

## New Jersey Clean Energy Loans (NJ CELs)

### Frequently Asked Questions

#### Clean Energy Project

##### 1. How do I know if my project qualifies for NJ CELs?

In order to receive financing from NJ CELs, applicants must:

- Meet all of the eligibility requirements; and
- Score a minimum of 50 points using the scoring criteria.

Both the eligibility requirements and [scoring criteria](#) can be found on [the NJ CELs website](#). In order to estimate basic eligibility for NJ CELs, we recommend taking the [Eligibility Self-Assessment](#).

##### 2. What is considered an eligible “Clean Energy Project” for NJ CELs?

Eligible clean energy projects include:

- A clean energy **infrastructure** project (e.g., solar-plus-energy storage project);
- Installing and/or purchasing clean energy **improvements at a small business’s existing facility**, (e.g., upgrading to high efficiency boilers or purchasing a zero-emission medium or heavy-duty electric vehicle (ZEMHDV));
- The **creation or expansion of a small business that manufactures clean energy products** or their integral components for sale (e.g., manufacturer of electric vehicle batteries or their components); or
- The **creation or expansion of a small business that offers clean energy services** (or product sales and service) in the marketplace (e.g., a small business that improves building envelopes through the installation of more energy efficient insulation, windows, and other envelope components).

“Clean energy” technologies include solar power, onshore and offshore wind, electric battery storage, fuel-cell-based storage, carbon capture technologies, non-combustion waste-to-energy technologies, wave energy, water use minimization technologies, carbon-reducing materials, nuclear energy, heat pumps and geothermal, run of river hydroelectric, and other innovative recycling technologies and processes. Clean energy also includes firms that manufacture either finished or interim advanced technologies or components.

**Excluded from this industry are: distribution or transmission utilities, conventional landfill operations, combustion-based waste-to-energy projects, and natural gas projects.**

**If you think your project may be eligible but it is not included in this list, contact us at [njcels@njeda.com](mailto:njcels@njeda.com) before applying to NJ CELs.**

### **3. What does “demonstrated” mean for a clean energy technology?**

“Demonstrated” means that, at a minimum, a prototype has been verified in an operational environmental, either in the U.S. or abroad.

### **4. How do I know if my project will reduce or avoid criteria pollutants?**

Criteria pollutants include the following six air pollutants: ground-level ozone, particulate matter, carbon monoxide, lead, sulfur dioxide, and nitrogen dioxide. More information on criteria pollutants can be found on the [US EPA website](#).

If your project will result in lowering one or more criterial pollutant emissions, or preventing them from being emitted, it may be considered as reducing or avoiding criteria pollutants.

## **Project Location**

### **5. How do I know if my project qualifies as being “located in New Jersey”?**

For infrastructure or installation projects at an existing facility, those infrastructure or installation activities must be physically located in New Jersey.

For all other projects, the applicant must have a physical location in New Jersey (office or co-location facility) and have a minimum of 50% of full-time employees working in New Jersey.

### **6. What constitutes a “physical office location”?**

A formal office, facility, or co-location facility are all considered physical office locations.

### **7. What is an Overburdened Community (OBC)?**

An Overburdened Community (OBC), as defined by the law N.J.S.A. 13:1D-157, is any census block group, as determined in accordance with the most recent United States Census, in which:

- at least 35% of the households qualify as low-income households (at or below twice the poverty threshold as determined by the United States Census Bureau);
- at least 40% of the residents identify as minority or as members of a State recognized tribal community; or
- at least 40% of the households have limited English proficiency (without an adult that speaks English “very well” according to the United States Census Bureau).

[Click here](#) for a list of NJ Overburdened Communities.

### **8. How do I know if my project is “located in an overburdened community (OBC)”?**

In order for a project to be considered located in an overburdened community, the following criteria must be met at all times:

- For Projects that are Clean Energy infrastructure projects or the installation or purchase of Clean Energy improvements at a Borrower’s existing facility, the infrastructure project or installation activities must be physically located in an overburdened community; OR
- For all other Projects, Borrowers must have a physical location in an overburdened community and have a minimum of 50% of full-time employees working in the overburdened community.

### **Employment**

#### **9. What is a full-time equivalent employee (FTE)?**

One full-time employee with a minimum of 40 hours of work per week, or a combined number of 40 part-time and seasonal employee hours per week.

For example, if a business has 100 employees working full-time (week of 40 hours) and 50 employees working 20 hours per week, the total number of FTEs would be 125.

For seasonal employees, the FTE count is based on a 2,080-hour year, so that an employee who works 520 hours per year counts as 0.25 FTEs.

### **Financing through NJ CELs**

#### **10. What is the minimum and maximum loan amount I can request from the NJEDA?**

In order to be eligible for NJ CELs, applicants must be seeking a loan between \$250,000 and \$10 million from the NJEDA.

#### **11. What is the minimum and maximum total loan amount (including private financing) for the project I can request?**

The total loan amount requested for the project (from the NJEDA in addition to financial institutions) must be between \$500,000 and \$20 million.

#### **12. Is there a minimum ratio of private dollars to NJEDA dollars in the total loan for the project?**

Yes, there must be at least a 1:1 ratio of private dollars to NJEDA dollars. In other words, the NJEDA will only finance up to 50% of a project through this program.

#### **13. Can I apply for a loan from NJ CELs without a financial institution identified?**

No. Applicants must have a term sheet, letter of intent, draft agreement, commitment letter, or similar document from an eligible financial institution in order to formally apply to NJ CELs.

#### **14. What institutions qualify as eligible financial institutions for NJ CELs?**

Financial institutions are eligible if they are:

- On the [NJEDA Premier Lender list](#) or NJEDA's CDFI Premier Lender list; or
- A private equity fund, bank, pension fund, insurance company, hedge fund, mezzanine fund, original equipment manufacturer (OEM), developer, family office, specialty finance company, or such other entity that has originated, maintained, and serviced more than \$5 million in clean energy loans over a three-year period.

Financial institutions will be required to certify that they meet these criteria, and that they meet the requirements for lenders under the U.S. Treasury's [SSBCI Capital Program Policy Guidelines](#).

**15. Are there any fees associated with the NJ CELs program?**

Yes. There is a non-refundable application fee of \$1,000 to apply for this program. In addition, if the applicant is approved, there is a non-refundable commitment fee of 0.875% of the NJEDA loan amount paid prior to the NJEDA issuing a commitment letter, as well as a closing fee of 0.875% of the NJEDA loan amount paid at the time of closing.

**Application Process**

**16. I have taken the [Eligibility Self-Assessment](#) and reviewed the [Scoring Criteria](#), and I think I might qualify for financing, but I don't have a term sheet (or letter of intent, draft agreement, commitment letter, or similar document) from a financial institution. What should I do next?**

As a next step, you can reach out to financial institutions who may be able to provide matching loan funds for your project. If you have additional questions, please contact us at [njcels@njeda.com](mailto:njcels@njeda.com).

**17. I'm ready to apply. How should I proceed?**

The application for NJ CELs is still under development. Updated information will be provided on the [NJ CELs website](#) as it becomes available.

In the meantime, you may reach out to financial institutions to secure a term sheet from them for your project.

If you would like to be notified via email when the application is launched, please email us at [njcels@njeda.com](mailto:njcels@njeda.com) to be added to our email list.