



Presentation to the
Alternative Energy and Environment
Committee

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AMBAG Energy Watch

ENERGY CONSERVATION ASSISTANCE ACT (ECAA)

No application fees, points, or hidden costs

Eligible Applicants: Only the following entities are eligible for these funds:
Cities, Counties, Special Districts, Public College or University (except community colleges), and Public Care
Institutions/ Public Hospitals

Interest Rate
1% Loans

FINANCING FOR ENERGY EFFICIENCY
& ENERGY GENERATION PROJECTS

NOTICE
and
APPLICATION



P O N - 1 3 - 4 0 1 Release Date:
M a y 2 , 2 0 1 4

EDMUND G. (JERRY) BROWN JR.
Governor

California Energy Commission

<http://www.energy.ca.gov/efficiency/financing/index.html>

Phone: (916) 654-4104 and (916) 654-4550

FINANCING FOR ENERGY EFFICIENCY

Who is Eligible?

Only the following entities are eligible for these funds:

- ☐ Cities
- ☐ Counties
- ☐ Special Districts
- ☐ Public College or University (except community colleges)
- ☐ Public Care Institutions/ Public Hospitals

*Residential and commercial projects and are **not** eligible for these funds.*

Interest Rate:

The interest rate is fixed at 1% for the term of the loan.

Repayment Terms:

Loans must be repaid from energy cost savings or other legally available funds within a maximum term of 20 years (including principal and interest). The repayment schedule is based on the estimated annual energy cost savings from the aggregated project(s), using energy costs and operating schedules at the time of loan approval.

The loan repayment term cannot exceed the useful life of the loan funded equipment. Loans will be amortized on the estimated annual energy cost savings achieved by the loan-funded project. Applicants will be billed twice a year, in June and December, after the projects are completed.

If the project is located in a leased building, the loan repayment term cannot exceed the remaining term of the lease.

The loan repayment term cannot exceed the time it takes to recover project costs (plus interest) in energy savings. The Energy Commission will amortize the loan based on the number of years borrower needs to repay principal and interest with energy cost savings. The scheduled repayments will not go beyond the period to recoup project 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.

How Much Funding is Available?

Before applying, please contact us first for the most current funding availability information!

Approximately \$6 Million in loan funding is expected to be available during Fiscal Year 2014-15. The Energy Commission reserves the right to increase the amount of funds under this loan notice when additional loan funds become available.

The Energy Commission reserves the right to:

- increase the amount of funds under this loan notice when additional loan funds become available.
- add funding sources under this loan notice if and when additional funding sources become available.

The maximum loan amount is \$3 million per applicant.

There is no minimum loan amount. A loan applicant can apply for an additional loan if additional funding becomes available, and when the applicant's loan project is complete.

What is the Funding Source?

Funds used in this loan notice originate from one or more of the following:

- Energy Conservation Assistance Act (ECAA)
- Bond Proceeds from ECAA Tax-Exempt Revenue Bonds

Loan Terms and Conditions

Loans Terms and Conditions are posted at this link: <http://www.energy.ca.gov/efficiency/financing/>

Applicants must review the loan documents before submitting an application. Please refer to the loan documents posted for PON-13-401:

- Bond Loan Documents
- Non-Bond Loan Documents

When Should Applications be submitted?

Complete applications will be processed and reviewed by technical staff in the order received. Applications are deemed complete when all necessary documentation is submitted to verify eligibility and compliance with all requirements. In the event that there are two or more complete applications received on the same date and time, the application with the lowest simple payback is given the higher priority ranking in the case of a waiting list.

The Energy Commission reserves the right to close or change the loan notice at any time.

How are Loan 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 proof of payment. The final 10 percent of the funds will be retained until the project is completed. Interest is charged on the unpaid principal balance of the loan computed from the date of each disbursement to the borrower.

What Projects are Eligible?

Projects with proven energy and/or demand cost savings are eligible, provided they meet the ECAA eligibility requirements (see Criteria for Loan Approval below). Projects already funded with an existing loan or already installed are ineligible.

Examples of Qualified Projects:

- Lighting systems
- Heating, ventilation and air conditioning equipment
- Streetlights and LED traffic signals
- Energy management systems and equipment controls
- Pumps and motors
- Building insulation
- Energy generation including renewable energy and combined heat and power projects
- Water and waste water treatment equipment

- Load shifting projects, such as thermal energy storage

When Can Projects Begin?

A loan agreement must be fully executed (i.e. signed by the Energy Commission and loan applicant) before you can start your project. Only approved project-related costs with invoices dated within the term of the executed agreement are eligible for reimbursement under the loan. If the loan is not approved or executed, the Energy Commission is not responsible for reimbursement of any costs.

Project Criteria for loan approval:

- Projects must be technically and economically feasible. A feasibility study is required to verify the estimated energy savings.
- Simple Payback requirement: The loan can fund 100% of the project cost within a 17 year (maximum) simple payback. The loan must be repaid from energy savings (including principal and interest) within a maximum of 20 years.

Simple Payback:

The loan must have a (Simple) payback within a (maximum) term of 17 years. To calculate the simple payback of the project (all of the individual energy measures combined are considered the “project”), divide the amount of the loan request by the total annual savings (\$).

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

This calculation shows how fast the projects will “payback” on the initial investment.

Other Requirements:

- All documents are public records and will not be kept confidential.
- Certain loans will require a tax certificate.

How to Apply? Simply submit the following information:

1. Completed and signed ***Loan Application*** (Attachment 1).
2. Completed ***Summary of Recommended Energy Efficiency Measures in Loan Request Table*** (Attachment 2).

Feasibility Study (may be submitted via CD or flash drive). 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.

If the feasibility study identifies maintenance and operating procedures, applicant shall include estimated date of implementation or provide reason for not implementing.

3. Copy of a signed ***resolution, motion, order, etc. from your governing board*** (see Attachment 3 for a sample). The resolution must be submitted with the application. The title of the official signing the loan agreement should be the same one named in the resolution, motion, or order.

The resolution/agenda item must include the finding on CEQA compliance.

- 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.

4. ***California Environmental Quality Act (CEQA) Compliance Documentation*** (See Attachment 4 for more information). Include a copy of documentation demonstrating that the applicant has complied with 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:

- Not a project (include a statement that all projects in the loan are not CEQA projects, and analysis supporting the conclusion that the activity is not a project);
- A project that is EXEMPT:
Include the Notice of Exemption if filed by applicant;
- The project is NOT EXEMPT:
If the project is NOT EXEMPT, include the Notice of Determination and indicate which type of environmental document it has prepared:
 - Negative Declaration
 - Mitigated Negative Declaration
 - Environmental Impact Report

5. **Utility Billing Data**

The applicant must submit copies of 12 months of past usage and billing records from electric and natural gas utilities. This can be submitted to the Energy Commission by one of the following ways:

- Include a Utility Authorization form to allow the Commission to receive/view the last 12 months energy bills directly **OR**
- Submit a feasibility study/audit (completed within past two years) that includes the 12 months of utility and billing data **OR**
- Include copies of 12 months of utility bills- either in hard copy, or on a CD or flash drive

Application Review Process:

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

Attachments to this Loan Notice:

Attachment 1: Loan Application for Energy Commission Financing

Attachment 2: Summary of Recommended Energy Efficiency Measures in Loan Request



SEED Fund

Collaborative Solar Procurement for Public Agencies

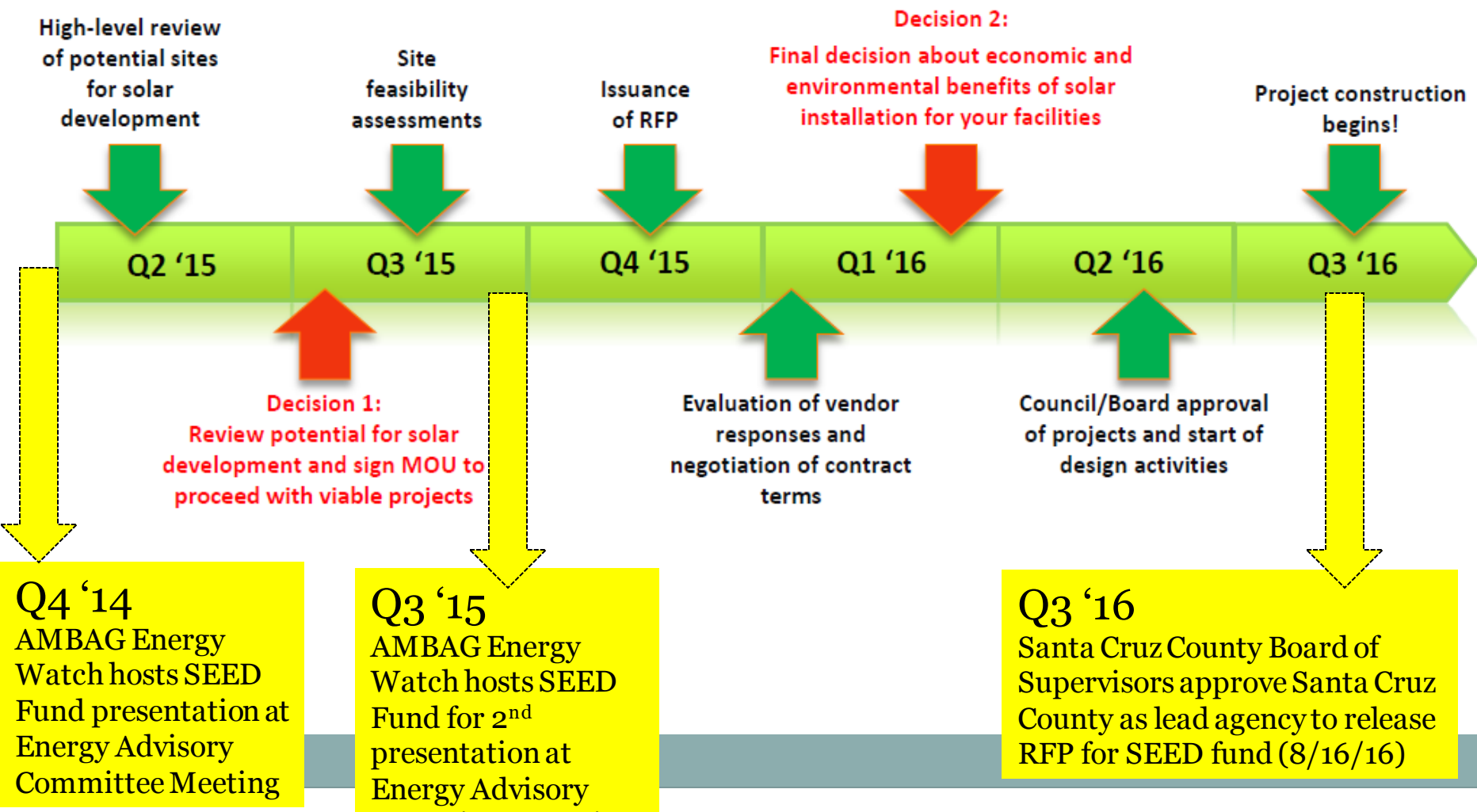




Goals of SEED Fund

- Use State funding to develop collaborative solar procurement for government agencies in the Monterey Bay Area
- Bring at least 5 MW of new public renewable energy on line
- Realize **10-12%** in total project cost savings
- Reduce transaction costs and administrative effort by **50-70%**
- Deliver collaboration support for 1.5-2% of total contracted solar project costs – NO upfront costs to participants
- Secure agreements to build collaboration costs into solar contracts
- Create significant new economic activity and jobs
- Leverage regional initiatives for education and workforce development
- Attract additional funding for long-term sustainability of the fund

Original Program Timeline





Questions?

Thank you!