

**COMPTROLLER OF PUBLIC ACCOUNTS
NOTICE OF LOAN FUNDING AVAILABILITY
AND REQUEST FOR APPLICATIONS**

<p>Notice of Loan Fund Availability and Request for Applications: Pursuant to: (1) the LoanSTAR Revolving Loan Program of the Texas State Energy Plan (SEP) in accordance with the Energy Policy and Conservation Act (42 U.S.C. 6321, et seq.) as amended by the Energy Conservation and Production Act (42 U.S.C. 6326, et seq.); (2) the Oil Overcharge Restitutionary Act, Chapter 2305, Texas Government Code; and (3) Title 34, Texas Administrative Code, Chapter 19, Subchapter D Loan Program for Energy Retrofits; the Comptroller of Public Accounts (Comptroller) and the State Energy Conservation Office (SECO) announces its Notice of Loan Fund Availability (NOLFA) and Request for Applications (RFA #BE-G5-2012) and invites applications from eligible interested non-profit Community-based organizations (a nonprofit corporation or association that is located in close proximity to the population the organization serves) or Houses of Worship (a nonprofit corporation or association that: (A) is operated through a religious or denominational organization, including an organization that is operated for religious, educational, or charitable purposes and that is operated, supervised, or controlled, wholly or partly, by or in connection with a religious organization; or (B) clearly demonstrates through the organization's mission statement, policies, or practices that the organization is guided or motivated by religion.) for loan assistance to perform building energy efficiency and retrofit activities.

<p> Program Summary: This Texas LoanSTAR (Saving Taxes and Resources) Pilot Program, is not part of the federally-financed stimulus program. This Pilot Program is intended to finance energy-related cost-reduction retrofits for facilities owned and occupied by non-profit community based organizations and Houses of Worship. The loans are provided to assist those institutions in financing their energy-related cost-reduction efforts. The program's revolving loan mechanism allows applicants to repay loans through the stream of energy cost savings realized from the projects.

<p>Utility dollar savings are the number one criterion for determination if the measure can be considered an eligible Energy Cost Reduction Measure (ECRM) or Utility Cost Reduction Measure (UCRM); therefore, ECRMs / UCRMs are not limited to those activities that save units of energy. An ECRM / UCRM could conceivably call for actions that save no energy or consume additional BTUs, but save utility budget dollars. Before entering into a LoanSTAR loan agreement, applicants, if selected, must provide a description of the proposed energy efficiency measures in the project in the form of an Energy Efficiency Retrofit Plan. This plan must include an overview of the energy efficiency improvements, annual projected energy savings (KWhs or BTUs and \$s) and how the anticipated energy consumption savings were determined. HVAC project components shall meet or exceed equipment and system efficiency standards established in the 2009 edition of the International Energy Conservation Code (IECC 2009). A Professional Engineer licensed in the State of Texas must evaluate and analyze the project. The prospective applicant selects the Engineer.

<p> SECO must approve project designs for Design-Bid-Build and Design-Build projects before construction can commence. Monitoring during the construction phase and at project completion will take place on Design-Bid-Build and Design-Build projects, Energy Savings Performance Contract projects, and on Commissioning projects.

<p>The applicant should monitor post-retrofit energy savings in Design-Bid-Build projects, Design-Build projects, and Commissioning projects to ensure that energy cost savings are being realized. The level of monitoring may range from utility bill analysis to individual system or whole-building metering, depending on the size and types of retrofits installed.

<p>SECO must approve applicant's measurement and verification plan for Energy Savings Performance Contracts. Post construction measurement and verification costs must be included as part of the total project cost. Additional LoanSTAR funds can be borrowed for metering of large, complex retrofits and for systems commissioning to maximize the probability of achieving, or exceeding the calculated savings - provided the maximum allowable loan amount is not exceeded in the process of adding these measures to the loan.

<p> Loan Background: If a loan is awarded under the terms of this NOLFA/RFA, each ECRM and UCRM must have a simple payback that does not exceed the estimated useful life of the ECRM or UCRM. The project must also have a composite simple payback for the ECRM or UCRM of ten (10) years or less. In addition, on Energy Savings Performance Contracts, the Implementation Totals and the Total Project Payback must be ten (10) years or less. Applicants are encouraged to consider renewable energy technologies when evaluating ECRMs and UCRMs.

<p>Approximately \$250,000 in LoanSTAR funds may be available in the form of the building efficiency and retrofit revolving loan funds. The anticipated maximum loan size for this NOLFA/RFA is \$25,000. SECO may make more than one award of a loan under this NOLFA/RFA. The loan interest rate for this NOLFA/RFA announcement is 5.0% fixed. There are no additional origination or servicing fees. The loan term will be equal to the composite simple payback term for the energy efficiency measures, and must be ten (10) years or less. Applicants have the option of buying down specific ECRMs and UCRMs so that paybacks can meet both the individual and composite loan term limits.

<p>Contact: Parties interested in submitting an application should contact William Clay Harris, Assistant General Counsel, Contracts, Comptroller of Public Accounts, in the Issuing Office at: 111 E. 17th St., Room 201, Austin, Texas 78774, (512) 305-8673. This NOLFA and RFA will be available on Friday, April 13, 2012, after 10:00 a.m. Central Time (CT) and during normal business hours thereafter. The Comptroller will make the application, instructions, and a sample loan agreement and attachments available electronically on the SECO website at: <http://www.seco.cpa.state.tx.us/funding/> after 10:00 a.m. CT on Friday, April 13, 2012.

<p>Questions and Non-Mandatory Letters of Intent: All written inquiries, questions, and Non-mandatory Letters of Intent must be received in the Issuing Office not later than 2:00 p.m. (CT) on April 20, 2012. Prospective applicants are encouraged to fax non-mandatory Letters of Intent and Questions to (512) 463-3669 to ensure timely receipt. Non-mandatory Letters of Intent must be addressed to William Clay Harris, Assistant General Counsel, Contracts, and be signed by an official, such as a CEO or CFO, of the entity. On or about April 27, 2012, or as soon thereafter as practical, the Comptroller expects to post responses to the questions received by the deadline on the website referenced above. Late Non-mandatory Letters of Intent and Questions will not be considered under any circumstances. Applicants shall be solely responsible for verifying timely receipt of Non-Mandatory Letters of Intent and Questions in the Issuing Office.

<p>Closing Date: Applications must be delivered in the Issuing Office to the attention of the Assistant General Counsel, Contracts, no later than 2:00 p.m. (CST), on Friday, May 18, 2012. Late Applications will not be considered under any circumstances. Applicants shall be solely responsible for verifying timely receipt of applications in the Issuing Office.

<p>Application Requirements & Eligibility: Eligible entities may apply for a loan under the LoanSTAR revolving loan program, administered by the Texas Comptroller of Public Accounts (CPA), State Energy Conservation Office (SECO). Applicants must meet eligibility requirements.

<p>As part of the application process, applicants shall submit one (1) original and five (5) bound copies for one of the following documents,

1. Project Assessment Commitment. The Project Assessment Commitment shall be signed by the applicant's Chief Financial Officer or equivalent.
2. Preliminary Energy Assessment (PEA). The PEA must be completed by a Professional Engineer licensed in the State of Texas. PEAs must include Energy Cost Reduction Measure (ECRM) or Utility Cost Reduction Measure (UCRM) that will be completed to reduce utility (energy and water) costs. Project costs and simple paybacks must also be documented for each ECRM and UCRM in the PEA.
3. Energy Efficiency Retrofit Plan for the projects. The EERP must be completed by a Professional Engineer licensed in the State of Texas. EERPs must include Energy Cost Reduction Measure (ECRM) or Utility Cost Reduction Measure (UCRM) that will be completed to reduce utility (energy and water) costs. Documentation regarding source of project costs and simple paybacks must also be included for each energy efficiency measure in the EERP.

<p>A Loan Application, one (1) original and five (5) bound copies, must be submitted in the Issuing Office for SECO review and approval.

<p>While the Project Assessment Commitment and the PEA may qualify the project for potential funding, an approved EERP Report will be required prior to execution of a loan agreement.

<p>The SECO technical staff or its contractor will review the Project Assessment Commitment, PEA, EAR, or EERP Report. A detailed project budget must be included in each EERP Report. The project budget should include, at a minimum, the following Cost Categories: Labor, materials (including equipment), overhead and profit. The technical staff may request that the report author (engineer) provide additional information or calculations.

<p>SECO will establish an Evaluation Committee for the full review and evaluation of eligible applications. The Evaluation Committee shall include employees of the Comptroller and may include other impartial individuals who are non-Comptroller employees.

<p>SECO's legal counsel will review the applications for eligibility, compliance with the terms of this NOLFA/RFA, and thoroughness. The applications that meet minimum qualifications and meet eligibility requirements shall be distributed to the members of the Evaluation Committee for their independent review and evaluation. Evaluation criteria and relative weights for each NOLFA/RFA may vary, but generally are set forth in Attachment B of the Application materials. The Evaluation Committee shall review and individually score each written application. The Evaluation Committee shall then have the option of selecting the top scoring applications and may, but is not required to, call the top scoring Applicants to come to SECO offices in Austin, Texas for an interview. At the interviews, the Evaluation Committee may ask the Applicants a series of questions to clarify responses to the application questions. The Evaluation Committee can, in its sole discretion, proceed directly to scoring and selection without the necessity of any oral interviews.

<p>Upon the selection of the apparent Successful Applicant(s), if any, Applicant(s) that submitted a Project Assessment Commitment or PEA will be notified and will receive a Memorandum of Understanding (MOU) from SECO and must submit an EERP Report in accordance with the time schedule submitted in the Application. The Applicant's CFO will sign and insert signature date on this MOU, which certifies that the Applicant retained a Professional Engineer to prepare an EERP Report. The Applicant's CFO will also certify that three (3) bound copies of the completed reports will be delivered to SECO for review within the required submittal date. The sole purpose of the MOU is to reserve LoanSTAR funds for an Applicant during the period that their EERP Report is being prepared. This document should not be construed as a loan agreement and does not authorize the expenditure of funds for LoanSTAR projects. LoanSTAR project expenditures cannot be incurred before the effective date cited in a fully executed loan agreement unless those expenditures are approved in the LoanSTAR Technical Guidelines. The submitted EERP Report will then be reviewed by the SECO technical staff or its contractor. The technical staff may request that the Engineering firm provide additional information or calculations. If the report is not submitted within the Application time constraints, SECO may, in its sole discretion, choose to withdraw the loan offer.

<p>If the apparent Successful Applicant(s) submits an EERP Report as part of the application, the SECO technical staff or its contractor will review the EERP Report. The technical staff may request that the Engineering firm provide additional information or calculations.

<p>SECO may proceed to execute a Loan Agreement with the apparent Successful Applicants after the EERP Report has been reviewed and approved. The Reports must be deemed to comply with LoanSTAR program guidelines prior to preparation of a Loan Agreement. The Loan Agreement is a document that authorizes the institution to proceed with the design of their projects and includes guaranteed funding for the ECRMs stated in the approved EERP Report. If a Loan Agreement cannot be successfully negotiated within a reasonable period of time, negotiations will be terminated, and award to the next highest ranking Applicant may commence. The process may continue until one or more Loan Agreements are signed or the loan offer is withdrawn. SECO may at any time, upon failure of negotiations, choose to reissue or withdraw the loan offer rather than continue.

<p>If SECO decides, in its sole discretion, to award more than one loan, SECO may proceed with loan execution in the above-described manner with more than one Applicant simultaneously.

<p> The Applicant agrees that bidding and construction activities will not begin until after Applicant has received SECO approval of the submitted designs. Applicants agree to competitively select contractors or bidders as required by state law.

<p> Applicant agrees to notify SECO when the project reaches 50% completion. SECO may then perform a construction monitoring site visit to ensure the project complies with the LoanSTAR requirements.

<p> Applicant agrees to notify SECO when the project reaches 100% completion. SECO may then perform a construction monitoring site visit to ensure the completed project complies with the LoanSTAR requirements. Upon completion of the project and acceptance by SECO, the Applicant will submit a Final Completion Report to SECO and a final voucher request.

<p>Applicant Repayment Process: After submittal of the Final Completion Report to SECO and the final voucher request, Applicant will request a Loan Repayment Schedule from SECO. SECO will then forward the Loan Repayment Schedule to

the Applicant based on the incurred loan amount. Loan repayments will begin within sixty (60) days of project completion. Payments are due quarterly. The amount of annual loan repayment is based on the energy cost savings projected in the EERP Report. These projected savings are the basis for the loan. The dollar amount and the number of loan payments are established in the promissory note. The payments do not vary according to the actual energy savings. Payments established in the promissory note are due regardless of whether the Applicant has achieved that level of energy savings. The applicant payback term will be equal to the EERP Report loan composite payback findings.

<p> Application Summary: Applications must be complete, be submitted under a signed transmittal letter, include an executive summary, a table of contents, describe the project and personnel qualifications relevant to the evaluation criteria, and must meet the following program requirements:

- The maximum loan amount shall not exceed \$25,000.
- The interest rate is set at 5.0%.
- The term of the loan is equal to the composite simple payback term for the energy efficiency measures, which must be ten (10) years or less. The individual ECRM/UCRM must demonstrate a simple payback of less than the ECRM's/UCRM's estimated useful life.
- Project expenses will be reimbursed on a "cost reimbursement" basis.
- Borrower will be required to comply with federal Solid Waste Disposal Act, and, if applicable, National Environmental Policy Act, and National Historic Preservation Act. Applicants will ensure that the State Historical Preservation Officer (SHPO) is consulted in any project award that may include a building or site of historical importance. In this regard, SHPO guidance will be solicited and followed to ensure that the historical significance of the building will be preserved. All requirements are set out in the sample contract.
- SECO may conduct periodic on-site monitoring visits on all building retrofit projects.
- All improvements financed through the LoanSTAR Pilot Loan Program shall meet minimum efficiency standards (as prescribed by applicable building energy codes). Examples of projects that are acceptable may include:
 - Building and mechanical system commissioning and optimization;
 - Energy management systems and equipment control automation;
 - High efficiency heating, ventilation and air conditioning systems, boilers, heat pumps and other heating and air conditioning projects;
 - High efficiency lighting fixtures and lamps;
 - Building Shell Improvements (insulation, adding reflective window film, radiant barriers, and cool roof);
 - Load Management Projects;
 - Energy Recovery Systems;
 - Low-flow plumbing fixtures, high efficiency pumps;
 - Systems commissioning; and
 - Renewable energy efficiency projects are strongly encouraged wherever feasible, and may include installation of distributed technology such as rooftop solar water and space heating systems, geothermal heat pumps(only closed loop systems with no greater than ten (10) ton capacity), or electric generation with photovoltaic or small wind and solar-thermal systems. If there are closed-loop geothermal heat pumps greater than ten (10) ton capacity involved, then Applicants will be responsible for further National Environmental Policy Act (NEPA) review by DOE in the event of an award. If renewable generation greater than twenty (20) KW is involved, Applicants will be responsible for further NEPA review by DOE.

<p>Evaluation Criteria: Applications will be evaluated under the general criteria outlined below. The Comptroller will make the final decision. The Comptroller reserves the right to accept or reject any or all applications submitted. The Comptroller is not obligated to execute a loan agreement on the basis of this NOLFA/RFA. The Comptroller shall not pay for any costs incurred by any entity in responding to this NOLFA/RFA. Comptroller and SECO may request additional information at any time if deemed necessary for further evaluation. General evaluation criteria are as follows and as set forth in the application instructions:

1. Has the applicant provided proof that the organization owns the space where the project will take place?
(0 points)

If yes, write "OK" in column and continue with evaluation.

If no, do not proceed. Project is disqualified from further loan consideration.

2. Has the applicant certified that the loan will be paid in full prior to moving away from, renting or selling the premises? (0 points)

If yes, write “OK” in column and continue with evaluation.

If no, do not proceed. Project is disqualified from further loan consideration.

3. Has the applicant provided proof of non-profit incorporation status in the State of Texas? (0 points)

If yes, write “OK” in column and continue with evaluation.

If no, do not proceed. Project is disqualified from further loan consideration.

4. Has the applicant provided proof that the non-profit corporation is in good standing in the State of Texas? (0 points)

If yes, write “OK” in column and continue with evaluation.

If no, do not proceed. Project is disqualified from further loan consideration.

5. Has the applicant provided proof that the organization has been in existence for a minimum of five years under the same name in the State of Texas? (0 points)

If yes, write “OK” in column and continue with evaluation.

If no, do not proceed. Project is disqualified from further loan consideration.

6. Has the applicant provided documentation (Mission Statement, etc.) to show their purpose? (0 points)

If yes, write “OK” in column and continue with evaluation.

If no, do not proceed.

7. Has the applicant provided documentation to show the signing authority individual is authorized to bind the organization in a contract? (0 points)

If yes, write “OK” in column and continue with evaluation.

If no, do not proceed.

8. Has the applicant stated they agree to the terms and conditions of the sample contract? (0 points)

If yes, write “OK” in column and continue with evaluation.

If no, do not proceed.

9. Is the composite simple payback for the project Energy Cost Reduction Measures (ECRMs) /Utility Cost Reduction Measures (UCRMs) less than 10 years? (0 points)

If yes, write “OK” in column and continue with evaluation.

If no, do not proceed. Project is disqualified from further loan consideration.

10. Is the simple payback for each ECRM/UCRM less than the Estimated Useful Life (EUL) of that measure? (0 points)

If yes, write “OK” in column and continue with evaluation.

If no, do not proceed. Project is disqualified from further loan consideration.

11. Which of the following reports are submitted with this application? (Maximum 30 points)

Energy Efficiency Retrofit Plan (EERP) – 30 points

Preliminary Energy Assessment (PEA) (Maximum 25 points)

EERP to be completed in less than 100 days – 25 points

EERP to be completed in less than 120 days – 20 points

EERP to be completed in less than 140 days – 15 points

Project Assessment Commitment (Maximum 15 points)

EERP to be completed in less than 100 days – 15 points

EERP to be completed in less than 120 days – 10 points

EERP to be completed in less than 140 days – 5 points

If EERP cannot be completed in less than 140 days after notice is received that funding is committed from project, do not proceed. The project is disqualified from further loan consideration.

12. What is the average age of the existing equipment that will be replaced? (Maximum 20 points)

More than 20 years old – 20 points

15 to 19 years old – 15 points

10 to 14 years old – 10 points

NOTE: Funding cannot be used to replace any HVAC units that are less than 10 years old.

13. Will the energy savings information, updated monthly, be available for public viewing?

(Maximum 5 points)

If yes, how will the applicant make this information available for public viewing

Via an internet portal – 5 points

Via detailed signage at the facility entrance - 2 points

If no, than 0 points will be credited for this response.

14. What is the name of the county and the county population? (Maximum 5 points)

(<http://quickfacts.census.gov/qfd/states/48000lk.html>) where project retrofit activities will take place?

County Name: _____ County Population: _____

County population less than 10,000 - 5 points

County population between 10,001 to 100,000 – 3 points

County population greater than 100,000 – 1 points

<p> The anticipated schedule of events pertaining to this RFA is as follows: Issuance of RFA – April 13, 2012, after 10:00 a.m. CT; Non-Mandatory Letters of Intent and Questions Due – April 20, 2012, 2:00 p.m. CT; Official Responses to Questions posted – April 27, 2012, or as soon thereafter as practical; Applications Due – May 18, 2012, 2:00 p.m. CT; Loan Agreement Execution –as soon as practical thereafter.

Issued in Austin, Texas, on April 4, 2012.

William Clay Harris
Assistant General Counsel, Contracts
Comptroller of Public Accounts