

New Hampshire Opportunities for Offshore Wind Businesses

A. The Advantages of New Hampshire

New Hampshire offers a variety of business services and programs to support business expansion and attract new business to the state. The New Hampshire Division of Economic Development serves as the central coordinating agency for all businesses.¹ Its Business Resource Center (BRC) and International Trade Resource Center (ITRC) promote New Hampshire products and services both at home and abroad

Of particular interest to the offshore wind industry supply chain is New Hampshire's strong commitment to providing manufacturing support. The state offers a wide array of business, financial, and technical assistance. In addition, the state ranks in the top ten for high-tech workers per capita.² The state's Job Training Fund and two top research institutions (University of New Hampshire and Dartmouth College) contribute to this highly skilled workforce.

The state ranks as the seventh best state in the nation in terms of business tax climate. It has a low tax structure and does not charge sales tax, use tax, broad-base income tax, capital gains tax, or inventory tax. Moreover, it does not assess commercial or industrial property at a higher rate.³

New Hampshire maintains several commercial ports near and in Portsmouth. They are serviced by on-site rail, and are adjacent to Interstate 95 and located close to the Pease International Tradeport and Portsmouth International Airport.

Despite having relatively little coastline, NH remains interested in research and development of offshore wind. The University of New Hampshire's Center for Ocean Renewable Energy (CORE) has been working with a University of Maine-led consortium to develop three offshore wind energy test sites in the Gulf of Maine. This project is the second deepwater wind energy facility in the world to prototype floating turbines.⁴ New Hampshire also has demonstrated an interest in developing onshore wind, as exemplified by 2008 legislation establishing a wind siting model ordinance and prohibiting municipalities from adopting regulations that place unreasonable limits on small wind development.⁵ This kind of legislation may lead to support of offshore wind development.

¹ <http://www.nheconomy.com/about-us/>

² <http://www.nheconomy.com/manufacturing-in-nh/>

³ <http://www.nheconomy.com/manufacturing-in-nh/>

⁴ http://www.unh.edu/news/cj_nr/2009/nov/bp09wind.cfm

⁵ HB310 <http://www.gencourt.state.nh.us/legislation/2008/HB0310.html> and RSA 674:63 <http://www.gencourt.state.nh.us/rsa/html/LXIV/674/674-63.htm>

B. Government Policies Pertaining to Offshore Wind Power

Renewable Portfolio Standard

The New Hampshire Legislature passed a Renewable Portfolio Standard in 2007, requiring qualifying technologies to provide a percentage of New Hampshire's electricity requirements. Class I resources are to provide 0.5% of the electricity requirement beginning in 2009 and increasing to 6% by 2015 and 16% by 2025. Wind is a Class I resource.

C. Government Policies Pertaining to Manufacturing and Service Activities Related to Offshore Wind

The New Hampshire Division of Economic Development includes two agencies, the Business Resource Center and the International Trade Resource Center, that together offer a wide range of services, programs, and incentives for companies in the offshore wind supply chain. The offices provide services for start-up companies, relocating businesses, business expansion, manufacturing, energy and emergency management, government procurement, and exports.

Business Incentive Loans and Bonds

The New Hampshire Business Finance Authority (BFA), established in 1992, works with New Hampshire's banking, business, and economic development sectors to help meet credit needs throughout the state for manufacturers, businesses, and others. It offers tax-exempt **Industrial Development Revenue Bonds** to manufacturers. At least 75% of the bond proceeds must be spent on manufacturing space and equipment. Up to \$20 million is available and can be used for the purchase of land, buildings, or equipment.

BFA also offers loan guarantees for companies that need credit enhancement. Four programs provide small businesses with loan guarantees and credit enhancements:

- **The Energy Conservation Revolving Loan Fund** provides direct loans to improve energy efficiency in work places.
- **The Capital Access Program** provides indirect financing to businesses by giving banks incentives to issue small business loans through a loan loss reserve (CAP Fund).
- **The Guarantee Asset Program** provides indirect financing to capital-intensive companies by guaranteeing up to 90% of a bank loan.
- **The Loan Enhancement Program** enables bank and other lending institutions to provide up to 90% fixed asset financing by guaranteeing that the portion of the loan exceeding the bank's lending guidelines.

More information on these loan plans and guarantees is available on the BFA website: <http://www.nhbfa.com/Loan-Plans-and-Guarantees.html>.

Tax Credits

As mentioned above, there are very few taxes levied on businesses in New Hampshire. Other tax benefits exist in New Hampshire including research and development tax credits and economic revitalization zone credits.

- **The Economic Revitalization Zone Tax Credits Program** allows a municipality to designate a revitalization zone, in which a business can then apply for a tax credit.
- **The Research and Development Tax Credit Program** began in 2007 and provides a credit for qualified manufacturing R&D wages. The credit is the lesser of 10% of the business's qualified R&D expenditures or \$50,000.⁶

D. Other Applicable Incentives and Program Support

The New Hampshire Small Business Development Center offers free or low-cost business consulting services, including training, environmental counseling, manufacturing assistance, and information on international trade opportunities and innovative economic development initiatives.

The New Hampshire Manufacturing Extension Partnership provides low-cost consulting services and specializes in facilitating industry, government, and academia interactions. Amongst its offerings are supply chain management, technology transfer and commercialization, IT management, product development, and certification compliance.⁷

The New Hampshire Community Loan Fund offers up to \$500,000 for capital investments to qualifying businesses.

The International Trade Resource Center, a sub-agency of the Division of Economic Development, assists companies in obtaining financing from other organizations for export purposes. ITRC staff assists companies with preparing applications and identifying appropriate finance programs.⁸

⁶ http://www.revenue.nh.gov/faq/dra_165.htm

⁷ <http://www.nhmep.org/>

⁸ <http://exporthn.org/our-services/>