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AN ENVIRONMENTAL AND ENERGY LAW PRACTICE

Pennsylvania Moves Forward with its New Green Energy Loan Fund

In February 2010, the Pennsylvania Department of Environmental Protection (“PADEP”) selected The Reinvestment Fund (“TRF”) to manage PADEP’s new Green Energy Loan Fund (“GELF”). TRF was selected, in part, because of its commitment to provide \$36 million in private funding to the GELF. The fund will also receive \$12 million by way of the American Recovery and Reinvestment Act of 2009, for an initial loan pool of \$48 million.

The GELF was established in December 2009 to provide loans for energy efficiency and renewable energy projects at existing, non-residential buildings in Pennsylvania. To be eligible for a GELF loan, an energy efficiency project must reduce an applicant’s energy consumption by at least 25%. On-site renewable energy systems such as solar, wind, or combined heat and power are also eligible provided that they are a component of a larger energy efficiency project. PADEP and TRF are currently developing guidelines for the GELF, which is expected to open by mid-2010.

Pennsylvania Energy Development Authority Set to Re-Open in April 2010

The Pennsylvania Energy Development Authority (“PEDA”) is expected to open a new round of funding by the end of April 2010. PEDA provides grants to businesses and non-profits for the implementation of innovative, advanced energy projects or for the expansion of alternative energy manufacturing/production operations in Pennsylvania. Eligible projects include solar, wind, low-impact hydro, geothermal, biogas, biomass, fuel cells, waste coal, and/or demand management measures. All projects must include matching funds as well as a research component.

In 2009, PEDA distributed \$21 million in grant funding, which included \$10 million from the American Recovery and Reinvestment Act of 2009. For the upcoming grant solicitation, the total program funding is expected to return to \$10-\$11 million, with maximum grants of \$1 million per project. Projects are evaluated based on a number of factors including: technical/financial feasibility, cost-effectiveness, ratio of matching funds to request, job creation, demonstrated need for funding, environmental benefits and the relevance of the proposed research component.