



Summary Special Session Senate Bill 1, P.N. 8

Prime Sponsor: White, MJ

Short Title

Alternative Energy Investment Act

Indebtedness

Authorizes the Commonwealth Financing Authority (CFA) to borrow up to \$250 million.

Allocation of Bond Proceeds

Bond proceeds shall be allocated in equal annual installments over a five-year period as follows:

- 1) \$12.5 million (\$62.5 million total) to the Ben Franklin Technology Development Authority
- 2) \$15 million (\$75 million total) to DEP for pollution control technology projects
- 3) \$14 million (\$70 million total) to CFA for clean energy projects
- 4) \$8.5 million (\$42.5 million total) to CFA for energy conservation projects

Alternative Energy Development Fund

Creates a restricted receipt account in the State Treasury.

Beginning in FY 2008-2009 through and including FY 2026-2027, Fund shall receive \$20 million annually in gross receipts tax revenue used to finance \$250 million in 20-year term limited obligation revenue bond.

Ben Franklin Technology Development Authority Projects (*bond funding*)

Sixty percent of funds shall be used for commercialization and acceleration of development of emerging alternative or renewable energy technologies

Forty percent of funds shall be used for venture capital for start-up businesses to develop or expand alternative or renewable energy technologies. Projects under this section shall receive no more than \$1.5 million during the life of the program

Ben Franklin Technology Development Authority shall publish guidelines that shall be consistent with existing eligibility guidelines (including matching funds requirements) of the Ben Franklin Technology Development Authority Board. Guidelines shall be posted on the Authority's official Internet website.

Ben Franklin Technology Development Authority shall submit an annual report to the Senate and House Committees on Appropriations.

Pollution Control Technology Projects (*bond funding*)

DEP shall provide pro-rata grants to electric generating or cogeneration units for compliance with new mercury, nitrogen oxide and sulfur dioxide pollution reduction requirements.

DEP shall publish funding criteria to be used in the *Pennsylvania Bulletin* and shall submit guidelines to the Senate and House Committees on Environmental Resources and Energy for review and comment at least sixty days prior to receiving or approving any grant applications.

Alternative Energy Development Program (*bond funding*)

Administered by the CFA.

Provides low-interest loans to businesses and loans or grants to political subdivisions for clean energy projects and energy conservation projects.

Requires applicants to submit plans and other documents that show type, structure and character of project, type, classes and number of current and estimated future employees, cost of project, and description of how project will reduce Commonwealth's reliance on nonrenewable energy.

Requires DCED and DEP to assist CFA in assessing the job creation/retention and environmental benefits of applications.

Requires CFA to provide an annual report, no later than October 1 of each year, to the Senate and House Committees on Appropriations.

Consumer Home Energy Efficiency Program (*ongoing funding*)

Beginning in FY 2008-2009 through and including FY 2014-2015, DEP shall receive \$20 million annually in gross receipts tax revenue to provide grants, reimbursements and rebates in accordance with the Consumer Home Energy Efficiency Program.

Thirty percent for reimbursements or grants to homeowners for the purchase of energy efficient heating and cooling units and Energy Star energy efficient appliances within their primary residence

- homeowner shall be eligible for up to 20% of purchase and installation price
- consumer seeking grant or reimbursement of Energy Star energy efficient appliance shall certify the disposal of any existing appliance

Seventy percent for rebates to individuals for residential energy conservation projects. Homeowners shall be eligible for up to 35% of the purchase and installation price of a residential energy conservation project, or 50% of the purchase and installation price of solar or solar photovoltaic panels manufactured in the Commonwealth.

Projects include:

- solar or solar photovoltaic panels
- energy efficient windows and doors
- insulation, air sealing or other energy saving projects approved by DEP

DEP shall provide an annual report to the Senate and House Committees on Appropriations.

Alternative Energy Production Tax Credit Program

Authorizes \$20 million annually in tax credits for alternative energy production tax credits. Eligible taxpayers may receive up to 75% of the total amount of all capital, operation and maintenance costs paid for alternative energy technologies in the taxable year to be applied against the taxpayer's qualified tax liability.

Defines "alternative energy production project" as a facility that utilizes waste coal, biofuel, biomass, solar power, wind energy, geothermal technologies, clean coal technologies or other alternative energy sources as defined under the Alternative Energy Portfolio Standards Act (Act 213 of 2004).

Requires the Department of Revenue, in cooperation with the Department of Community and Economic Development, to submit an annual report no later than September 1 of each year summarizing the effectiveness of the alternative energy production tax credit. The report shall be submitted to the Senate and House Committees on Appropriations and Finance.

Tax credit authorization applies to tax years beginning January 1, 2008 and expires December 31, 2015.

Administrative Costs

No more than 1% of funds allocated to DEP, CFA or the Ben Franklin Technology Development Authority may be used for administrative costs.

Effective Date

This act shall be effective in 60 days.