United States Environmental Protection Agency

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.)

Energy in Agriculture Loan

www.energy.ca.gov/process/agriculture/loansolicitation/index.html

Offers below-market-rate (3.2%) loan funds for the purchase of cost-effective energy efficient and renewable generation emerging technologies applicable to the agricultural and food processing industries. Loans range from $50,000 to $500,000 to finance a single project or multiple projects.

Self-Generation Incentive Program (SGIP)

www.pge.com/selfgen or *www.pge.com/csi*

Offers financial incentives of $1/W - $4.50/W to customers who produce electricity with wind turbines and fuel cells. Expires on January 1, 2012.

Emerging Renewables Rebate Program

www.consumerenergycenter.org/erprebate/

Offers cash incentives for the installation of grid-connected small wind and fuel cell renewable energy electric-generating systems, including: small wind turbines (up to 50 kW), $2.50/W for first 7.5 kW and $1.50/W for increments > 7.5 kW and < 30 kW; and fuel cells (<30 kW) using renewable fuels, $3.00/W for systems less than 30 kW. Rebates for eligible systems installed on affordable housing projects are available at 25% above the standard rebate, up to 75% of the system's installed cost.

California Solar Initiative (CSI) – Photovoltaics (PV) Incentives

www.GoSolarCalifornia.ca.gov

Offers cash incentives combined with tax credits for installing on-site PV systems. Incentives will be paid to qualifying systems as small as 1 kW and as large as 1 MW. Those with systems up to 5 MW may apply, but incentive payments will be prorated to 1 MW. For eligible solar systems equal to or greater than 50 kW, CSI provides performance-based incentives: a flat cents-per-kWh monthly payment for all metered output from eligible solar systems over the initial five years of operation.

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

California New Construction Exclusion – Active Solar Energ Systems

www.boe.ca.gov/legdiv/ptleg/pdf/ab1451-3rk.pdf

Offers a property tax exemption of 100% of solar energy system value and 75% for dual-use equipment, for qualifying clean and renewable energy systems installed on or before December 31, 2009.

Feed-In Tariffs

www.cpuc.ca.gov/PUC/energy/electric/RenewableEnergy/feedintariffs.htm

Provides feed-in tariffs for the purchase of up to 480 MW of renewable generating capacity from qualifying renewable energy facilities less than 1.5 MW in size. Sellers receive a fixed-base rate determined by the current Market Price Referent table for a period of 10, 15, or 20 years. These tariffs are intended for renewable electric generation that is not net metered and does not participate in commission-adopted incentive programs.

Net Metering

California Net Metering

www.cpuc.ca.gov/puc/

Offers net metering for electricity generated using qualifying renewable energy sources. Publicly owned utilities may elect to provide co-energy metering. Customer-generators retain ownership of all renewable-energy credits (RECs). Technologies eligible for net metering are exempt from interconnection application and review fees. There is no charge for the system upgrades required for interconnection. Limits on system size:

Full Retail Net Excess Metering (NEM): Solar up to 1 MW and wind up to 50 kW - 2.5% statewide cap

Generation only Net Excess Metering (NEM) (co-energy metering): Wind 50 kW and 1 MW; Biogas up to 1 MW - pilot, 50 MW statewide cap; Fuel Cells up to 1 MW - 112.5 MW statewide cap

Quick Facts

Public Benefit Fund (PBF)	Yes ☑	No ☐
Renewable Portfolio Standard	Yes ☑	No ☐
20% by end of 2010; 33% by end of 2020		
Net Metering	Yes ☑	No ☐
Interconnection Standards	Yes ☑	No ☐

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

Petroleum-Fired	1.1%	Nuclear	14.7%
Natural Gas-Fired	48.8%	Hydroelectric	22.2%
Coal-Fired	1.0%	Other Renewables	11.0%
Other Gases	0.9%	Other	0.2%

Points of Contact

Energy in Agriculture Loan
Ricardo Amón, ramon@energy.state.ca.us, (916) 654-4019

SGIP, Andrew Yip, AXY4@pge.com, (415) 973-6143

Emerging Renewables Rebate Program
California Energy Commission, renewable@energy.state.ca.us, (916) 654-4058

CSI - PV Incentives Program Administrators
California Center for Sustainable Energy
www.gosolar.energycenter.org, gosolar@energycenter.org, (858) 244-1177
Pacific Gas & Electric Company
www.pge.com/solar, solar@pge.com, (800) 468-4743
Southern California Edison
www.sce.com/CSI, CSIGroup@sce.com, (866) 584-7436

California New Construction Exclusion – Active Solar Energy Systems
State Board of Equalization, County Assessed Property, (916) 445-4982

New Feed-In Tariffs, Karin Hieta, kar@cpuc.ca.gov, (415) 703-2743

California Net Metering, Werner Blumer, wmb@cpuc.ca.gov, (415) 703-1421

Incentives for Development of Contaminated Land

California

Funding (grants, loans, bonds, etc.)

Cleanup Loans and Environmental Assistance to Neighborhoods (CLEAN) Program

www.dtsc.ca.gov/SiteCleanup/Brownfields/index.cfm#CP_jump_13328

Provides low-interest loans up to $100,000 for preliminary endangerment assessments and up to $2.5 million for cleanup or removal of hazardous materials. If property redevelopment is not economically feasible, up to 75 % of the loan amount can be waived. Currently, there is no funding available for this program. The Department of Toxic Substances Control (DTSC) expects to accept applications in late 2008.

Revolving Loan Fund

www.dtsc.ca.gov/sitecleanup/brownfields/index.cfm#CP_JUMP_13343

DTSC, partnering with San Francisco and Los Angeles, received a competitive revolving loan fund grant from U.S. EPA. Loans are expected to be made for approximately $200,000 per site for up to 10 years. A low, simple interest rate (at or below the prime rate) per annum will typically be charged. DTSC anticipates accepting applications beginning in May 2008.

Expedited Remedial Action Program (ERAP)

www.dtsc.ca.gov/SiteCleanup/brownfields/index.cfm#CP_JUMP_13299

Provides funding for the portion of cleanup costs allocated to orphan shares (responsible persons who are deceased, cannot be identified or located, or are found to be insolvent). Once the cleanup is implemented, the participating responsible persons can apply for reimbursement of the orphan share.

Underground Storage Tank (UST) Cleanup Fund

www.waterboards.ca.gov/water_issues/programs/ustcf/

Assists eligible UST owners and operators with costs to clean up contaminated soil and groundwater caused by leaking petroleum USTs.

Contamination Orphan Site Cleanup Subaccount (OSCA) Program

www.waterboards.ca.gov/water_issues/programs/ustcf/osca.shtml

Provides financial assistance to eligible applicants for the cleanup of brownfield sites contaminated by leaking petroleum USTs where there is no financially responsible party. The maximum available per occurrence was $1.5 million. The OSCA Program sunset on January 1, 2008; newly proposed legislation is seeking to re-authorize it.

Emergency Abandoned & Recalcitrant (EAR) Account

www.waterboards.ca.gov/water_issues/programs/ustcf/ear.shtml

Provides funds from an annual $5 million appropriation to initiate corrective action at petroleum USTs that have had an unauthorized release and require either an emergency response, action where a responsible party (RP) cannot be identified, or action where an RP is recalcitrant. Emergency response actions are limited to $100,000 per site. Sites requesting abandoned and recalcitrant funding are available up to $1.5 million per occurrence.

Replacing, Removal, and Upgrading Underground Storage Tanks Program (RUST)

www.swrcb.ca.gov/water_issues/programs/ustcf/rust_upgrade_ust.shtml

Provides funding to eligible applicants through a RUST Loan—with loan amounts ranging from $10,000 to $750,000—or a RUST Grant for upgrading USTs, which ranges from $3,000 to $50,000 per applicant.

Limitations on Liability

California Land Reuse and Revitalization Act of 2004

www.dtsc.ca.gov/SiteCleanup/brownfields/index.cfm#CP_JUMP_13327

Provides immunity from liability for response costs or damage claims to qualified innocent landowners, bona fide purchasers and tenants, and contiguous property owners.

Prospective Purchaser Agreement (PPA)

www.dtsc.ca.gov/SiteCleanup/brownfields/index.cfm#CP_JUMP_13318

Provides a covenant not to sue for existing contamination and provides for contribution protection to purchasers or developers who are willing to clean up contaminated sites at their own expense.

Expedited Remedial Action Program (ERAP)

www.dtsc.ca.gov/SiteCleanup/brownfields/index.cfm#CP_JUMP_13299

Provides a covenant not to sue to the participating RPs following completion of cleanup.

Site Designation Program

www.calepa.ca.gov/Programs/SiteDesig/

Provides that no additional cleanup work (other than compliance with the certificate conditions) is required, absent special circumstances once the cleanup is implemented.

Hazardous Material Liability of Lenders and Fiduciaries

www.dtsc.ca.gov/SiteCleanup/brownfields/index.cfm#CP_JUMP_13318

Provides limited liability exemption for lenders and fiduciaries for releases of hazardous materials on property where they have a legal interest, but did not "directly" cause or contribute to the release.

Quick Facts

Limitations of Liability	Yes ☑ No ☐
Number of State-Tracked Contaminated Properties: Includes State Response Sites and Voluntary Cleanup Sites	1,577
Number of EPA CERCLIS Sites: Sites identified for potential investigation under the federal Superfund Program	998
Number of EPA Brownfields Properties: Properties being funded or addressed under the EPA Brownfields Program	1,029

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

Points of Contact

California DTSC (includes the CLEAN Program, Revolving Loan Fund, California Land Reuse and Revitalization Act of 2004, PPAs, ERAP, and Hazardous Material Liability of Lenders and Fiduciaries)
Rick Moss, RMoss@dtsc.ca.gov, (916) 255-6416

Underground Storage Tank Cleanup Fund (includes OSCA Program, EAR Account, RUST)
Diana Romero dromero@waterboards.ca.gov, (916) 341-5766

Site Designation Program
Laurie Grouard, LGrouard@dtsc.ca.gov, (916) 323-3394