



Low-Interest Loan Funding Available For Energy Efficiency and Energy Generation Projects-3 Percent Interest Rate

The California Energy Commission is pleased to announce the availability of funds for low-interest loans for energy efficiency and energy generation projects.

Approximately \$3.6 million is currently available. The Energy Commission reserves the right to increase the amount of funds available under this solicitation if and when additional loan funds become available. Funds used in this solicitation originate from one or more of the following:

- * Energy Conservation Assistance Act (ECAA)
- * Bond Proceeds from ECAA Tax-Exempt Revenue Bonds
- * American Reinvestment and Recovery Act (ARRA)

The Energy Commission reserves the right to select the source of the funds for each loan. In addition, the Energy Commission reserves the right to either reduce the loan amount requested if insufficient funds are available under one or more funding sources for which the project is eligible or if the Energy Commission determines that utilizing multiple funding sources is not administratively feasible.

The Energy Commission is providing loans with a low interest rate of 3 percent that can help local jurisdictions invest in energy efficiency, save money, reduce greenhouse gas emissions, and create new jobs and industries for your community.

Who is eligible?

For the first 30 days following release of this notice, the Energy Commission will accept loan applications on a first-come, first-serve basis from small California cities and counties receiving their Energy Efficiency and Conservation Block Grant (EECBG) funding directly from the California Energy Commission.

Following this initial 30-day period, the Energy Commission will accept loan applications on a first-come, first-served basis for eligible energy projects from all eligible entities.

Nonprofit schools, nonprofit hospitals and nonprofit public care facilities are not eligible for loans under this funding solicitation.

Loan financing may be used in conjunction with other funding. The 3 percent rate applies to loans made on or after July 27, 2010, and ends when a new notice is issued. The Energy Commission's 3 percent interest rate will not be applied retroactively to existing loans.

What is the maximum amount per application?

The maximum loan amount is \$3 million per application. There is no minimum loan amount.

What types of projects are eligible?

Projects with proven energy and/or capacity savings are eligible, provided they meet the ECAA eligibility requirements. Common projects include:

- * Lighting systems
- * Heating, ventilating and air conditioning systems
- * Light emitting diode (LED) traffic signals
- * Energy management systems and equipment controls
- * Pumps and motors
- * Cogeneration systems
- * Renewable energy projects

For ARRA funded projects please see loan application for more information regarding prohibited projects.

What are the project/loan requirements?

* Loans for energy projects must be repaid from energy cost savings within 15 years, including principal and interest (approximately 11 years simple payback for the 3 percent interest rate funding). Simple payback is calculated by dividing the dollar amount of the loan by the anticipated annual energy cost savings.

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

* The loan term cannot exceed the useful life of loan-funded equipment.

* Only approved project-related costs with invoices dated after loans are fully executed 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.

How can I get an application?

The application is available online
at <http://www.energy.ca.gov/efficiency/financing/index.html>

A print copy may be requested by contacting the Energy Commission's Public Programs Office at (916) 654-4104 or by submitting a written request to:

California Energy Commission
Special Projects Office
1516 Ninth Street, MS #42
Sacramento, CA 95814-5512
E-mail: pubprog@energy.state.ca.us

Any Questions?

Contact the Energy Commission's Special Projects Office at (916) 654-4104 or by
E-mail at pubprog@energy.state.ca.us

News media should direct inquiries to the Media and Communications office at (916)
654-4989.

For more information:

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

(If link above doesn't work, please copy entire link into your web browser's URL)