

LoanSTAR Revolving Loan Program

Texas

State Energy Conservation Office

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About SECO

Mission Statement: to increase the efficient use of energy and water while protecting the environment

- Located in the Texas Comptroller or Public Accounts
- Focus is technology deployment – no R&D
- U.S. Department of Energy state level program conduit
 - State Energy Program (SEP)
 - ARRA (stimulus funds)

LoanSTAR - Saving Taxes and Resources

Major Focus Areas

- Emerging clean energy technology
- Energy training and education
- Efficiency grants/financing and technical assistance
 - LoanSTAR revolving loan program

Program Description

- Purpose of Revolving Loan Funding
 - Improve Texas public institution use of energy and water with low-interest-rate loans to finance energy-related cost-reduction retrofit projects.
- Revolving Loan Fund Capitalization
 - Capitalized with the State's remaining Oil Overcharge and Federal ARRA/Stimulus funds
 - \$200 million loan fund

Program Description

- Qualifying Public Institutions
 - Cities, counties, independent school districts, state agencies, public institutions of higher education, and tax-district supported public hospitals.
- Qualifying Facilities
 - Public institutions must own and occupy the facilities where the retrofit projects will take place.
- Loan Fund Disbursements
 - All loan disbursements are on a reimbursement basis.
- Repayment of Loans
 - Borrowers repay the loans through the energy cost savings realized from the retrofit projects.

Program Details

- Investment Grade Audit
 - EAR
 - UAR
 - Commissioning Report
 - Must be approved by a third party Engineer
- Payback
 - Composite - 10 year simple payback
 - Each ECRM/UCRM – Less than the Estimated Useful Life of the Measure

Program Announcements

- Notice of Loan Fund Availability and Request for Application
 - NOLFA/FRA
 - April and October
- Loan terms
 - Availability funds
 - Interest rate
 - Reset with each Notice of Loan Fund Availability announcement
- Current announcement –
 - Approximately \$40 million,
 - 2% interest, \$7.5 million loan cap

Types of Projects

- Design-Build
- Design-Bid-Build
- Energy Savings Performance Contracts

Selection Process

- Competitive based largely on the following considerations:
 - Information provided in the application including the application and one of the following: Engineering Assessment Report / Utility Assessment Report, Preliminary Energy Assessment, or Project Assessment Commitment.
 - Location of proposed project
 - Public access to the projects' energy savings information

Notice of Loan Fund Availability

The screenshot displays the SECO website interface. At the top left is the SECO logo (State Energy Conservation Office). To the right is a banner with the text "Energy Efficiency: Texas' Newest Energy Resource." and links for "About This Site" and "Contact Us". Below the banner is the name "Susan Combs Texas Comptroller of Public Accounts" and a "Site Search" box. A navigation menu includes "Home", "Energy Sources", "Energy Efficiency", "Funding & Incentives", "SECO Programs", "Resources", and "Stimulus Funds". A sub-menu below "Stimulus Funds" lists "Residential Consumers", "State and Local Governments", "Business and Industry", and "Schools and Teachers". The main content area is titled "Funding and Incentives" and lists "Funding Opportunities". The first opportunity is "April 2013 Opportunities" with a sub-heading "Notice of Loan Fund Availability (NOLFA) – LoanSTAR Program". A callout box on the right says "Sign up to receive Funding and Incentives e-mail updates".

Funding and Incentives

Funding Opportunities

April 2013 Opportunities

Notice of Loan Fund Availability (NOLFA) – LoanSTAR Program

Posted April 26, 2013 – The Comptroller of Public Accounts (Comptroller) State Energy Conservation Office (SECO) will provide low interest loans to assist selected public entities in financing their energy-related cost-reduction efforts utilizing the LoanSTAR revolving loan program.

Notice of Loan Fund Availability (NOLFA) – “5-FIVE-25” Program

Posted April 26, 2013 – The Comptroller of Public Accounts (Comptroller) State Energy Conservation Office (SECO) will provide low interest loans to selected non-profit community based organizations and Houses of Worship for the purposes of implementing energy-related cost-reduction retrofits at owner owned and occupied facilities utilizing the LoanSTAR revolving loan program

Alternative Fuels Initiatives Grant Program (SEP Program 2.2)

Posted April, 2013
The Comptroller of Public Accounts, State Energy Conservation Office (SECO) will provide grant funding for eligible public entities to transition vehicle fleets to alternative fuels.

February 2013 Opportunities

Innovative Energy Demonstration Grant Program (SEP Program 2.2)

Posted February 15, 2013
The Comptroller of Public Accounts, State Energy Conservation Office (SECO) will provide grant funding to eligible Texas local governments, school districts, state agencies and public institutions of higher education to demonstrate renewable energy technologies by installing small scale systems.

Sign up to be notified of SECO's funding and incentive opportunities.

<http://seco.cpa.state.tx.us/funding/>

Implementation

- Third Party Inspection
 - Design Phase
 - DB and DBB - 50% and 100%
 - ESPC – before construction activities begin
 - Construction Phase
 - 50% and 100%

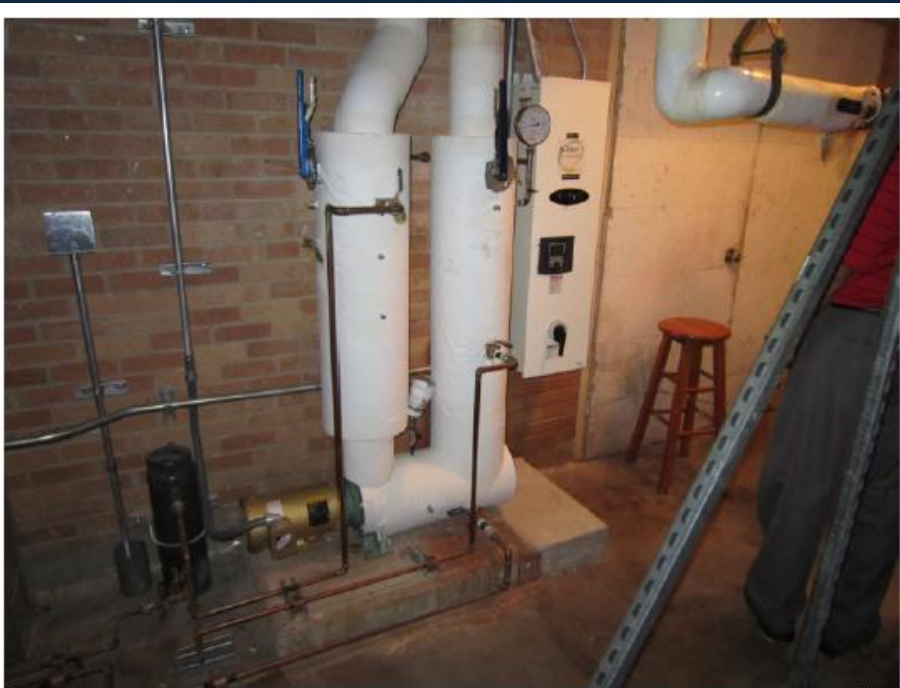
Process

- Reimbursable loans
 - Borrower must approve payment to vendor
 - Submit voucher for reimbursement
- Interest accumulation
 - Interest starts accumulating on reimbursed amount
- Project completion and acceptance
 - Outstanding loan balance – loan reimbursed dollars plus accumulated interest up to the time of the first loan repayment
 - Loan Term – equal to the simple payback in the investment grade audit
 - Quarterly payments – state quarters
- No prepayment penalties

LoanSTAR Impact

- Executed 233 loans totaling \$386,566,967
 - 91 loans to public schools districts
 - 60 loans to public higher education
 - 52 loans to local governments
 - 17 loan to state agencies
 - 13 loans to public hospitals
- Average project/loan payback: 6.9 years
- Total Savings to Date (1990-2013)
 - Avoided Costs/Savings(\$) - \$384,963,475
 - Electric Savings (kWH) – 3,282,736,142
 - Natural Gas Savings (MMBTu) – 12,337,638
 - Chiller Water Savings (MMBTu) – 6,897,619

Brooks Development Authority



New Hot Water Pump Motor and VFD at Bldg. 155



Two New AHU VFDs at Bldg. 155



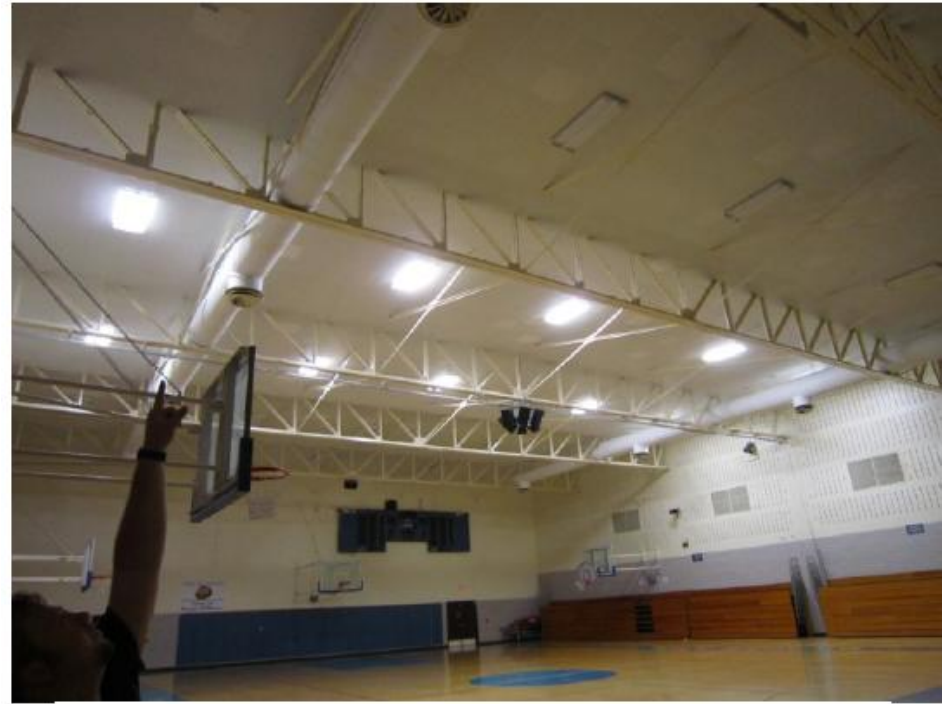
New Chilled Water Pump at Bldg. 155



New 1,000 MBH Boiler and 100 Ton Chiller at
Bldg. 155



Conversion from T-12 Lamps & Mag. Ballasts to
T-8 Lamps & Electronic Ballasts at Bldg. 704



Conversion from Metal Halide to T-5 Fixtures at
Bldg. 940



New Condenser Unit at 127 Vinsant



New Submeter at 127 Vinsant

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