



*Senate of Pennsylvania*

# *Senator Larry Farnese*

## *1st Senatorial District*

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### *MEMO*

**Date:** *May 11, 2011*  
**To:** *All Senators*  
**From:** *Senator Lawrence M. Farnese*  
**Subject:** *Co-sponsorship – Alternative & Clean Energy (ACE)  
Program Amendment*

In the near future, I will be introducing legislation to amend the Alternative and Clean Energy (ACE) Program administered by the Department of Community and Economic Development and the Department of Environmental Protection under the direction of the Commonwealth Financing Authority (CFA).

The ACE Program provides financial assistance to businesses, non-profits and political subdivisions for certain types of “clean energy projects” and “alternative energy production projects.” However, the program has been underutilized due to lending constraints and currently has grants and loans available equaling more than \$110 million.

My legislation would expand the program by adding additional types of development projects under the definitions of eligible projects, which include:

Alternative energy production project – adding “a facility that manufactures or develops products or materials used in solar, energy efficient lighting and displays or batteries.”

Clean energy project – adding a project that “facilitates the development or commercialization of materials for use in solar,

energy efficient lighting and displays or batteries;” adding a project that “facilitates the purchase and installation of equipment used for the development, testing and manufacturing of products or materials used in solar, energy efficient lighting or batteries.”

The legislation would also allow for a maximum grant amount of \$100,000 for every job created or retained by a business within three years of the approval of the grant, with provisions authorizing the CFA to require repayment of a portion of the grant if the job requirement is not satisfied, as well as allowing the authority to waive the three year job creation requirement if it determines that the investment is reasonably expected to lead to long term job creation and retention.

The legislation also lessens the current dollar for dollar matching requirement to a \$0.50 private match for every \$1 in state funds. This will go a long way towards helping to alleviate the credit crunch felt by many start-up alternative energy companies in Pennsylvania who, due to the economic climate, are unable to obtain a more significant amount of credited capital.

It is important to note that there would be no new state funds appropriated to the program with this legislation; it would merely allow the funds already available to be accessed by some currently ineligible parties.

This bill is part of the legislative package called PA Works that is designed to create 28,000 new jobs, leverage over \$2 billion in new private investment and save \$150 million.

If you are interested in becoming a co-sponsor, please contact Brandie Pifer at 7-5662 or [bpifer@pasenate.com](mailto:bpifer@pasenate.com). If you have any questions, please contact Sally Keaveney at [skeaveney@pasenate.com](mailto:skeaveney@pasenate.com). Please respond by May 18, 2011.