



WHERE CAN I FIND PUBLIC FUNDING FOR MY COMPANY'S ENERGY AND ENVIRONMENTAL PROJECTS?

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In today's marketplace, companies are considering and implementing an increasing number of "green" initiatives. Regardless of whether a project is "green" or "sustainable," its ultimate success will be judged by its return on investment. As such, federal and state incentive programs are often necessary to produce a favorable ROI and/or mitigate capital expenditures, which are often barriers to implementation of energy and environmental projects.

Since its enactment almost 18 months ago, the American Recovery and Reinvestment Act of 2009 ("ARRA") has poured an unprecedented amount of public money into energy and environmental projects. Combined, the [Department of Energy](#) ("DOE") and the [Environmental Protection Agency](#) ("EPA") manage approximately \$40 billion of ARRA funds for projects that include energy efficiency, renewable energy, smart grid, environmental cleanup and redevelopment, among many others. While the majority of ARRA funds have been awarded, corporate counsel should keep in mind that ARRA funding was primarily funneled through existing federal and state programs. These programs receive funding through annual budget cycles and other legislative initiatives, and continue to distribute millions in grants, loans, and other financial incentives for energy and environmental projects. The following is a partial list of the types of projects for which funding through energy and environmental programs may be available:

1. Renewable Energy Projects – In addition to proceeds generated by the sale of electricity and renewable energy credits (where available), the costs of renewable energy projects are traditionally subsidized by the [federal investment](#) or [production](#) tax credit and/or state incentives. [State incentives](#) can take the form of direct grants or rebates, low-interest loans, guarantees, or tax incentives. Local governments may also provide support for a renewable energy project by easing regulatory burdens or foregoing local property taxes.
2. Energy Efficiency Projects – While energy efficiency projects are not as glamorous as solar panels or wind turbines, government officials and policy makers are increasingly recognizing the maxim that the "cleanest power plant is the one not built." Many states and even local utility companies now provide incentives for energy auditing, installation of energy efficiency equipment (often requiring an [Energy Star](#) rating), and/or commissioning. In addition, several independent system operators have developed [energy efficiency](#) and/or [demand response markets](#), which provide a revenue stream to businesses that permanently eliminate electric load or shift it to off-peak hours.

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WHERE CAN I FIND PUBLIC FUNDING... (cont'd)

3. Brownfields Redevelopment – Federal and state governments have enacted a variety of financial assistance programs to facilitate the remediation and redevelopment of contaminated sites. Many programs require private-governmental partnerships to take advantage of the funding opportunities. For example, EPA's [Brownfields Cleanup Revolving Loan Fund Grants](#) provides grants to governments and quasi-governmental agencies (e.g. redevelopment authorities) to capitalize revolving loan funds to make low-interest loans for brownfield redevelopment activities. Other programs include EPA's [Brownfields Assessment Grants](#), EPA's [Cleanup Grants](#), EPA's [Clean Water and Drinking Water State Revolving Funds](#), and HUD's [Brownfields Economic Development Initiative Grants](#).
4. Greenhouse Gas Reduction Projects – Despite the fact that Congress has yet to produce comprehensive climate change legislation, there are a number of public funding sources available for projects that inventory and reduce greenhouse gas emissions. For example, many of the states that participate in the [Regional Greenhouse Gas Initiative](#) have enacted legislation that requires a portion of the proceeds generated by emission allowance auctions to be distributed to businesses that undertake greenhouse gas reduction projects.

Corporate counsel should be an active participant in identifying potential funding opportunities, which can take many forms and come from several government and quasi-governmental agencies. As a starting point, the [Database of State Incentives for Renewables & Efficiency](#) offers a comprehensive overview of federal, state, local, and utility incentives that promote renewable energy and energy efficiency projects. [Grants.gov](#) also provides a searchable database of all federal grant opportunities. Other resources include state economic development agencies, state environmental/energy offices, and local redevelopment authorities. In addition to identifying opportunities, counsel can assist in the preparation of funding applications, which often involve a persuasive writing component. Corporate counsel is also well positioned to follow up with and/or influence key internal and external decision-makers. In this way, corporate counsel can add additional value to their client's endeavors.