

What is the Clean Energy Development Fund?

The Clean Energy Development Fund was established in 2005 through ACT 74 and is funded through proceeds due to the state under the terms of two memoranda of understanding between the DPS and Entergy. The CEDF will receive payments from \$4-7 million annually from Entergy through 2012.

The purpose of the CEDF is to promote the development and deployment of cost-effective and environmentally sustainable electric power resources – primarily with respect to renewable energy resources, and the use of combined heat and power (CHP) technologies – for the long-term benefit of Vermont electric customers.

The DPS administers the CEDF, and a seven-member Investment Committee directs final funding decisions.

Application Process

1. Contact DPS for application instructions or download them from www.publicservice.vermont.gov/energy/ee_cleanenergyfund.html
2. Applications are due by the first Thursday of every month
3. Investment Committee reviews applications and will either send applications on for underwriting or will reject application
4. Underwriting is performed by the VT Economic Development Authority (VEDA)
5. Final approval or denial of loans by the Investment Committee

The typical review period will be 60 days for **complete** applications. If applications are incomplete or unforeseen circumstances arise, the review period could be longer.

For more information contact:

Anne Margolis
CEDF Manager

Phone: 802-828-4017
E-mail: anne.margolis@state.vt.us

Vermont Clean Energy Development Fund (CEDF)

Loan Program

Vermont Department of Public Service (DPS)

112 State Street
Montpelier, VT 05620-2601

(802) 828-2811 or
(800) 642-3281

www.publicservice.vermont.gov



Eligible Projects

The loan program will finance a wide variety of clean electric energy technologies.

The CEDF will make direct loans to individuals and organizations for projects that meet the Fund's objectives and advance the overall goals of the Fund as more specifically set forth in 10 V.S.A §6523 and the CEDF Strategic Plan (which is available on the DPS website).

Engineering activities and research and development may qualify for funding. Funds may not be used for feasibility studies.

Eligible Borrowers

Individuals, sole proprietorships, partnerships, limited liability companies, corporations, non-profit corporations, Subchapter S corporations, municipalities, and foreign corporations with Vermont subsidiaries/affiliates are eligible for funding.

Borrowing Limitations

Loans cannot be used for more than 90% of the cost of a project.

Minimum loan: \$50,000

Maximum loan: \$250,000

Project Evaluation Criteria

In addition to a credit underwriting process, the following project evaluation criteria will be considered in the approval of loans. Any additional criteria deemed relevant may also be considered.

Financial Leverage:

The degree of financial leverage obtained from the federal government, private investors, companies and consumers, etc.

Energy Available to VT Ratepayers:

The amount the project will contribute to an increase in renewable energy generation or CHP capacity available to ratepayers.

Economic Impact:

The extent of additional economic value created by a project, including the number of well-paying jobs the applicant expects to create or retain.

Market Impact:

The degree to which the project reduces barriers to market entry or creates new markets in Vermont.

Public Benefit:

Projects that benefit public buildings or that will be located in constrained areas may receive preference.

Environmental Benefits:

How much the project will contribute to a reduction in use of fossil fuels, greenhouse gases, and other air pollutants.

Use of Funds

Funds can be used for the following:

- purchasing land and buildings (when specific to project)
- purchasing and installing machinery and equipment
- working capital

All financing must be used for activities or assets directly related to the project.

Loan Rates & Terms

Interest rate fixed at 2%

Term for real estate loans is 10 years, amortized on a 15-year basis

Term for machinery and equipment loans is a maximum of 7 years

Term for working capital loans is 3 years

Fees

Borrowers must pay an application fee of 1% on the loan amount, which is capped at \$1,500, once the loan is approved.

Borrowers are responsible for paying all closing costs.