

New Jersey Green Bank (NJGB) State Debt Product

Frequently Asked Questions

Eligibility

1. How do I know if my project qualifies for NJGB State Debt Product financing?

To receive financing from the NJGB State Debt Product, applicants must:

- Meet all of the eligibility requirements; and
- Receive a minimum score of 100 points (out of 200 points) based on the NJGB's assessment of the transaction using its Loan Review Criteria.

Both the eligibility requirements and Loan Review Criteria can be found in the NJGB State Debt Product Board Memo on the NJGB Website (<https://greenbanknj.gov>).

2. What is considered an Eligible Project for the NJGB State Debt Product?

To be eligible for NJGB debt financing through this product, an Eligible Borrower must propose projects or a portfolio of projects that meet the following requirements ("Eligible Projects"):

- Are located in New Jersey
- Reduce or avoid greenhouse gas ("GHG") emissions and/or criteria pollutants, as demonstrated by providing supplemental emissions reduction calculations with third party verification
- Involve only commercial technologies, defined as technologies that have been deployed for commercial purposes at least three times for a period of at least five years each in the United States for the same general purpose as the project ("Commercial Technologies")
- Require a minimum \$1 million in NJGB debt support and a maximum of \$20 million of NJGB debt support
- Have a minimum proforma debt service coverage ratio of one
- Have an equity commitment from a sponsor, defined as a party with greater than 50% ownership in a single project ("Sponsor"), that has not received financing that exceeds a maximum of 10% of total NJGB assets under management across one or more NJGB debt products
- Complete any construction work in accordance with NJ prevailing wage and affirmative action requirements
- Fall into one of the following categories related to the State's climate goals:
 - Zero-emission vehicles
 - Zero-emission vehicle charging or fueling infrastructure
 - Solar generation, including transmission, interconnection and associated site remediation costs
 - Onshore and offshore wind generation
 - Offshore wind supply chain development
 - Electric battery storage
 - Existing building retrofits

- Geothermal energy
- New net-zero building development

To prioritize opportunities utilizing net-zero energy sources and carbon-free feedstocks, projects that are not eligible for NJGB financing include but are not limited to natural gas projects and combustion-based waste-to-energy projects.

3. What building retrofit projects are eligible for financing through the NJGB State Debt Product?

Eligible existing building retrofit projects must reduce operating emissions and/or improve energy efficiency of the building over the lifetime of the project, including but not limited to:

- Installing building management systems or energy load controls
- Conducting weatherization or building envelope (e.g., façade, doors, windows, insulation) upgrades
- Installing heat recovery equipment
- Replacing lighting with more efficient equipment and/or controls
- Replacing fossil fuel powered appliances (e.g., hot water heaters, clothes dryers, kitchen equipment) and/or space heating systems (e.g., furnaces, boilers) with electric alternatives (e.g., electric heat pumps)

4. Are research and development (“R&D”) projects eligible?

At this time, debt financing from this product can be only used to support Commercial Technologies, defined as technologies deployed for commercial purposes at least 3 times for a period of at least 5 years in the United States.

5. 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 [New Jersey Department of Environmental Protection website](#). If your project will lower the emissions of one or more criteria pollutants, or prevent them from being emitted, it may be considered as reducing or avoiding criteria pollutants.

Project Location

6. Can my NJ-based company apply for an infrastructure or installation project outside of New Jersey?

No, infrastructure or installation projects outside of New Jersey are not eligible for financing through the NJGB State Debt Product.

Financing through the NJGB’s State Debt Product

7. What is the minimum and maximum loan amount I can request from the NJGB?

To be eligible for NJGB financing through this product, applicants must be seeking a loan between \$1 million and \$20 million from the NJGB.

8. What counts as an equity commitment from a sponsor?

To be eligible for NJGB State Debt financing, Eligible Projects must have an equity commitment from a Sponsor, defined as a party with greater than 50% ownership in a single project, that has not received financing that exceeds a maximum of 10% of total NJGB assets under management across one or more NJGB Debt Product applications. Such commitment shall be demonstrated by an executed term sheet.

9. Can borrowers apply for multiple NJGB loans?

Yes, a single borrower, including all affiliates, may apply for multiple NJGB loans, as long as (1) they are all for different projects, (2) their cumulative outstanding loan balance at any one time is \$20M or less, and (3) no Sponsor of any of the projects has received financing that exceeds a maximum of 10% of total NJGB assets under management across one or more NJGB Debt Product applications.

10. Is collateral required to receive an NJGB loan?

No, collateral is not required but collateral coverage (i.e., the value of collateral provided relative to the NJGB's loan amount) is assessed as part of the NJGB's Loan Review Criteria. Because of this, the collateral (or lack of collateral) provided by a borrower will impact the score a prospective borrower receives relative to the NJGB's Loan Review Criteria, which has implications on the eligibility of the borrower (i.e., a borrower must receive a minimum 100 points to be eligible) and the NJGB's offered interest rate for the transaction (i.e., transactions with fewer points will have a higher assessed risk premium).

11. Will my NJGB loan have prepayment fees?

No, NJGB loans do not have prepayment fees.

12. Can my NJGB loan be forgiven?

No, the NJGB does not offer loan forgiveness for debt financing through this product.

13. Are there any fees associated with the NJGB State Debt Product?

Yes. The NJGB will charge a \$1,000 nonrefundable fee to applicants upon submission of the Application and require reimbursement of any legal fees that the NJGB may incur to execute the transaction. Additionally, borrowers will be responsible for a closing fee of 0.5% of the NJGB's total financing amount at the time of the closing of the NJGB's loan.

14. Where does NJGB State Debt Product funding come from?

The NJGB State Debt Product is funded through \$40,000,000 appropriated to the NJGB by the New Jersey State Legislature pursuant to a supplemental appropriation to the annual appropriations act contained in L. 2023, c.66 and \$50,000,000 of Regional Greenhouse Gas Initiative ("RGGI") funds transferred to the NJGB from the NJEDA's 2020-2022 RGGI allocation pursuant to a Memorandum of Understanding executed by the NJEDA and the NJGB in January 2025.

15. Can an NJGB State Debt Product loan be combined with funding from other programs?

The NJGB State Debt Product does not have additional restrictions for successful applicants with regards to applying for financing from other NJEDA programs or funding opportunities outside the NJEDA so long as (1) any federal funding requested does not result in a duplication of benefits for the same use or purpose and (2) the Sponsor of the project has not received financing that exceeds a maximum of 10% of total NJGB assets under management across one or more NJGB Debt Product applications. Applicants are encouraged to consult the requirements of other programs to determine whether they can be used alongside NJGB State Debt financing.

Compliance/Reporting Requirements

16. Does Prevailing Wage apply to my project?

If your project is expected to involve any construction, reconstruction, demolition, alteration, custom fabrication, repair work, or maintenance work, including painting and decorating, and the cost of such work is \$2,000 or more, the project will be required to comply with the [New Jersey Prevailing Wage Act](#) (N.J.S.A. 34:11-56.25 et seq.), and [Affirmative Action](#).

Effective April 1, 2020, contractors and subcontractors for construction contracts that require payment of prevailing wage must provide proof of registration under the Public Works Contractor Registration Act (NJSA 34:11-56.48 et seq.), which requires all contractors, subcontractors, or lower tier subcontractors (including subcontractors listed in a bid proposal) who bid on or engage in the performance of any public work in New Jersey to register with the NJ Department of Labor and Workforce Development. The Act does not require proof of registration for such contracts that were awarded prior to April 1, 2020. Information regarding this Act can be found on the NJ Department of Labor's Website.

Additionally, any contractor or subcontractor hired for construction work (as defined in N.J.A.C. 19:30-4.1), and having a total company workforce of four (4) or more employees must provide documentation demonstrating their good faith efforts to employ minority and women workers in each construction trade. This effort should be consistent with the applicable county employment goals established in accordance with N.J.A.C. 17:27-7.2 and align with the affirmative action requirements outlined in N.J.A.C. 19:30-3.5.

For additional questions about Prevailing Wage, Affirmative Action, and the Public Works Contractor Registration Act, please email info@greenbanknj.gov.

17. If the NJGB is only financing equipment and/or hardware costs associated with my project, does the New Jersey Prevailing Wage Act apply?

If the NJGB is financing only the purchase of equipment and/or hardware, and that equipment/hardware costs less than \$2,000 to assemble and install in order to be fully operational, then the New Jersey Prevailing Wage Act does not apply.

If the NJGB is financing only the purchase of equipment and/or hardware, but assembly or installation costs more than \$2,000 for the equipment/hardware to be fully operational, then the New Jersey Prevailing Wage Act applies to those assembly and installation activities.

18. Do I need a tax clearance certificate?

Yes. While you do not need to have a tax clearance certificate on hand at the time you apply, a tax clearance certificate is required at the time of approval for financing.

19. How do I obtain a tax clearance certificate?

Follow the directions in this document if you are not registered: [Getting Started in Premier Business Services](#)

Once you are registered, create an account on this webpage:

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

For additional questions, email businessassistancetc.taxation@treas.nj.gov.

20. Are there any ongoing reporting requirements after closing an NJGB loan and receiving funds?

For the duration of the term of any transaction receiving NJGB debt financing, borrowers will be required to provide requested reporting information about the project on a quarterly basis. NJGB staff will provide borrowers with a form (the “NJGB Reporting Form”) to submit with the requested reporting information. The NJGB Reporting Form will incorporate all of the information that the NJGB needs to track on an ongoing basis – including but not limited to quarterly unaudited financials and annual audited financials, emissions reductions, and construction milestones, among other categories.

Application Process

21. When does the NJGB State Debt Product application close?

Applications will be accepted on a rolling basis after the NJGB’s Debt Product Application is opened to the public. The application will remain open as long as the NJGB has funding available, subject to the availability of funds limitations detailed in the NJGB State Debt Product Board Memo posted on the NJGB website.

22. I’m ready to apply. How should I proceed?

Borrowers interested in applying for debt financing through this product should start by completing the Expression of Interest (“EOI”) form for NJGB State Debt Financing, which can be found here:

<https://www.cognitoforms.com/NJEDA/WelcomeNJGreenBankExpressionOfInterest>

Please reach out to info@greenbanknj.gov if you have any questions as you go through the EOI form or application. Project-specific questions will be addressed individually, but questions pertaining to the application process will be added to an updated version of this frequently asked questions document and posted on the NJGB website.

23. How long will it take after an application has been submitted before the NJGB issues a decision of approval or declination?

The time for review and approval will differ based on the completeness of each application.

24. Is there an appeals process for the NJGB's declination of an application?

Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days). The Managing Director of Legal Affairs at NJEDA will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will recommend a final agency decision for the NJGB Board to adopt.