

Dollar and Energy Saving Loan Program



NEBRASKA ENERGY OFFICE (NEO)

Dollar and Energy Saving Loan Program

- Work with Nebraska lenders (banks, credit unions, saving institutions)
- Energy efficiency, renewable energy, alternative fuels & waste minimization
- 1% - 5% loans to individuals, businesses, local governments
- Total 1990 - 2017
 - \$341 million improvements
 - \$297 million loaned
 - \$166 million Energy Office share
 - \$175 million leveraged from lenders and borrowers
 - 28,400 loans
 - 29,020 projects
 - 58,810 conservation measures



Dollar and Energy Saving Loan Program

- Revolving Loan Program
 - Current Loan Pool - \$48 million
 - Original - \$10 million oil overcharge funds
 - Grown with additional oil overcharge funds, interest, state and federal grants, and ARRA funds
 - Loan participation write-offs 1990-2016 – \$149,668 (less than 0.1%)
 - Dollars in the Loan pool have revolved several times over
- Loan Participation Model
 - Lender makes loan to borrower
 - Administers loan & payments; conducts collection activity if needed
 - NEO purchases 50-90% of the loan (e.g., 65% of 3.5% rate loan) at no interest
 - Shares principal payments but not interest so bank earns market rate
 - Eight pre-predefined categories plus "Do-It-Yourself" and ENERGY STAR Five Star Plus Homes



Dollar and Energy Saving Loan Program



Dollar and Energy Saving Loans at Low Interest Rates for Home, Building and System Improvements and More.

<http://www.neo.ne.gov/loan/index.html>

Dollar and Energy Saving Loan Program

TYPICAL IMPROVEMENTS YOU CAN MAKE

Many common home, building or system energy improvements qualify for financing. These projects are generally cost-effective and can be financed with a low-interest loan for up to fifteen years for building improvements, ten years for systems or five years for appliances.

- Refrigerator, freezer, dishwasher, dehumidifier or clothes Washer replacements
- Certain commercial appliance replacements
- Room air conditioner and room heat pump
- Insulation to be added to walls, floors, ceilings, attics and other building envelope surfaces
- Windows, glass doors and exterior doors
- Storm doors and windows



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TYPICAL IMPROVEMENTS YOU CAN MAKE

- Skylight replacements
- Broken windows
- Windows and doors to be replaced with solid walls
- Reflective window film
- Building air leaks to be sealed with caulk and weatherstrip or thresholds
- High efficiency space heating equipment
 - Forced air gas furnace
 - Steam or hot water boiler
 - Combination water and space heater
 - Radiant heating



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TYPICAL IMPROVEMENTS YOU CAN MAKE

- High efficiency space cooling equipment
 - Central air conditioner
 - Air source heat pump
 - Ground water or ground coupled heat pump
 - Packaged terminal heat pump or air conditioner
- High efficiency water heating equipment
- Programmable thermostats, variable frequency drives and other controls
- Duct, pipe and water heater insulation
- Fireplace inserts
- Whole house fans, heat or energy recovery ventilator and outdoor combustion air intake duct



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TYPICAL IMPROVEMENTS YOU CAN MAKE

- High efficiency lighting and controls
- Dedicated alternate fuel vehicles and fueling facilities
- Telecommunications equipment such as network access equipment, video and audio conferencing products and other equipment which save energy by reducing the need for physical transportation
- ENERGY STAR® certified home electronics and office equipment
- Wind, fuel cells, solar hot water and photovoltaic systems
- Other energy efficiency, renewable energy, and waste minimization projects can be financed in some situations



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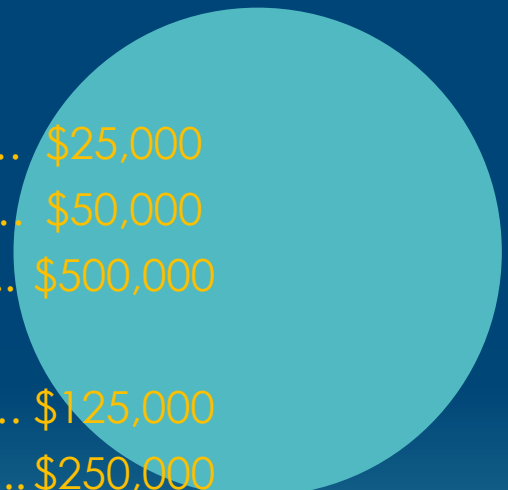
BORROWER MAXIMUMS

- Residences (includes NPPD EnergyWise for individually metered residences)
- Single-family homes (including townhouses and condominiums) \$125,000
- Multi-family buildings \$250,000
- ENERGY STAR® Partner (a federal partnership for businesses, manufacturers and institutions to improve energy performance in their facilities and operations) \$500,000
- Nebraska businesses and non-profits \$500,000
- Farms and ranches (producing at least \$1,000 of agricultural products during a calendar year) \$500,000
- Governments (all political subdivisions except state government) \$500,000
- Telecommunications projects \$250,000
- Dedicated alternate fuel projects \$500,000

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BORROWER MAXIMUMS

- ENERGY STAR® certified equipment
 - Home \$25,000
 - Office \$50,000
- Public school districts \$500,000
- Wind, solar and fuel cell projects
 - Single family \$125,000
 - Multi-family \$250,000
 - Other loan categories \$500,000
- Solar hot water heating systems
 - Single family \$14,000



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LOAN FORMS

Specific energy efficiency requirements are listed on the forms for each project.

- Form 1: Appliance Replacement
- Form 2: Door, Window, Wall and Ceiling Projects (if your project includes siding, roofing, windows or doors, you must attach supplemental Forms 2 Siding, 2 Roofing, or 2 Window/Door)
- Form 3: Heating, Cooling and Water Heating Projects
- Form 4: Lighting Projects
- Form 7: Dedicated Alternate Fuel Vehicles and Fueling Facilities
- Form 8: Telecommunications Equipment
- Form 9: ENERGY STAR® Certified Home Electronics and Office Equipment
- Form 20: Wind, Solar and Fuel Cell Application
- Form A: United States Citizenship Attestation (for individuals and sole proprietorships)
- Form B: Project Start Notification (for all projects except emergency approvals)



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PRICE QUOTES AND BIDS

Obtain price quotes or bids from contractors, dealers or installers for the desired projects, but **do not proceed with any work or contractually obligate yourself to proceed**. If you do, you lose your eligibility to finance the project through the Energy Office. You may get a bid or quote, or you may sign contingent on Energy Office approval of your project. Only one bid or quote is required by the Energy Office. However, it is prudent to compare several bids or quotes and some lenders may require more than one. If there is a minimum performance requirement for a particular project, such as a heating or cooling unit, make sure the bidder is aware of the requirement and ask the bidder to mark the performance factor on the bid form



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PRICE QUOTES AND BIDS

If more than one project is included on a bid form, or if there is additional work which does not qualify for low-interest financing, costs of each qualifying project must be itemized.

Complete all the information requested on each form and attach the price quotes or bids that you intend to accept. You may install projects yourself, but may not include the value of your labor in the project cost. If the project will result in a rebate, the amount of that rebate must be deducted from the project cost.



Dollar and Energy Saving Loan Program

GO TO YOUR LENDER

Energy loans are available statewide. Take the completed forms to a participating lender — a Nebraska bank, savings institution or credit union of your choice. Most financial institutions in Nebraska offer Dollar and Energy Saving Loans. If your present financial institution does not, contact the Energy Office for names of participating lenders in your area. You must provide the information required by the lender to complete your loan application and determine that you meet the institution's credit requirements. Lenders are encouraged to make these loans for the maximum term. If your lender does not, or if you are not satisfied with fees or other details of the loan, you may want to contact another participating lender.



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GO TO YOUR LENDER

The lender will approve your loan application subject to the Energy Office's commitment of funds. After the Energy Office reviews your project and reserves funds for your loan, your lender will notify you to proceed with your project. **Do not begin any part of the project until your lender notifies you of the Energy Office's commitment.**

Your lender will notify you when to proceed with the work. All qualifying work should be completed within five months after the Energy Office's commitment of funds. When completed, notify the lender to finalize any remaining details.

Start repaying your loan while you enjoy the lower energy bills and operating costs provided by the improvements you have made.



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EMERGENCIES

Projects may not be started prior to Energy Office commitment of funds to your lender except in two emergency situations:

- When a heating system fails or is red-tagged during the winter months of September through May,
- When a cooling system fails during the summer months and immediate replacement is essential for verifiable medical reasons.

In either case, the lender must obtain Energy Office approval for immediate installation of qualifying equipment. Then the improvement may be financed with a conventional loan until the Energy Office commits funds to refinance the balance with an energy loan.

Equipment installed in an emergency must still meet minimum performance requirements and the borrower must still meet the lender's credit requirements.



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GETTING A LOAN FOR OTHER IMPROVEMENTS

If you want to make an improvement or purchase equipment which is not listed on Forms 1-4, 7-9 or 20, you may be able to qualify for financing by demonstrating that the project will pay for itself within 15 years for building improvements, 5 years for replacement appliances or home electronics and office equipment or 10 years for all others. This is done with a professional technical analysis or a self-prepared analysis. If you need technical assistance to determine what improvements or equipment are appropriate for your project, you may want a professional analysis done.



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GETTING A LOAN FOR OTHER IMPROVEMENTS

Do it Yourself Analysis and More

Forms 32 and 33 provide a simple energy saving analysis which you can complete yourself. Form 36 provides the format for doing the same on waste minimization projects. Free or low-cost energy audits may also be available from your local electric or natural gas utility. If these are unavailable or not appropriate, you may seek assistance from a professional engineer, architect or other licensed or certified technician. When a third party prepares the technical analysis, that person must complete and sign an Analyst No Interest Statement, and the borrower must complete the Utility Records Release, both on Form 34.



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GETTING A LOAN FOR OTHER IMPROVEMENTS

Do it Yourself Analysis and More

Submit the completed analysis of the energy saving improvement(s) or waste minimization project(s), with all supporting documentation, to the Energy Office. The Office will review it to make sure that savings estimates are reasonable or the waste minimization project qualifies, and will return a Technical Analysis Acceptance, Form 6, to the participating lender you designate. This form lists those improvements or projects identified in the analysis which qualify for a Dollar and Energy Saving Loan. Meet with your lender when form 6 is received and proceed with financing the qualifying improvement(s) or project(s). The cost of an analysis prepared by a third party may be added to a Dollar and Energy Saving Loan as a part of the cost of the project.



Dollar and Energy Saving Loan Program

GETTING A LOAN FOR OTHER IMPROVEMENTS

Technical Analysis Loans

A technical analysis of energy saving improvements or waste minimization projects may be financed with a Dollar and Energy Saving Loan provided it will be done, as appropriate, by a Professional Engineer or Architect, Certified Energy Manager, Certified Lighting Efficiency Professional or Home Energy Rater. Use Forms 30 and 31 to apply for a technical analysis loan through a participating Nebraska lender.



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LOAN PARTICULARS AND INCIDENTAL COSTS

- All eligible project costs can be financed with a loan. However, the total amount borrowed by any one individual, business or organization may not exceed the limits listed. A borrower may choose to finance less than 100% of the cost of the improvements.
- Loans can only be made for the cost of goods and services, not for labor provided by the borrower.
- The only fees a participating lender may charge are out-of-pocket expenses, a physical inspection fee of up to \$100, a loan fee to cover indirect or overhead costs up to \$100, a 1% origination fee if the term of the loan is for at least seven years and a 2% origination fee if the term of the loan is for the maximum length of time* — ten or more years for home, building and system improvements, five years for appliance replacements and the simple payback period rounded up to the nearest year for projects requiring an energy audit.



*(on a 10 year loan, you cannot charge both a 1 percent and 2 percent fee)

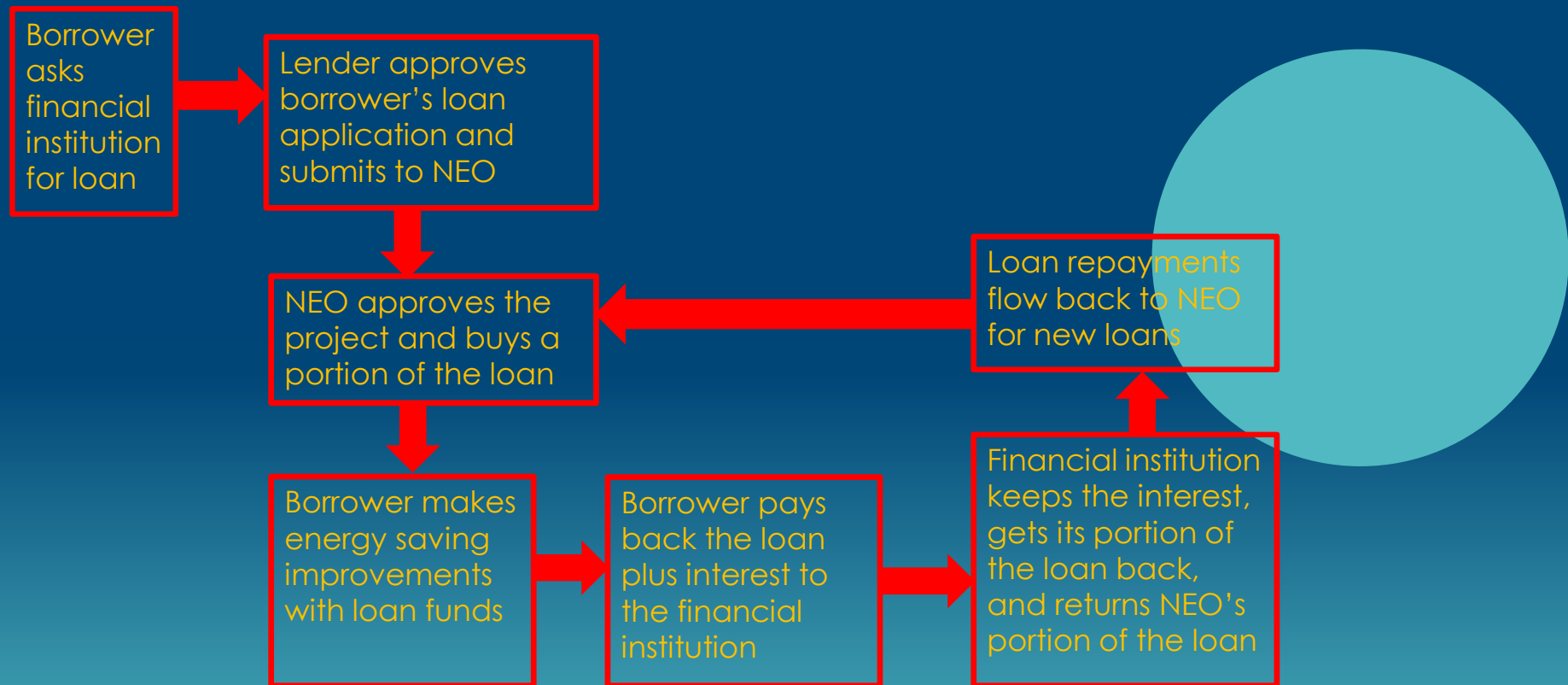
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LOAN PARTICULARS AND INCIDENTAL COSTS

- Maximum length of the loan may vary Loan Particulars and Incidental Costs for other types of projects. Consult the specific application form for the maximum length of the loan. Also, the maximum length may be determined by the minimum monthly payment requirement: \$25 for appliances and home and office equipment and \$50 for all others. If a lender charges any of these fees, the final annual percentage rate on your loan may be higher than the program's simple interest rate.
- Only legal residents of Nebraska may apply for loans. A legal resident is a Nebraska taxpayer, a Nebraska partnership, a Nebraska-chartered corporation, a subdivision of Nebraska government or a person who has maintained a permanent residence and lived in the state for more than six months. Residency requirements may differ for ENERGY STAR® business or non-profit partners.
- All projects financed must be on property located in Nebraska.



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ARRA PROGRAM FUNDING

\$12,451,689 – 2012

As of June 30, 2017:

Loan Participations Made - \$20,518,290

Loan Participations Repaid - \$9,868,654

Loan Participations Outstanding - \$10,649,636

TOTAL LEVERAGED FUNDS - \$13,928,553



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ARRA PROGRAM FUNDING

Breakout of Loan Participations

Agricultural: 1 - \$15,052

Commercial: 17 - \$105,074

Residential: 923 - \$15,902,932

Public Institution: 1 - \$4,495,232 (lease-purchase for UNMC)

Non-Principal income - \$317,153

Administrative Outlays - \$257,600

No Defaults to Date



Dollar and Energy Saving Loan Program

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