



New Jersey Clean Energy Loans

April 17, 2023 – 1:00 p.m.

Agenda

Welcome

Program overview

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NJ CELs Overview



What is NJ CELs?

- Co-lending program
- At least 1:1 match with capital from financial institutions
- Support small businesses & catalyze the deployment of clean energy in New Jersey
- Clean energy projects and the creation/expansion of clean energy businesses



How much funding is available?

- \$80 million program
- NJEDA loans: \$250,000 - \$10 million
- Total loans: \$500,000 - \$20 million



Funding source: State Small Business Credit Initiative (SSBCI)

- Federal program run by U.S. Dept. of the Treasury
- Support small businesses & democratize access to capital

Loan Terms and Rates

NJEDA: Up to 50% of total loan amount



NJEDA loan terms:

- \$250,000 - \$10 million (for projects with a total loan amount of \$500,000-\$20 million)
- Terms: 1 - 25 years
- Interest rate: 3% below the financial institution's rate
- Secured, but subordinate to the financial institution in collateral
- Match financial institution's terms



Special terms:

- Minority-, woman-, or veteran-owned businesses (New Jersey certification required)
- Businesses/projects in an overburdened community
 - Additional 1% interest rate reduction; and
 - 10% loan forgiveness, if the project results in at least 1 job being created per \$100,000

What can NJ CELs loans be used for?

Loan proceeds must be used for business purposes only, including:

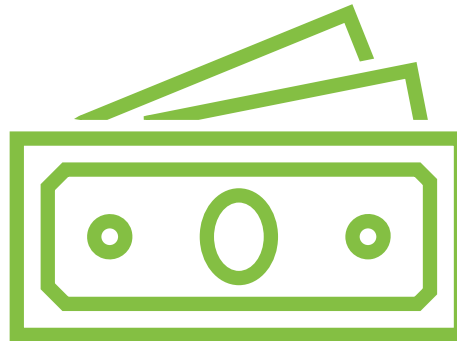
- start-up costs
- working capital
- acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business's goods or services
- the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes



Note: If your project involves construction, reconstruction, demolition, alteration, custom fabrication, repair work, or maintenance work (including painting and decorating) with a contract of \$2,000 or more, the project will be required to comply with the New Jersey Prevailing Wage Act and Affirmative Action.

Program Fees

- **Application fee:** \$1,000 (non-refundable)
- **Commitment fee:** 0.875% of the loan amount paid prior to NJEDA issuing a commitment letter (non-refundable)
- **Closing fee:** 0.875% of the loan amount (non-refundable)



<https://www.njeda.com/njcels/>



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NEW JERSEY CLEAN ENERGY Loans (NJ CELs)



The NJ CELs application is currently under development. Please continue to check this website for updates.

NJ CELs is an \$80 million co-lending program launched by the New Jersey Economic Development Authority (NJEDA) for small businesses seeking to finance clean energy projects. The program's funds come from the U.S. Treasury's State Small Business Credit Initiative (SSBCI).

The NJEDA will lend between \$250,000 and \$10 million for projects requesting a total loan amount of \$500,000 to \$20 million.

NJ CELs will unlock capital for small businesses and start-ups, catalyze the deployment of clean energy in New Jersey, and support minority-, woman-, and veteran-owned businesses to participate in the State's energy transition.

[Eligibility Self-Assessment](#)

The Eligibility Self-Assessment can walk you through the basic eligibility criteria for NJ CELs.

PROGRAM GUIDE

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- [Loan Terms](#)
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SCORING CRITERIA



FREQUENTLY ASKED QUESTIONS



INFORMATION FOR FINANCIAL INSTITUTIONS



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Eligibility for Businesses

- <750 employees* (including affiliates)
- Tax clearance certificate no older than 180 days at time of approval for financing
- Located in New Jersey
- Financing for a clean energy project/business
- Technology that has been demonstrated (US or internationally)
- Be economically feasible
- Total loan: \$500,000 to \$20 million (NJEDA + private financing)
- 50% or less of the total loan amount from the NJEDA (\$250,000-\$10 million)
- Not be enrolled in any other state SSBCI program
- Term sheet, letter of intent, draft agreement, commitment letter, or similar document from an eligible financial institution

If an applicant meets all of the eligibility criteria, they must also score a minimum of 50 out of 100 points in order to qualify for NJ CELs.

***UPDATE:** *For eligibility purposes, all individuals employed on a full-time, part-time or other basis are counted. Part-time and temporary employees are counted the same as full-time employees. This definition is different from Full-Time Equivalent (FTE) employees, which is used for scoring.*

Eligibility for Businesses

What qualifies as a “clean energy”?

- 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.
- Firms that manufacture either finished or interim advanced technologies or components.

Exclusions: distribution or transmission utilities, conventional landfill operations, combustion-based waste-to-energy projects, and natural gas projects.



Eligibility for Businesses

What is an eligible clean energy project or business?

- Clean energy **infrastructure** project (i.e. solar-plus-energy storage distributed energy resource projects)
- Installing and/or purchasing clean energy **improvements** at a small business's existing facility (i.e. upgrading to high efficiency boilers at a business's factory or purchasing a zero-emission electric vehicle)
- Creating or expanding a business that **manufactures clean energy products** or their integral components (i.e. a manufacturer of electric vehicle batteries or their components)
- Creating or expanding a small business that **offers clean energy services** (or product sales and service) in the marketplace (i.e. a small business that improves building envelopes through the installation of more energy efficient insulation, windows, and other envelope components)

Eligibility for Businesses

What qualifies as “located in New Jersey”?


- For infrastructure or installation projects at an existing facility, those 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
 - A minimum of 50% of full-time employees working in New Jersey



Location requirements for this program must be maintained throughout the term of the loan.

Eligibility for Businesses

Additional eligibility questions?



Eligibility Self-Assessment

The Eligibility Self-Assessment can walk you through the basic eligibility criteria for NJ CELs.

<https://www.njeda.com/njcels/>

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SCORING CRITERIA



FREQUENTLY ASKED QUESTIONS



INFORMATION FOR FINANCIAL INSTITUTIONS



Financial Institutions

Benefits of Participating:



- ✓ NJEDA's lower rates may increase the number of small businesses seeking market-rate financing terms from financial institutions
- ✓ NJEDA's subordinated collateral position mitigates risk for participating co-lenders
- ✓ Allows financial institutions to participate in New Jersey's clean energy transition

Eligible Financial Institutions:



- ✓ NJEDA Premier Lenders or NJEDA CDFI Premier Lenders; or
- ✓ Financial institution 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 SSBCI.

NJEDA Premier Lenders

<https://www.njeda.com/premierlender/premierlenders/>

NJEDA Premier Lenders

Bank of America	JP Morgan Chase	Provident Bank	TriState Capital Bank
Century Savings Bank	Lakeland Bank	Republic Bank	Valley National Bank
Columbia Bank	M&T Bank	Santander Bank	Wells Fargo
ConnectOne Bank	Newfield National Bank	Sterling National Bank	Northfield Bank
Cornerstone Bank	OceanFirst Bank	Sturdy Savings Bank	
Cross River Bank	Peapack-Gladstone Bank	TD Bank	
Fulton Bank	PNC	The Bank of Princeton	

Financial Institutions

Interested in NJ CELs?

NJ CELs Expression of Interest: Financial Institution



If you are a financial institution interested in learning more about NJ CELs, please fill out the contact form below.

Institution Name: *

Institution Type:

Primary Contact First Name: *

Primary Contact Last Name: *

Primary Contact Title: *

Primary Contact Phone

<https://www.njeda.com/njcels/>

INFORMATION FOR FINANCIAL INSTITUTIONS



INFORMATIONAL WEBINAR



Informational Webinar

**Monday, April 17, 2023, 1:00
PM – 2:00 PM**

[REGISTER HERE](#)

QUESTIONS?

If you want to be included in future outreach or have questions, contact us at njcels@njeda.com

If you are a financial institution interested in learning more about NJ CELs, please submit the **Expression of Interest Form** to be contacted by an NJEDA representative.

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Scoring

Category	Scoring Criteria	Points	Total per Category
Direct jobs forecast to be created, relative to dollar amount of total loan * <i>* Based on the estimated number of jobs that will be created at the end of the project. Applicants will be asked to justify this estimate by completing a "Projected Jobs Log" at the time of application.</i>	1 Full-Time Equivalent (FTE) per \$100,000 or less	25	30
	1 FTE per \$100,001-\$125,000	15	
	1 FTE per \$125,001-\$150,000	5	
	1 FTE per over \$150,000	0	
	100% of jobs forecast are in NJ	5	

Full-time equivalent (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.

Example

Business A is applying for **\$500,000 in total**: \$250,000 from NJEDA + \$250,000 from financial institution.
Business A expects to create **10 full-time equivalent (FTE) jobs** by the end of the project.

10 FTEs per \$500,000 = 1 FTE per **\$??**

\$? = Total loan amount / FTEs created

\$500,000 / 10 FTE = \$50,000

Business A will create 1 FTE per \$50,000 of total loan.

Category	Scoring Criteria	Points	Total per Category
Direct jobs forecast to be created, relative to dollar amount of total loan *	1 FTE per \$100,000 or less	25	30
	1 FTE per \$100,001-\$125,000	15	
	1 FTE per \$125,001-\$150,000	5	
	1 FTE per over \$150,000	0	

Scoring

Category	Scoring Criteria	Points	Total per Category
Strength of management team and partnering entities	Has experience with the clean energy technology in this proposed project** <i>**Any experience with the clean energy technology will be awarded the full number of points. Examples of experience with past projects will be required.</i>	5	10
	Applicant organization has 2 or more C-level executives	10	
Minority-, Woman-, or Veteran-owned business	Minority-, Woman-, or Veteran-Owned business (New Jersey certification required at time of application)	10	10

Scoring

Category	Scoring Criteria	Points	Total per Category
Benefits to Overburdened Communities	Reduction or avoidance of criteria pollutants in an overburdened community <i>Applicants will be required to justify how the Project will lead to reducing/avoiding pollutants, including which criteria pollutant(s) and where the reduction/avoidance will take place. Supporting documentation or references/hyperlinks are requested. See FAQ document for more information.</i>	10	20
	50% or more of new jobs forecast are created in an overburdened community, as detailed in the Projected Jobs Log completed at the time of application	5	
	Reduction in energy costs for individuals or businesses in an overburdened community <i>Applicants will be required to justify how the Project will reduce energy costs, including where the reduction will take place. Supporting documentation or references/hyperlinks are requested.</i>	5	

Criteria pollutants include the following six air pollutants: ground-level ozone, particulate matter, carbon monoxide, lead, sulfur dioxide, and nitrogen dioxide.

Overburdened Community

Census block group 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).

<https://dep.nj.gov/ej/communities/>



List of Overburdened Communities

This Excel spreadsheet provides the list of overburdened communities, the criteria each block groups meets, and the municipality for which the overburdened community is designated in accordance with the [New Jersey Environmental Justice Law, N.J.S.A. 13:1D-157](#).

EJMAP

This tool provides the public a visualization of [OBC locations throughout the State](#), where existing facilities regulated under the law are located and what existing environmental and public health stressors currently impact these OBCs. [Watch this tutorial to learn more about EJMAP](#).

PDF Maps of Municipalities

The 338 simple, municipal specified maps identified the overburdened communities under the New Jersey Environmental Justice Law. There is a map for each municipality for which any part of the municipality has been designated an overburdened community pursuant to the act.

Scoring

Category	Scoring Criteria	Points	Total per Category
Number of FTE employees (at time of application) <i>Applicants will be required to complete a Current Employee Log as part of the application, to verify the number of employees.</i>	100 or fewer FTE employees	10	10
	101 - 200 FTE employees	8	
	201 - 300 FTE employees	6	
	301 - 400 FTE employees	4	
	401 - 500 FTE employees	2	
	501 or more FTE employees	0	
Total loan amount (NJEDA + financial institutions) requested for the project	\$1M or less	10	10
	\$1,000,001 - \$2M	8	
	\$2,000,001 - \$3M	6	
	\$3,000,001 - \$4M	4	
	\$4,000,001 - \$5M	2	
	Greater than \$5M	0	

Scoring

Category	Scoring Criteria	Point Allocations	Total per Category
Ratio of private dollars to NJEDA dollars in the total loan amount requested for the project (at time of application)	6:1 or greater	10	10
	5:1 – 6:1	8	
	4:1 – 5:1	6	
	3:1 – 4:1	4	
	2:1 – 3:1	2	
	1:1 – 2:1	0	
TOTAL AVAILABLE POINTS			100

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Required documents:

- Valid tax clearance certificate (needed at time of approval)
- Proof of location in NJ (lease or other address verification)
- Executive summary of clean energy project/business
- Business plan (if new business)
- Financial model
- Historical financial statements (if operating company)
- Fully diluted capitalization table
- WR-30 or NJ927
- IRS Form 941
- NJ Minority/Woman/Veteran-Owned business certification (if applicable)
- Term sheet, letter of intent, draft agreement, or commitment letter from financial institution

Completed as part of the application:

- Current employee log
- Projected jobs log
- SSBCI Certifications
- Certifications from financial institutions: SSBCI Compliance & Clean Energy Certification (if applicable) – needed at time of approval

How to... Links for New Jersey State documents

Tax clearance certificate (to NJ EDA)

https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp

Woman-, Minority-, or Veteran-Owned Business Certificate

<https://www.njportal.com/DOR/SBERegistry>

Register to do business in New Jersey

<https://www.nj.gov/treasury/revenue/gettingregistered.shtml>

NOTE: Due to COVID-19, it may take longer than usual for applicants to obtain certain New Jersey State documents. If an applicant has attempted to obtain the missing the documents but has not yet received them, they may provide correspondence or receipts that demonstrate the attempt to obtain the missing documents to extend the extension time. The required missing documentation must be submitted before any approval of funds reservation.

Application Process

Application will be launched on **Wednesday, April 19th 2023 at 10:00 a.m.**



- Complete legal questionnaire and Certification of Non-involvement for Russia/Belarus
- Agree to be bound by electronic signature & certify accuracy of application
- Pay \$1,000 non-refundable application fee and submit application

Tips for completing the application:

- 📢 SAVE your progress regularly! 📢
- Consult the scoring criteria
- Consult the FAQ document
- Questions? Email njcels@njeda.com

SSBCI Compliance

With SSBCI participation and funding, this NJEDA program must meet strict guidelines of compliance for program requirements, application approval, and ongoing monitoring. Without exceptions, any business applying to this program must provide complete and accurate application submissions, and if approved, the business will also be required to maintain complete and accurate reporting which must be submitted to the NJEDA within the program specified timelines. Misrepresentation, omissions, or deviations from program requirements or reporting may subject a business to repayment of any benefits as well as incur penalties.



Next steps

- Eligibility self-assessment
- Review scoring criteria
- Reach out to financial institutions
- Prepare required documents

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Questions?

Email us at njcels@njeda.com



Thank you!

Website: njeda.gov/njcels

Email: njcels@njeda.gov