



# State Incentives for Achieving Clean and Renewable Energy Development on Contaminated Lands

The development of clean and renewable energy on formerly used land offers many economic and environmental benefits. Combining clean and renewable energy and contaminated land cleanup incentives can allow investors and communities to create economically viable clean and renewable energy redevelopment projects. This document provides information about incentives in your state that can be leveraged for clean and renewable energy and development of contaminated land.



## Incentives for Clean and Renewable Energy

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

#### Business Expansion Initiative (BEI)

[www.masstech.org/renewableenergy/BEI/index.html](http://www.masstech.org/renewableenergy/BEI/index.html)

Provides loans up to 50% of capital expenses and related spending over 24-months to support renewable energy companies entering or expanding within the manufacturing stage of commercial development.

#### Sustainable Energy Economic Development (SEED) Initiative

[www.masstech.org/SEED](http://www.masstech.org/SEED)

Provides up to \$500,000 as a convertible loan on a competitive basis to support renewable energy companies based in Massachusetts that have not received private institutional equity financing and are in the early stage of development. A one-to-one cash match is required.

#### Renewable Energy Certificate Incentive

[www.massenergy.com/Solar.REC.Sale.html](http://www.massenergy.com/Solar.REC.Sale.html)

Purchases renewable energy certificates (also known as green tags) at a rate of \$60 per MWh (or \$0.06 per kWh) from photovoltaic (PV) systems in Massachusetts for a period of three years.

#### Clean Energy Pre-Development Financing Initiative

[www.masstech.org/grants\\_and\\_awards/CE/predev\\_overview.htm](http://www.masstech.org/grants_and_awards/CE/predev_overview.htm)

Offers grants up to \$50,000 per project to public agencies for feasibility studies, unsecured loans up to \$250,000 for wind and biomass projects, and loans up to \$150,000 for other related pre-development activities.

#### Large Onsite Renewables Initiative (LORI) Grants

[www.masstech.org/renewableenergy/large\\_renewables.htm](http://www.masstech.org/renewableenergy/large_renewables.htm)

Provides competitive feasibility study grants (capped at \$40,000 with a 15% cost share) and design and construction grants (PV: capped at the lesser of \$250,000 or 75% of actual costs; non-PV: capped at the lesser of \$400,000 or 75% of actual costs) for grid-tied renewable-energy projects with greater than 10 kW capacity that will consume more than 25% of the renewable energy generated.

#### Massachusetts Green Energy Fund

[www.masstech.org/renewableenergy/mgef.htm](http://www.masstech.org/renewableenergy/mgef.htm)

Invests equity venture capital in Massachusetts-based renewable energy companies, using the \$15 million Green Energy Fund. Eligible technologies include: PV, fuel cells, hydrogen storage, hydrogen generation, wind, wave, tidal, biomass, biodiesel, power control, power conditioning, engine design, and energy management and storage technologies.

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

#### Excise Tax Exemption for Solar or Wind Powered Systems

[www.state.ma.us/doer/programs/renew/renew.htm#taxcred](http://www.state.ma.us/doer/programs/renew/renew.htm#taxcred)

Provides 100% tax exemption from the tangible property measure of the state's corporate excise tax, to qualifying solar and wind energy systems, for the length of the system's depreciation period.

#### Renewable Energy Property Tax Exemption

[www.state.ma.us/doer/programs/renew/renew.htm#taxcred](http://www.state.ma.us/doer/programs/renew/renew.htm#taxcred)

Provides tax exemption for 20 years from the date of installation for solar and wind powered devices that heat or otherwise supply the energy needs of taxable property. Hydropower facilities are also exempt from local property tax for a period of 20 years, with additional program requirements.

#### Net Metering

[www.state.ma.us/dpu](http://www.state.ma.us/dpu)

The state's investor-owned utilities must offer net metering. Municipal utilities may offer net metering voluntarily.

#### Quick Facts

Public Benefit Fund (PBF)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Renewable Portfolio Standard	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
4% in 2009 (plus 1% each year after 2009)		
Net Metering	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Interconnection Standards	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

#### Electric Power Industry Generation by Primary Energy Source (EIA, 2006)

Petroleum-Fired	5.2%	Nuclear	12.8%
Natural Gas-Fired	51.0%	Hydroelectric	3.3%
Coal-Fired	24.4%	Other Renewables	2.8%

#### Points of Contact

##### Massachusetts Technology Collaborative (MTC)

[www.masstech.org](http://www.masstech.org)

BEI, Ian Springsteel, BEI@masstech.org, (508) 870-0312 Ext. 255

SEED, Sissi Liu, SEED@masstech.org, (508) 870-0312 Ext. 226

##### Clean Energy Predevelopment Financing

Amy Barad, pdfi@masstech.org, (508) 870-0312 Ext. 285

LORI Grants, Jon Abe, LORI@masstech.org, (508) 870-0312

##### Mass Energy Consumers Alliance

Kelly Muellman, kelly@massenergy.com, (617) 524-3950

Massachusetts Green Energy Fund, LP, (617) 739-1155

##### Massachusetts Department of Revenue Tax Information

[www.dor.state.ma.us](http://www.dor.state.ma.us), (800) 392-6089

##### Massachusetts Division of Energy Resources (DOER)

[www.mass.gov/doer/home.htm](http://www.mass.gov/doer/home.htm),

Legal Department, doer.energy@mass.gov, (617) 727-4732

##### Massachusetts Department of Public Utilities

Barry Perlmutter, barry.perlmutter@state.ma.us, (617) 305-3659



# Incentives for Development of Contaminated Land



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

### Brownfields Redevelopment Fund

[www.massdevelopment.com/financing/lg\\_brownfields.aspx](http://www.massdevelopment.com/financing/lg_brownfields.aspx)

Provides interest-free financing of up to \$100,000 per project for environmental site assessments in economically distressed areas. Also offers low-interest financing of up to \$500,000 for cleanup. Terms are flexible and determined on a case-by-case basis. The borrower or project sponsor must be an "eligible person," as defined by statute, with site control or evidence of the right to enter the site for purposes of conducting environmental testing.

### Remediation Loan Program

[www.mass-business.com/site/site-massbiz/content/remediation-loan-program/](http://www.mass-business.com/site/site-massbiz/content/remediation-loan-program/)

Offers loans from \$500,000 to \$2 million to finance cleanup costs, regulatory compliance costs, site preparation and entitlement, demolition, construction, mortgage financing, and various soft costs. Flexible terms are custom-designed to meet the unique requirements of each individual project. As needed, "Interest Reserves" can often be built in to the loan to eliminate out-of-pocket loan servicing costs during the term of a project.

### Clean Water State Revolving Fund (CWSRF)

[www.mass.gov/dep/water/wastewater/cwsrffs.htm](http://www.mass.gov/dep/water/wastewater/cwsrffs.htm)

Provides subsidized interest rate (2%), 20-year term loans for projects that protect or improve water quality. Brownfields remediation projects are eligible for CWSRF financing, provided that the municipal proponent can demonstrate an anticipated water quality benefit to the work.

### Urban Brownfields Site Assessment/Environmental Justice Initiative

[www.mass.gov/envir/sus\\_dev/default.htm](http://www.mass.gov/envir/sus_dev/default.htm)

Provides grant funding up to \$70,000 to municipalities for environmental site assessments. A 25% match is required.

### Assessment/Cleanup Grant of Service

[www.mass.gov/dep/cleanup/bffund.htm](http://www.mass.gov/dep/cleanup/bffund.htm)

Provides approximately 10% of state distributed federal brownfields funding to municipal and non-profit entities for implementing site assessments.

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

### Brownfields Tax Credit for Remediation

[www.mass.gov/dep/cleanup/brtxinc.htm](http://www.mass.gov/dep/cleanup/brtxinc.htm)

Provides tax credit of 25% (with reuse restrictions) or 50% (without reuse restrictions), for eligible persons who complete projects in Economically Distressed Areas (EDAs). Several conditions apply for property eligibility.

### Economic Development Incentive Program (EDIP)

[www.state.ma.us/mobd](http://www.state.ma.us/mobd)

Provides tax relief financing up to 5% investment tax credit; 10% abandoned building tax deduction; and local real estate tax incentives such as Tax Increment Financing (TIF) or Special Tax Assessment (STA). Property must be considered a revenue generating project located in an Economic Target Area (ETA).

## Technical Assistance and Other Incentives

### Brownfields Redevelopment Access to Capital (BRAC)

[www.mass.gov/dep/cleanup/bfins.htm](http://www.mass.gov/dep/cleanup/bfins.htm)

Provides state subsidized, volume discounted environmental insurance up to 50% of eligible premium, up to a maximum of \$50,000, to promote the environmental cleanup and redevelopment of brownfields sites. The subsidy is provided through a private insurer and administered by MassBusiness. Pollution legal liability and cleanup cost cap coverage is available.

## Limitations on Liability

### Massachusetts Brownfields Act

[www.mass.gov/dep/cleanup/bfhout2.htm](http://www.mass.gov/dep/cleanup/bfhout2.htm)

Provides liability protection for several types of parties involved in brownfields projects, including: owners/operators, down gradient property owners, tenants, Redevelopment Authorities and Community Development Corporations, and secured lenders. The Brownfields Covenant Not to Sue (CNTS) Program provides liability protection for more complicated projects.

### Quick Facts

Limitations on Liability	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Number of State-Tracked Contaminated Properties: Includes number of release notifications	34,312
Number of EPA CERCLIS Sites: Sites identified for potential investigation under the federal Superfund Program	400
Number of EPA Brownfields Properties: Properties being funded or addressed under the EPA Brownfields Program	607

*There may be some overlap among the categories listed and sites listed may not represent all potentially contaminated sites in Massachusetts.*

### Points of Contact

#### Brownfields Redevelopment Fund

Mass Development, (800) 445-8030

#### Remediation Loan Program

Tom Barry, [tbary@mass-business.com](mailto:tbary@mass-business.com), (781) 928-1100 Ext. 106

#### Department of Environmental Protection (MassDEP) CWSRF, Assessment/Cleanup Grant of Service, Brownfields Tax Credit for Remediation

Steve McCurdy, Director, (617) 292-5779

Katherine Finneran, Brownfields Coordinator, (617) 292-5779

#### Urban Brownfields Site Assessment/Environmental Justice Initiative Executive Office of Energy and Environmental Affairs

Janet Curtis, [janet.curtis@state.ma.us](mailto:janet.curtis@state.ma.us), (617) 626-1026

#### EDIP

#### Massachusetts Office of Business Development

Lauren Jones, [lauren.jones@state.ma.us](mailto:lauren.jones@state.ma.us), (617) 788-3638

#### Massachusetts Business Development Corporation Brownfields Redevelopment Access to Capital (BRAC), (781) 928-1106