

VERMONT EMPLOYMENT GROWTH INCENTIVE Enhancement for Environmental Technology Companies/Projects

In 2008, the Vermont legislature passed an enhancement to the Vermont Employment Growth Incentive (VEGI) program to emphasize the policy goal of “green economy” job creation in Vermont.

If an existing Vermont company or a new company will add new jobs in research, development, design, engineering or manufacturing of certain environmental technologies or provide certain environmental services, they may be eligible for an increased level of VEGI incentive. The company must also be able meet the normal VEGI [approval requirements](#).

To be eligible for the enhancement, the Vermont Secretary of Commerce must certify that the activity to be incented will be primarily in research, design, engineering, development, or manufacturing related to any one or more of the following:

- Waste management, including waste collection, treatment, disposal, reduction, recycling, and remediation.
- Natural resource protection and management including water and wastewater purification and treatment, air pollution control and prevention or-remediation, soil and groundwater protection or remediation, and hazardous waste control or remediation.
- Energy efficiency or conservation.
- Clean energy, including solar, wind, wave, hydro, geothermal, hydrogen, fuel cells, waste-to-energy, or biomass.

If an applicant believes their company and/or project meets these eligibility criteria, the applicant can provide this information on a VEGI Pre-Application and staff will provide a normal incentive estimate and an estimate using the calculation adjustments allowed by the Green VEGI enhancement.

If the applicant then decides to submit a formal Initial or Final VEGI Application, the applicant must indicate the eligible activity met by the project and upload information supporting the applicant’s claim of eligibility on the “Potential Incentive Enhancement” form at Line 2. VEPC staff will request that the Secretary of Commerce certify or deny certification of the application as Green VEGI-eligible. Only applications certified as eligible by the Secretary of Commerce will be considered by VEPC for the Green VEGI enhancement.

If certified as eligible, the VEGI incentive calculation will use a 90% Incentive Ratio (instead of the normal 80%) and the background growth will be calculated at 20% of the normal background growth amounts. These changes result in an enhanced incentive that averages 40% higher than the normal incentive amount. Results will vary depending on the application data. For more information on how the VEGI incentive is calculated, click [here](#).

Note that the Green VEGI eligibility is based on very specific criteria that have to do with the applicant’s economic activity and job creation. The enhancement is not based on whether the applicant operates the business using green practices, is utilizing green energy management, or installing energy efficient equipment. These activities are highly encouraged and may be eligible for other incentives offered by Vermont and the federal government. Also, such improvements and capital investments can be included in the capital investments considered in a VEGI application, but they are not the basis for this incentive enhancement.