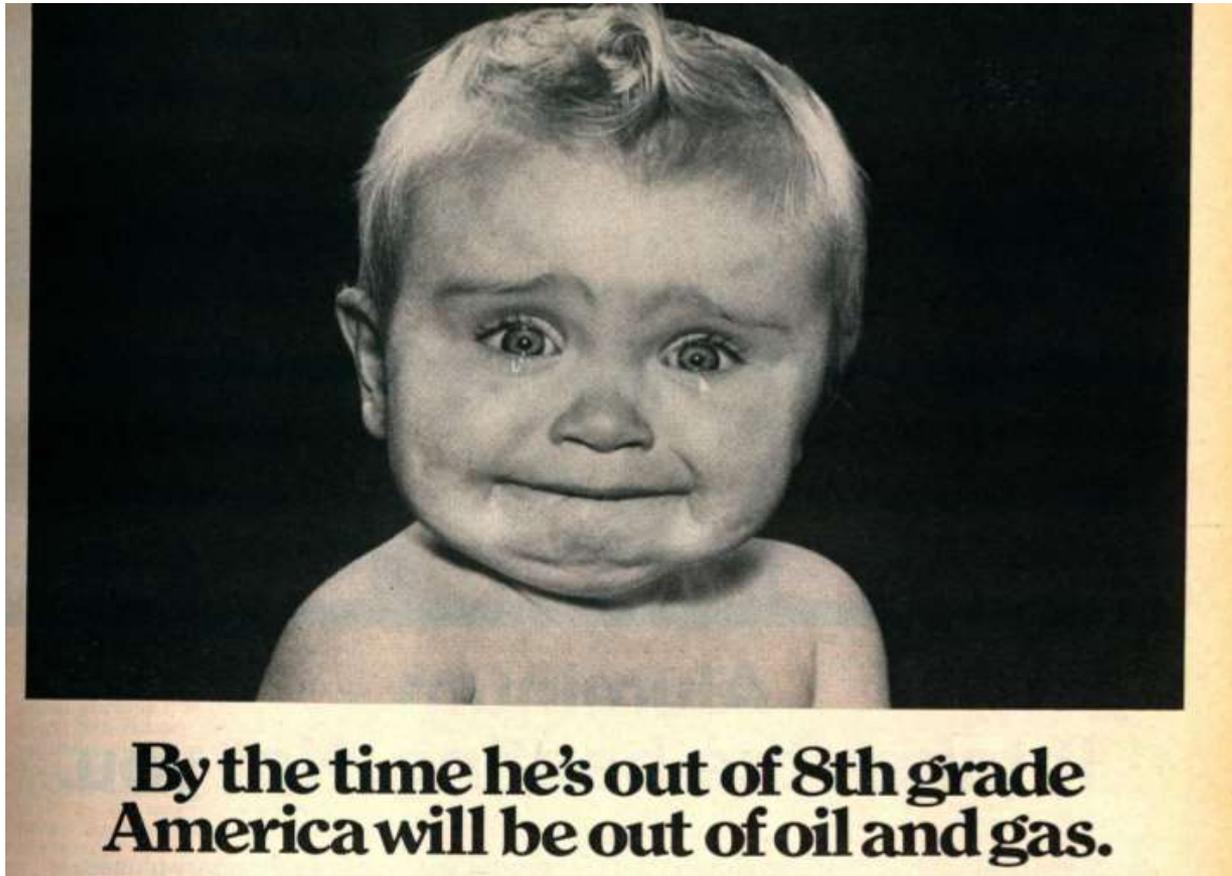




CLEAN AIR *&* CLEAN ENERGY  
ARE GOOD BUSINESS

**Chadwick Smith**  
**Executive Director**  
**Ohio Air Quality Development Authority**

**Clean Air & Clean Energy Are Good Business**



**By the time he's out of 8th grade  
America will be out of oil and gas.**

**Time Magazine, January 1976**

**Advertisement was actually pro-coal**

**Called for "national commitment to coal" to end dependence on foreign oil**

**"Its elementary even for an 8<sup>th</sup> grader"**

**Clean Air & Clean Energy Are Good Business**

# The Natural Gas shortage is critical.

## Getting more should be a national priority.



America's natural gas shortage is serious and getting worse. According to statistics released by the White House, the shortage of natural gas this year could be almost twice as bad as last year. And that affects each and every American.

### Millions of jobs depend on natural gas.

Natural gas provides half the energy for America's industry. That's nearly double the amount any other fuel supplies. So gas keeps millions of jobs going. Maybe yours. Most of the products you use are related to natural gas in some way. And there are more than forty million families who depend on gas for heating or cooking, or both.

### There's no alternative to natural gas.

Gas accounts for 40% of the energy produced here in the U.S.—far more

than any other fuel by far. No other energy is available in large enough quantities to take its place or do all that natural gas does. If our nation's economic recovery is to continue and unemployment reduced, natural gas supplies must be increased.

### Getting more gas is vital to America's future.

There's a huge resource of natural gas in the U.S. It's under the ocean. In the Rockies. Up in the Arctic. In the deepest, most difficult places. The gas industry is ready to invest billions of dollars, and take the business risks necessary to get this gas. But much of this work waits on the tough energy decisions America must make. And soon. We need your understanding and support. And your help in conserving gas. **AGA** American Gas Association

Same issue, January 1976  
‘Millions of jobs..., no other energy in large enough quantities, billions ready to invest...’  
“There is no alternative to natural gas”

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# Ohio Air Quality Development Authority (OAQDA)

- Since 1970, OAQDA helps large and small Ohio businesses and government agencies invest in cleaner energy and environmental regulatory compliance through loans, grants and tax exempt financing for equipment and construction.
- Pre-date the Ohio EPA
- Five member board appointed by the Governor
- Non-regulatory, financing agency
- Issued over \$8 billion in bonds since 1970





## Project Development and Finance

OAQDA provides financing via conduit bonds for a broad range of projects. All OAQDA financing instruments are conduit bonds that:

- May pay interest that is exempt or from federal income tax if the bonds qualify under the IRC; or may pay taxable interest
- Finance projects that enjoy a 100 percent exemption for the term of the financing from real property, sales and use taxes and assessments
- Are sold based on the credit provided by the benefiting party
- Need to identify the revenue sources that cover principal and interest payments

*OAQDA bonds do not represent the faith and credit of the State of Ohio; all repayment responsibility rests with the financed project.*



# Project Development and Finance

## Qualifying projects include those that address:

- Air contaminants
- Solid waste
- Ethanol or other bio-fuel facilities
- Alternative Fuel infrastructure
- Energy efficiency or conservation measures
- Various advanced energy technologies, including but not limited to wind, solar, geothermal, biomass
- Combined cycle, cogeneration, Conversion of Coal fired plants to natural gas



## Project Development and Finance

**OAQDA financing support has assisted projects ranging from \$14,000 to \$350 million. Some examples include:**

- \$5 million in OAQDA financing of a broad range of energy system retrofits, to be installed at the Ohio Reformatory for Women at Marysville in Union County;
- \$29 million for Ohio University to install a comprehensive energy efficiency and conservation overhaul of 72 buildings at its main campus in Athens;
- \$55 million to help Andersons Marathon Ethanol in Darke County acquire, build, install and equip air quality facilities; and
- \$241 million for FirstEnergy Generation Corporation to refinance bonds previously authorized by OAQDA for air quality facilities at plants in eight Ohio counties.



## Clean Air Resource Center (CARC)

OAQDA provides financing via conduit bonds for small businesses that are installing equipment to comply with EPA regulations. CARC program provides assistance:

- Are based on a credit analysis of the benefiting party
- OAQDA pays all fees and closing costs
- OAQDA pays 30% payment of principal to lender after equipment has been installed and operational for 6 months





## Clean Air Resource Center (CARC)

Harden Auto Body of South Euclid utilized financing thru the OAQDA in the amount of \$176,500 for the purchase of two new paint booths that will utilize cleaner water-based products. The new booths will help reduce the company's energy consumption, cut air emissions and increase productivity.





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## Energy Efficiency

- OAQDA helps businesses, both new and old, install energy efficient equipment and processes.
- A number of businesses have taken advantage of our financing, including the 21c Museum Hotel in Cincinnati.



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## University of Akron

The University utilized OAQDA financing to upgrade energy equipment in 39 buildings across campus. The annual guaranteed energy and operational savings will exceed \$6 million and projected annual greenhouse gas emission reductions are anticipated to be more than 30.9 million tons of carbon dioxide.



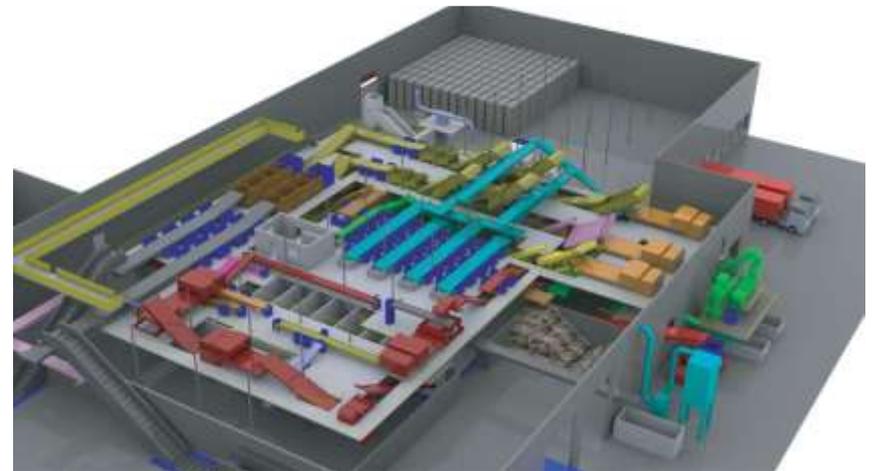
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## Rumpke Recycling Facility

- OAQDA financed as federally tax-exempt a recycling facility in the amount of \$32 million in Air Quality Development Bonds for Rumpke Consolidated Companies, Inc.





## USEPA's Clean Power Plan

As part of the U.S. EPA Clean Power Plan, the federal government is proposing reduction in carbon dioxide air emissions for each state. To meet this reduction, U.S. EPA is setting goals for each state. The three building blocks are:

- Improved efficiency at power plants;
- Shifting generation from higher emitting coal to lower emitting natural gas power plants;
- Shifting generation to zero-emitting renewables



## Ohio Air Quality Development Authority partnership

- The OAQDA can partner with any Federal and State existing programs to help reduce Ohio's emissions
- Will add additional benefit to projects, such as exempting, where applicable, the investment from potential sales and property tax liability.



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## Questions and Contact



[www.ohioairquality.org](http://www.ohioairquality.org)

Chadwick Smith, Executive Director  
Ohio Air Quality Development Authority  
50 West Broad Street, Suite 1718  
Columbus, Ohio 43215

Office: 614.466.6825

Fax: 614.752.9188

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