

## Focus on Energy

### Type of Assistance

Grants

### Program Description

*Focus on Energy,* a public-private partnership providing information and services to energy consumers in Wisconsin, aims to promote energy efficiency and renewable energy, improve the environment, and ensure the future supply of energy in the state. Services are delivered by a group of firms contracted by the Wisconsin Department of Administration's Division of Energy. Focus on Energy offers a variety of incentives.

*Equipment Grant:* An equipment grant for nonprofits provides financial support for purchasing renewable energy equipment. This type of grant must be used to support the purchase of a renewable energy system that will be displayed to the public. The grant, which must be accompanied by a demonstration grant, will cover half the costs of purchasing and installing renewable energy equipment, with a maximum grant of $50,000. The project should be completed within one year of the time the grant is accepted. A bioenergy system that generates heat, thermal energy, or both is eligible.

*Demonstration Grant:* A Demonstration Grant provides funding for an activity that educates the public about the workings of a renewable energy system. The grant does not cover any sort of equipment purchase. A nonresidential bioenergy system (e.g., a manure digester system) that generates electricity, heat, or some combination of both for commercial, industrial, or agricultural applications may qualify for funding. This type of grant supports high-profile applications of renewable energy open to the public. Eligible buildings include, but are not limited to, municipal buildings, nature centers, educational institutions, and museums. A Demonstration Grant covers half the cost of demonstration activities, up to a maximum of $20,000. The Demonstration Grant recipient should complete the renewable energy project within one year of accepting the grant.

*Cash-Back Reward* - A cash-back reward is offered for installation, purchase, and upgrade of a bioenergy system, such as a manure digester system, that generates electricity or heat. Funding is based on either the estimated amount of energy that the system will produce in one year, or, for some technologies, the size of the system. The maximum reward is $50,000, or no more than 50 percent of the project cost. Cash-back rewards for bioenergy systems that produce both electricity and thermal energy can receive up to $100,000, but cannot receive more than 50 percent of the project cost. Cash-back rewards are not given to projects or individuals already receiving other funding from Focus on Energy.

### Requirements

Residential, business, and industrial energy consumers in Wisconsin serviced by participating electricity providers may qualify for Focus on Energy funding.

## For More Information

**Web site:** www.focusonenergy.com

## Contact

Phone: 800-762-7077
General Information: Ron Fromm
Thermal Biogas/Biomass: Terry Stebor

*Cash-Back Reward program:*
Niels Wolter
Focus on Energy
7507 Hubbard Avenue, Suite 200
Middleton, WI 53562
Phone: 608-831-1127 ext. 308
E-mail: wolter@msbnrg.com

*Nonresidential Electric Renewable Energy Systems:*
Larry Krom
Focus on Energy
P.O. Box 687
Spring Green, WI 53588
Phone: 888-476-9534
E-mail: LK@wisolarelectric.com

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