Financing your Energy Efficiency Projects with the Division of Energy’s
*Energy Loan Program*
Energy Loan Program

History

Since the Energy Loan Program’s inception in 1989, the Division of Energy has awarded more than 612 loans resulting in more than $114 million in completed energy efficiency projects and more than $199 million in estimated cumulative energy savings.
Purpose

• Help fund energy efficiency improvements for:
  ▪ Schools (K-12, universities, public & private not-for-profit)
  ▪ Hospitals (public & private not-for-profit)
  ▪ Local governments
  ▪ Local government/public owned airport facilities (municipal, county, regional, and international)
  ▪ Public water and wastewater treatment facilities

• Help finance upgrades on new construction encouraging energy efficiency design

• Help finance renewable energy projects
Application

• Application process is user friendly

  $\sqrt{\text{Online Excel Spreadsheet Application}}$

• Simple projects such as lighting upgrades can be documented with worksheets in the application

• Energy audit calculations and reports are acceptable
Project Examples

- Lighting
- HVAC
- Boiler upgrades
- Chiller upgrades
- Renewable energy projects
- Process Equipment
- Insulation upgrades
- Compressed Natural Gas Fleet
- Combined Heat and Power
Open Cycle

• How much can you apply for?
  • Typically $10,000 - $1 million
  • Projects greater than $1 million will be considered if funds remain

How much can you be approved for?
  • The project cost or 8.6 x Energy Cost Savings, whichever is lower
Typical Loan Cycle Timeline

Announcing Cycle
ELP determines loan interest, eligible entities, date to accept applications, and deadline. In addition, it files with SOS for the new loan cycle. The announcement is made through press releases, mailing, e-mail blast, personal contacts, presentations, conferences, and monthly newsletter during open cycle. Application is available online at https://energyloan.mo.gov/.

Deadlines

Initial Review
ELP staff review each application to ensure completeness: Application Authorization Form signature, energy bills, description of scope, equipment brochures, estimated costs, analysis of energy savings, simple payback, and verification to meet ASHRAE level 2 audit. ELP will also notify DESE, DHE, DNR, DHSS, and DED Business & Community Services for applicants in their respective entity type.

Technical Review
DE engineering staff review energy study and request additional information to confirm energy cost savings if needed. Staff determine if the project analysis is technically sound and cost savings projections are reasonable. The project can be approved as submitted or approved with indicated revisions.

Final Review
ELP staff confirm projects meet rules and regulations of the ELP including ranking parameter. Potential applicants are recommended to management team. Applicants are contacted with recommended loan amounts. Final loan documents, including loan agreement, are mailed to applicants.

Construction
Loan recipients have 18 months to complete construction. ELP staff conduct an initial communication after receipt of fully executed loan documents, monthly contacts during construction, and on-site monitoring visits after construction is complete and before reimbursement.

Reimbursement
Loan recipients submit reimbursement requests for project expenses in accordance with loan agreements. ELP staff review and approve reimbursements within 2 weeks. ELP staff mail Promissory Note and satisfaction survey to recipient after reimbursement is deposited.

Application Deadline
Complete application includes: loan application (fillable spreadsheet or PDF), 12 months of energy bills, energy study, and signed Authorization Form. The application can be emailed or mailed to the Division of Energy.

Technical Review
DE engineering staff review energy study and request additional information to confirm energy cost savings if needed. Staff determine if the project analysis is technically sound and cost savings projections are reasonable. The project can be approved as submitted or approved with indicated revisions.

Announcement
Announcement of loan awards for the cycle is made through press release, both DE and ELP websites, social media, and letters to respective legislators.

Reimbursement
Loan recipients submit reimbursement requests for project expenses in accordance with loan agreements. ELP staff review and approve reimbursements within 2 weeks. ELP staff mail Promissory Note and satisfaction survey to recipient after reimbursement is deposited.
Benefits

• Low-interest loans compare favorably to bonds or commercial loans
• Increased occupant comfort
• Free up your tax dollars for other essential services
• Expedite capital improvements
• Create jobs in your community
Reimbursement and Loan Repayment

• Once the project is complete, recipients submit their Reimbursement Request, Final Project Cost Report, invoices, and canceled checks to the Division Energy for review and reimbursement.

• The first payment is typically due 120 days from the date of reimbursement and loan recipients repay the Division of Energy in semi-annual payments.

• Loans are repaid from the savings that are generated by the energy-efficiency projects.
FY2012 Project:
Harrisonville Wastewater Treatment Plant

- **Loan Amount**: $380,000
- **Project**: Lights, pumps, blower
- **Est. Annual Savings**: $42,800
- **Loan Repayment**: 10 years
FY2013 Project: Ozark Medical Center

- **Loan Amount:** $2,340,000
- **Project:** Hot water boiler improvement, chiller replacement, steam boiler replacement, lighting upgrades, domestic hot water upgrades
- **Est. Annual Savings:** $267,700
- **Loan Repayment:** 10 years
FY2015 Project: Orrick R-XI School District

- Loan Amount: $358,250
- Project: HVAC System
- Est. Annual Savings: $39,691
- Loan Repayment: 10 years
FY2015 Project: City of Canton

- Loan Amount: $20,073
- Project: Lighting upgrades, Window upgrades
- Est. Annual Savings: $2,299
- Loan Repayment: 10 years
For More Information

Visit our website:

http://energyloan.mo.gov/

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