



Energy Loan Program

Division of Energy fact sheet

5/2015

Energy Loan Program:

The Energy Loan Program provides loan financing to eligible recipients for energy-saving investments to reduce energy use and cost.

Eligible Recipients

- Public Schools (K-12)
- City and County Governments
- Public and Private Higher Education Institutions
- Public and Private Not-for-Profit Hospitals

Benefit to Recipients

- Loan recipients will benefit from reduced energy cost and increased comfort of building occupants.
- Loan financing frees up tax dollars that school districts, higher education facilities and local governments can use for essential services or other capital improvements.
- Loan recipients repay the loan with money saved on energy costs as a result of implementing energy-efficiency projects.
- An energy saving loan is not defined as debt and therefore does not count against debt limits or require a public vote or bond issuance.

Examples of Eligible Loan Activities

- High efficiency heating, ventilation and air conditioning systems, boilers heat pumps and other heating and air conditioning projects.
- Energy efficient fine bubble diffusers and high efficiency pumps for waste water treatment plants.
- High efficiency lighting fixtures and lamps.
- Building shell improvements such as insulation and other infiltration measures.

Loan Cycles, Terms of Loan and Repayment

- Loan cycles and time for submission of applications is announced in the Missouri Register, through news releases, electronic mail announcements, the department's website and links to stakeholder groups.
- Typically loan cycles are announced in the spring with applications submitted in the fall and loans awarded by the end of the year for the following construction season.

- Interest rates are set at below market rates – typically from two to four percent simple interest.
- The terms of loan repayment is typically 10 years or less.

Process and Selection Criteria

- Recipients of loan financing will be determined on a competitive basis.
- Applications will be ranked based on the project's payback score, which will be determined by dividing the cost to implement a project by the estimated yearly energy cost savings.
- Projects with the lowest payback will be funded until all available funds are allocated

For More Information

- An Energy Loan Program Application Form and General Information, including quick start guidelines, may be found on the department's website:
<http://energy.mo.gov/energy/communities/assistance-programs/energy-loan-program>
- Missouri Department of Economic Development
Division of Energy
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