

American Recovery and Reinvestment Act (ARRA)

LOW INTEREST LOANS

No application fees, points, or hidden costs

Interest Rate
1%

FINANCING FOR ENERGY EFFICIENCY
& ENERGY GENERATION PROJECTS

APPLICATION

- Public Schools & colleges
- Local Governments
- Special Districts
- Public Hospitals
- Public Care Institutions



ARNOLD SCHWARZENEGGER
Governor

California Energy Commission

www.energy.ca.gov/efficiency/financing/
Phone: (916) 654-4104

FINANCING FOR ENERGY EFFICIENCY

Are You Eligible?

- Public Schools and Colleges
- Cities
- Counties
- Special Districts
- Public Hospitals
- Public Care Institutions

NOTE: Projects on facilities owned or operated by the State of California do NOT qualify for ARRA loan funding.

What projects are prohibited?

All projects that are not consistent with the ARRA project funding criteria, including:

- Swimming Pools
- Gambling Establishments
- Aquariums
- Zoos
- Golf Courses

What are the requirements?

The terms and conditions of the **1 percent interest rate loan** require accountability requirements for tracking and monthly reporting of the funds.

Loan recipients must account for these funds separately to meet ARRA federal reporting requirements.

- All projects must be completed and loans fully disbursed (i.e. all invoices must be submitted and paid) on or before **March 31, 2012**.
- Loan recipients must adhere to all ARRA monthly reporting, auditing and other requirements as detailed in the loan agreement.

- ARRA loan funds may only be used to **supplement** and may not be used to supplant funds already committed or expected to be received in support of the loan funded project.

- ARRA funded loans will be amortized on the estimated annual energy cost savings achieved by the loan-funded project.

- Recipients must have DUNS Number. *Dun & Bradstreet (D&B) is a unique nine digit identification number. To request your D-U-N-S Number via the Web go to:* www.dnb.com/duns_update

- Recipients must be registered with Central Contractor Registration (CCR). *To register via the Web go to:* www.bpn.gov/ccr/

- Recipients must be in full compliance with the Single Audit Act requirements. *For more information please contact the California State Controller's Office at:* singleaudits@sco.ca.gov

What projects are eligible?

Projects with proven energy and/or capacity savings are eligible, provided they meet the eligibility requirements for Energy Conservation Assistance Account (ECAA) loans.

You can purchase and install commercially available energy efficiency equipment with proven energy and/or capacity savings.

Examples of qualified projects:

- Lighting
- Heating and air conditioning systems
- Motors and pumps
- Automated energy management systems and controls
- Cogeneration equipment
- Light emitting diode (LED) traffic signal modules
- Renewable energy systems
- Thermal energy storage systems

Projects already funded with an existing loan or already installed are ineligible. Please call if you have any questions.

When Can You Start Your Project?

Your application must be approved before you can start your project, and **only project-related costs that are invoiced and paid for after Energy Commission approval may be included in the loan request.**

Applicants assume all financial risk should the Energy Commission not approve the application or if all loan documents are not executed. If the loan is not approved for any reason, the Energy Commission is not responsible for reimbursement of any costs.

Does Your Facility Qualify?

Existing buildings or other energy using facilities are eligible. Some new buildings and facilities may also be eligible.

How Much is Available?

Please call for latest funding availability. Loans can finance up to 100 percent of the project costs.

When Should You Submit Your Application?

Now! Applications for funding will be accepted on a first come, first served basis, and reviewed by a technical committee.

The Energy Commission reserves the right to close the solicitation period at any time, so don't delay. Don't miss this opportunity.

Criteria for Loan Approval

A feasibility study is required to verify savings. Energy efficiency projects must be technically and economically feasible.

Loans must be repaid from savings within 15 years, including principal and interest.

This results in an approximate 13 year simple payback.

Simple payback is calculated by dividing the dollar amount of the loan by the anticipated annual energy cost savings:

$$\text{Simple Payback (yrs)} = \frac{\text{Amount of Loan (\$)}}{\text{Anticipated Annual Energy Cost Savings (\$/yr)}}$$

Loans for energy projects must be repaid from energy cost savings within 15 years, including principal and interest (approximately 13 years simple payback).

Interest Rate

The interest rate is a fixed for the term of the loan.

- The loan term cannot exceed the useful life of loan-funded equipment.
- Only approved project-related costs with invoices dated after loans are officially awarded by the Energy Commission are eligible to be reimbursed from loan funds. If the application is not approved for any reason, the Energy Commission is not responsible for reimbursement of any costs.

Loan Security Requirements

It's simple. A promissory note and a loan agreement between you and the Energy Commission are all that is required to secure the loan. Please call to get a copy of these documents or you can download them at: www.energy.ca.gov/efficiency/financing/

How Are Funds Disbursed?

The funds are available on a reimbursement basis. For each reimbursement request, receipts and invoices for incurred expenses must be submitted along with payment verification.

The final 10 percent of the funds will be retained until the project is completed.

Interest is charged on the unpaid principal computed from the date of each disbursement to the borrower.

Repayment Terms

The repayment schedule is based on the estimated annual projected energy cost savings from the aggregated project(s), using energy costs and operating schedules at the time of loan approval.

ARRA funded loans will be amortized on the estimated annual energy cost savings achieved by the loan-funded project.

Applicants will be billed twice a year after the projects are completed.

THE APPLICATION

How Do You Apply? Unless otherwise specified in the “Other Information” column, just submit the information shown below or go to <http://www.energy.ca.gov/efficiency/financing/index.html>, download the Word file, and fill it out on your computer.

Your application must be complete before processing can begin. For incomplete applications, information must be received within a specific time or the application will be returned unprocessed.

Attach to application	Copies Needed	Other Information
Completed and signed loan application	Original plus one copy	
Completed Summary of Recommended Energy Efficiency Measures in Loan Request Table	One copy	
Feasibility Study	One copy	The study must contain: a) description of energy efficiency projects and buildings/ facilities affected by these projects, b) discussion of baseline energy use for the affected facilities, including annual energy related utility bills, c) all calculations and assumptions to support the technical feasibility and energy savings of the recommended projects, d) proposed budget detailing all project costs, and e) proposed schedule for implementation of the projects.
Copy of a signed resolution, motion, order, etc. from your governing board (see sample).	One copy	The resolution must be submitted with the application. The title of the official signing the loan agreement must be the same one named in the resolution, motion, or order.

CEQA Compliance Documentation	One copy	<p>Include a copy of documentation demonstrating that the applicant has complied with the California Environmental Quality Act (CEQA) in approving the project. There are three possible actions the applicant can take. The applicant could determine that the activity undertaken by the loan is:</p> <ul style="list-style-type: none"> • Not a project (include analysis supporting the conclusion that the activity is not a project); or • A project that is exempt (include the Notice of Exemption); or • The project is not exempt, in which case the applicant should indicate which type of environmental document it has prepared: <ul style="list-style-type: none"> --Negative Declaration (include the Notice of Determination) --Mitigated Negative Declaration (include the Notice of Determination) --Environmental Impact Report. (Include the Notice of Determination.)
Copy of agenda item (staff report) accompanying resolution	One copy	<p>The agenda item and/or the resolution should include the finding on CEQA compliance.</p> <ul style="list-style-type: none"> • If the CEQA finding is in the agenda item, include both the item and the resolution. • If the CEQA finding is in the resolution, application does not need to include a copy of the agenda item
<p>* If you are submitting multiple applications, please put each application package in a separate envelope. If the energy audit/feasibility study is used to justify energy efficiency projects in multiple applications, submit one copy of the audit/study and indicate the application package that contains the audit/study.</p>		

For Help Call (916) 654-4104



Where Do I Submit My Application?

Send your application package with the specified copies to:

California Energy Commission
Special Projects Office
Attn: ECAA Loan Program
1516 Ninth Street, MS 42
Sacramento, CA 95814-5512



Who Do I Call?

Call the California Energy Commission at (916) 654-4104 to discuss project and facility eligibility, funding availability, and application requirements.

Energy Commission staff will review your application and contact you within 15 days. It may be necessary to arrange a site visit to discuss your project and loan request.

For Help Call (916) 654-4104

APPLICATION FOR ENERGY COMMISSION

1. APPLICANT INFORMATION

Applicant:		
DUNS* Number:		
Attach additional documentation (see Table on previous page showing items to attach to application)		
Mailing Address:	City:	Zip:
Street Address:	City:	Zip:
County:		
Contact Person:	Title:	
E-mail:	Phone:	Fax:

*DUNS Number is issued by Dun & Bradstreet (D&B). It is a unique nine digit identification number. To request your D-U-N-S Number via the Web go to: www.dnb.com/us/duns_update

2. PROJECT INFORMATION

A. Has any funding (such as local funds or other available funds) been previously committed or approved for this project?

- Yes If yes, please complete Section B:
 No

B.

Source of Funds approved/committed: Provide details:
Amount of funding approved:

*ARRA loan funds may only be used to **supplement** and may not be used to supplant funds already committed or expected to be received in support of the loan funded project.*

For Help Call (916) 654-4104

C. Has your agency applied for, expect to apply for, or received any utility rebates/incentives?

- Yes If yes, please complete Section D:
 No

D.

Source of Rebates/Incentives:

Amount :

3. PROJECT SCHEDULE

Project

Estimated start date:

Project

Estimated completion date:

- **Projects must be completed and loans fully disbursed on or before March 31, 2012.**

4. PROJECT BUDGET

Total project costs
(include all installation costs):

Amount requested from
the Energy Commission:

5. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) COMPLIANCE

A. Is there documentation demonstrating your compliance with CEQA?

- Yes, Go to B.
 No, STOP: Please complete CEQA compliance documentation before submitting application.

B. What finding did your governing body make? Activity funded by the loan is:

- Not a project.
 Is a project, and is exempt: List applicable exemption:
___ Statutory (list code section): _____
___ Categorical (list section from CEQA Guidelines): ___ 14 CCR _____

- Is a project that is not exempt.
Applicant prepared the following environmental document:
___ Initial study + Negative Declaration
___ Initial study + Mitigated Negative Declaration
___ Environmental Impact Report
___ Other (describe)

Notice of Determination filed? Date: _____

6. SINGLE AUDIT ACT REQUIREMENTS

Please select one of the following:

- We are in full compliance with Single Audit Act requirements.
- We are exempt from Single Audit Act requirements.
- We are unsure whether we are in compliance with the Single Audit Act requirements. We have contacted the California State Controller's Office at singleaudits@sco.ca.gov to determine our status.
- We are not in compliance with Single Audit Act requirements. Please explain:

7. WHERE DID YOU HEAR ABOUT OUR PROGRAM?

Please tell us where you heard about our loan program.

- Energy Commission Website
- Energy Commission Staff Presentation
- Literature at Trade Show or Workshop
- Utility Company
- Recommendation by Another Public Agency
- Other (please specify)

8. CERTIFICATION

To the best of my knowledge and belief, the data in this application are correct and complete.

Name of Authorized Representative:		
Title:		
Signature of Authorized Representative:		
Date:	Phone:	Fax:

For Help Call (916) 654-4104

Summary of Recommended Energy Efficiency Measures in Loan Request

For each application, list the projects for which you are requesting a loan and identify the savings, project cost and payback for each project. Total the savings and project cost at the end of the table. Insert more rows as needed.

Project	Peak Demand Savings (kW)	Annual Electric Savings (kWh)	Annual Natural Gas Savings (therms)	Annual Other Energy Savings (specify units)	Annual Cost Savings	Project Installation Cost	Simple Payback (years)
Example: Install T8 lamps and electronic ballasts	48	266,405	0	0	\$24,113	\$100,790	4.2
TOTAL							

For Help Call (916) 654-4104

SAMPLE RESOLUTION

RESOLUTION NO. _____

Resolution of

Name of Institution or Organization

WHEREAS, the California Energy Commission provides loans to schools, hospitals, local governments, special districts, and public care institutions to finance energy efficiency improvements;

NOW THEREFORE, BE IT RESOLVED, that _____
Governing Body

authorizes _____ to apply for an energy efficiency
Name of Institution or Organization
loan from the California Energy Commission to implement energy efficiency measures.

BE IT ALSO RESOLVED, that in compliance with the California Environmental Quality Act (CEQA), _____ (Governing Body) finds that the activity funded by the loan is _____ (not a project because ___) or (a project that is exempt under ___ because ___) or (a project and ___ document was prepared.)

BE IT ALSO RESOLVED, that if recommended for funding by the California Energy Commission, the _____ authorizes _____
Governing Body *Institution or Organization*
to accept a loan up to \$ _____.
Loan amount requested

BE IT ALSO RESOLVED, that the amount of the loan will be paid in full, plus interest, under the terms and conditions of the Loan Agreement, Promissory Note and Tax Certificate of the California Energy Commission.

BE IT FURTHER RESOLVED, that _____ is hereby
Title of Designated Official
authorized and empowered to execute in the name of _____
Institution or Organization

all necessary documents to implement and carry out the purpose of this resolution, and to undertake all actions necessary to undertake and complete the energy efficiency projects.

Passed, Approved and Adopted this _____ day of _____, _____.
Month *Year*

Governing Board Representatives:

Arnold Schwarzenegger
Governor



California Energy Commission

Karen Douglas
Chairman

James D. Boyd
Vice Chair

Commissioners
Arthur H. Rosenfeld
Jeffrey D. Byron
Julia Levin

Melissa A. Jones
Executive Director