

# LOANSTAR WEBINAR

Tuesday, May 14, 2013

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- ❖ All participants muted
- ❖ Type questions at any time – responses at end of webinar

Dub Taylor, Director  
Eddy Trevino, LoanSTAR Program Manager

State Energy Conservation Office (SECO)

# About SECO

**Mission Statement:** to increase the efficient use of energy and water while protecting the environment

- ❖ One of 56 state/territory “energy offices”
- ❖ Located in the Texas Comptroller or Public Accounts
- ❖ Focus is technology deployment – no R&D
- ❖ U.S. Department of Energy state level program conduit
  - ❖ State Energy Program (SEP)
  - ❖ ARRA (stimulus funds)



# "Energy Efficiency: Texas' Newest Energy Resource."

 **Susan Combs** Texas Comptroller of Public Accounts

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- Resources
- Stimulus Funds**

As the state energy office, SECO partners with Texas consumers, businesses, educators and local governments to reduce energy costs and maximize efficiency.

Targeted Tips and Tools:

### Residential Consumers



### State and Local Government



### Business and Industry



### Schools and Teachers



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# Major Focus Areas

**Emerging clean energy technology**

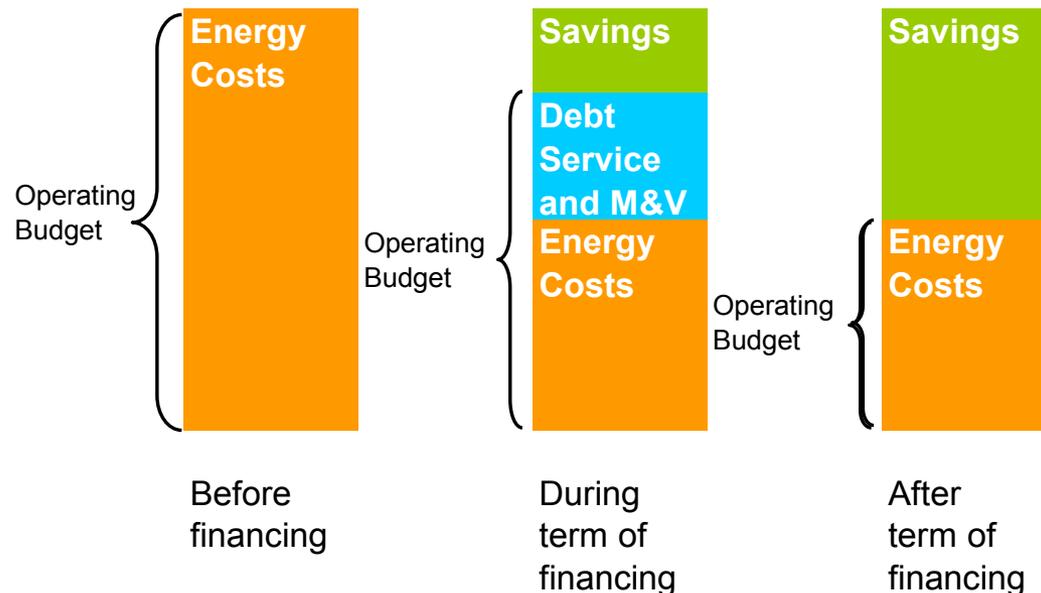
**Energy training and education**

**Efficiency grants/financing and technical assistance**

- ❖ LoanSTAR revolving loan program

# LoanSTAR (Saving Taxes And Resources)

- ❖ Low interest revolving loan program that finances energy and water efficiency projects for public facilities
- ❖ Loan terms: 2% interest, 10 year simple payback, \$7.5 million loan cap
- ❖ \$200 million loan fund capitalized with the State's remaining Oil Overcharge and Federal ARRA/Stimulus funds
- ❖ Self-servicing debt – borrowers repay loans through savings/avoided costs



# LoanSTAR Impact

## **Executed 233 loans totaling \$386,566,967**

- ❖ 91 loans to public schools districts
- ❖ 60 loans to public higher education
- ❖ 52 loans to local governments
- ❖ 17 loan to state agencies
- ❖ 13 loans to public hospitals

## **Average project/loan payback: 6.9 years**

## **Total Savings to Date (1990-2013)**

- ❖ Avoided Costs/Savings(\$) - \$384,963,475
- ❖ Electric Savings (kWH) – 3,282,736,142
- ❖ Natural Gas Savings (MMBTu) – 12,337,638
- ❖ Chiller Water Savings (MMBtu) – 6,897,619

# Application Deadlines

Description	Date
Issuance of Request for Application	April 26, 2013, after 10 a.m. CST
Submission of Questions	May 17, 2013, 2 p.m. CST
Official Response to Questions Posted	May 24, 2013, or as soon thereafter as practical
Application Deadline	June 7, 2013, 2 p.m. CST
Loan Commitment	June 28, 2013, or as soon thereafter as practical

# Program Terms

- **Purpose of Loan Funding:** The Texas LoanSTAR (Saving Taxes and Resources) revolving loan program provides low interest rate loans to assist Texas public institutions by financing their energy-related cost-reduction retrofit projects.
- **Qualifying Public Institutions:** Loan recipients can be cities, counties, independent school districts, state agencies, public institutions of higher education, and tax-district supported public hospitals.
- **Qualifying Facilities:** The public institutions must own and occupy the facilities where the retrofit projects will take place.
- **Loan Fund Disbursements:** All loan disbursements are on a reimbursement basis.
- **Repayment of Loans:** Borrowers repay the loans through the stream of energy cost savings realized from the retrofit projects.

# Program Terms

- **Budget Allocation (Amount Available to Award):** Approximately \$40 million
- **Maximum loan size per application:** \$7.5 million
- **Loan interest rate:** 2.0% per annum
- **Selection Process:** Competitive based largely on the following considerations:
  - Information provided in the application including the application and one of the following: Engineering Assessment Report / Utility Assessment Report, Preliminary Energy Assessment, or Project Assessment Commitment.
  - Location of proposed project.
  - Public access to the projects' energy savings information.

# http://seco.cpa.state.tx.us/

**SECO**  
State Energy Conservation Office

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## "Energy Efficiency: Texas' Newest Energy Resource."

Susan Combs Texas Comptroller of Public Accounts

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As the state energy office, SECO partners with Texas consumers, businesses, educators and local governments to reduce energy costs and maximize efficiency.

Targeted Tips and Tools:

- Residential Consumers**
- State and Local Government**
- Business and Industry**
- Schools and Teachers**

**Sign Up for Energy News & Updates**

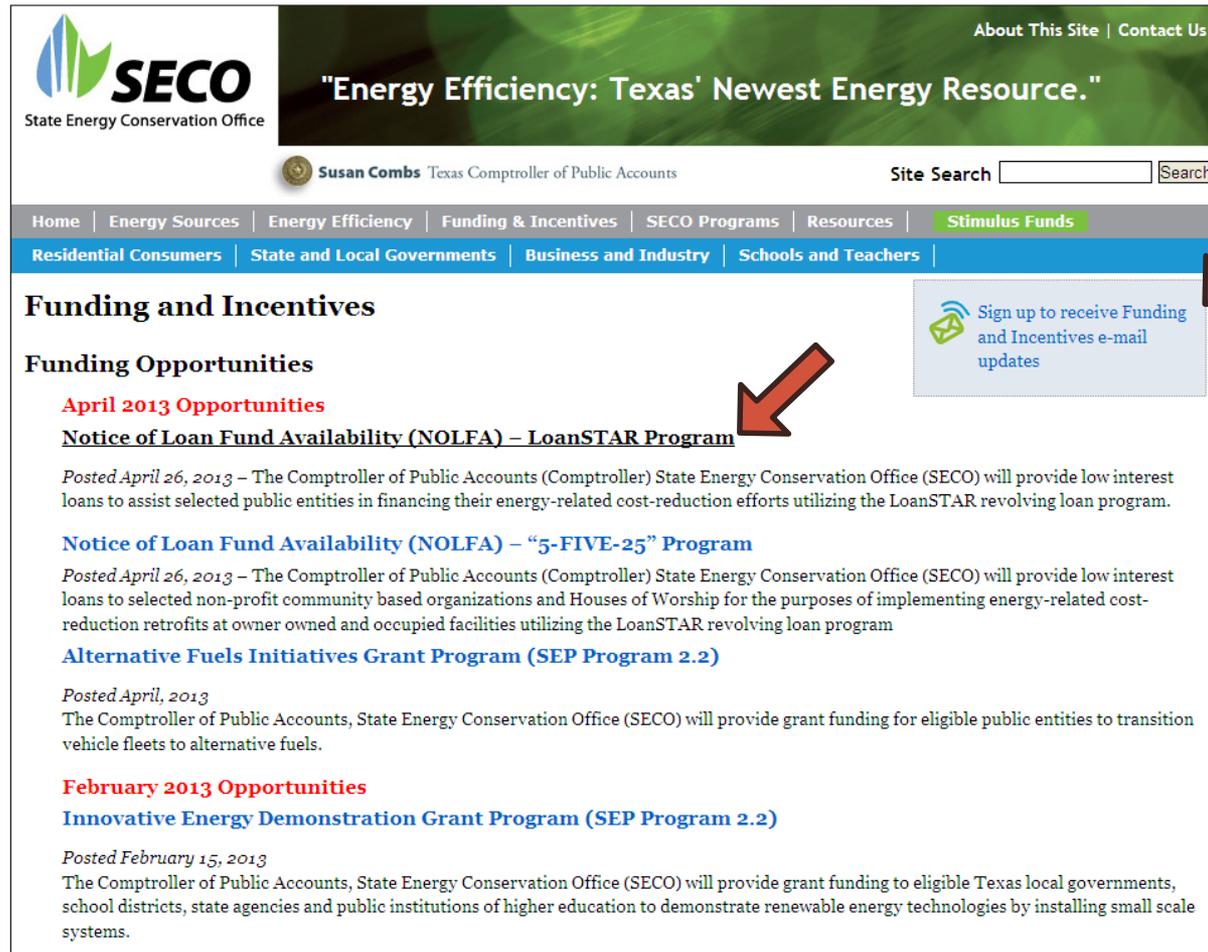
**SECO Funding & Incentives** **GO**

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# Notice of Loan Fund Availability



The screenshot shows the SECO website header with the logo and tagline "Energy Efficiency: Texas' Newest Energy Resource." Below the header is a navigation menu with categories like Home, Energy Sources, Energy Efficiency, Funding & Incentives, SECO Programs, Resources, and Stimulus Funds. The "Funding and Incentives" section is highlighted, and a sub-menu item "Residential Consumers" is also visible. A search bar is located in the top right. A callout box on the right side of the page says "Sign up to receive Funding and Incentives e-mail updates".

**Funding and Incentives**

**Funding Opportunities**

**April 2013 Opportunities**

**Notice of Loan Fund Availability (NOLFA) – LoanSTAR Program**

*Posted April 26, 2013* – The Comptroller of Public Accounts (Comptroller) State Energy Conservation Office (SECO) will provide low interest loans to assist selected public entities in financing their energy-related cost-reduction efforts utilizing the LoanSTAR revolving loan program.

**Notice of Loan Fund Availability (NOLFA) – “5-FIVE-25” Program**

*Posted April 26, 2013* – The Comptroller of Public Accounts (Comptroller) State Energy Conservation Office (SECO) will provide low interest loans to selected non-profit community based organizations and Houses of Worship for the purposes of implementing energy-related cost-reduction retrofits at owner owned and occupied facilities utilizing the LoanSTAR revolving loan program

**Alternative Fuels Initiatives Grant Program (SEP Program 2.2)**

*Posted April, 2013*  
The Comptroller of Public Accounts, State Energy Conservation Office (SECO) will provide grant funding for eligible public entities to transition vehicle fleets to alternative fuels.

**February 2013 Opportunities**

**Innovative Energy Demonstration Grant Program (SEP Program 2.2)**

*Posted February 15, 2013*  
The Comptroller of Public Accounts, State Energy Conservation Office (SECO) will provide grant funding to eligible Texas local governments, school districts, state agencies and public institutions of higher education to demonstrate renewable energy technologies by installing small scale systems.

Sign up to be notified of SECO's funding and incentive opportunities.

<http://seco.cpa.state.tx.us/funding/>

# Notice of Loan Fund Availability



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Residential Consumers | State and Local Governments | Business and Industry | Schools and Teachers

### Notice of Loan Fund Availability (NOLFA) and Request for Application (RFA)

#### LoanSTAR Program

**Purpose of Loan Funding:** The Texas LoanSTAR (Saving Taxes and Resources) revolving loan program provides low interest rate loans to assist Texas public institutions by financing their energy-related cost-reduction retrofit projects.

**Qualifying Public Institutions:** Loan recipients can be cities, counties, independent school districts, state agencies, public institutions of higher education, and tax-district supported public hospitals.

**Qualifying Facilities:** The public institutions must own and occupy the facilities where the retrofit projects will take place.

**Loan Fund Disbursements:** All loan disbursements are on a reimbursement basis.

**Repayment of Loans:** Borrowers repay the loans through the stream of energy cost savings realized from the retrofit projects.

**Budget Allocation (Amount Available to Award):** Approximately \$40 million

**Maximum loan size per application:** \$7.5 million

**Loan interest rate:** 2.0% per annum

**Loan Application Orientation Webinar** SECO will conduct a loan application webinar to provide interested applicants information about the program and instruction on completing the application.

Date: Tuesday, May 14, 2013

#### RFA Posted

NOLFA/RFA Materials:

- Loan Application Background Information ([PDF](#))
- Loan Application Form ([Word](#))
- Memorandum of Understanding ([PDF](#))
- Sample Contract ([PDF](#))
- Project Assessment Commitment ([PDF](#))

To open the PDFs, download the latest reader from Adobe. To open .doc files, download MS Word viewer.

Key Deadlines	Date*
Notice of Request for Applications Posted:	April 26, 2013 after 10 a.m. CT
- <a href="#">Texas Register</a>	
- <a href="#">Electronic State Business Daily</a>	

# The Application- Contact Info.

<b>Part 1A: Applicant (Borrower )</b>			
Name of Eligible Public Entity		Federal Tax ID	Application Date
Mailing Address		City	State      Zip Code
County Name			Total Amount Requested
			\$

<b>Part 1B: Chief Executive Officer (Signing Authority)</b>			
First Name	Initial	Last Name	Title
Telephone	Extension	Fax	Email Address

<b>Part 1C : Applicant Primary Contact (Project Director)</b>			
First Name	Initial	Last Name	Title
Telephone	Extension	Fax	Email Address

# The Application- Contact Info.

<b>Part 1D : Applicant Secondary Contact (Energy Manager)</b>			
First Name	Initial	Last Name	Title
Telephone	Extension	Fax	Email Address

<b>Part 1E: Administrative Contact for Accounting (Financial Contact)</b>					
First Name	Initial	Last Name	Title		
Mailing Address			City	State	Zip Code
Telephone	Extension	Fax	Email Address		

<b>Part 1F: Signature and Certification by Applicant Chief Executive Officer or Chief Financial Officer</b>		
<b>I certify that I am the Chief Executive Officer and that I have reviewed this application and that I will agree to abide by the terms of the contract.</b>		
Signature	Printed Name and Title	Date

# Part 2A. Project Information

## PART 2: PROJECT INFORMATION

**2A. Place a check on the type of report that is submitted with the application. One (1) original and five (5) bound copies of the report are required.**

- Energy Assessment Report (EAR) for design-bid-build or design-build projects
- Utility Assessment Report (UAR) for Energy Savings Performance Contracts
- Commissioning Report
- Preliminary Energy Assessment (PEA)
  - EAR/UAR to be completed in less than 100 days
  - EAR/UAR to be completed in less than 120 days
  - EAR/UAR to be completed in less than 140 days
- Project Assessment Commitment
  - EAR/UAR to be completed in less than 100 days
  - EAR/UAR to be completed in less than 120 days
  - EAR/UAR to be completed in less than 140 days

If EAR/UAR 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.

**2B. Do you agree to accept the terms and conditions of the sample contract.**

Yes  No



## Part 3A. (Cont.)

How long will it take to complete the project? \_\_\_\_\_ (months)

Is the TOTAL LOAN simple payback for the ECRMs less than 10 years?

Yes  No

If No, then project is disqualified from further loan consideration.

Is the simple payback for each ECRM less than the Estimated Useful Life (EUL) of the ECRM?  Yes  No

If No, then project is disqualified from further loan consideration.



## Part 3B. (Cont.)

**How long will it take to complete the project? \_\_\_\_\_ (months)**

**Is the TOTAL PROJECT PAYBACK less than 10 years?  Yes  No**

If No, then project is disqualified from further loan consideration.

**Is the simple payback for each UCRM less than the Estimated Useful Life (EUL) of the UCRM?  Yes  No**

If No, then project is disqualified from further loan consideration.

# Parts 4-6

## PART 4: PUBLIC VIEWING

Describe where monthly energy savings information will be made available for public viewing.

## PART 5: PROJECT GEOGRAPHIC LOCATION AND POPULATION

Use the following URL to determine the county population, <http://quickfacts.census.gov/qfd/states/480001k.html>

County Name

County Population

## PART 6: SIGNATURE AND CERTIFICATION

### Signature and Certification by Applicant Chief Financial Officer

I certify that I am the Chief Financial Officer and that I have reviewed this application, including commitment of “buy-down” funds. The information provided is accurate to the best of my knowledge and in my best professional judgment.

Signature

Printed Name and Title

Date

# Attachment B- Evaluation Form

Qualification Requirements	
1. Has the applicant stated they agree to the terms and conditions of the sample contract?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. This question relates only to <u>Design-Build (DB) and Design-Bid-Build (DBB) projects</u> : Is the Total Loan payback for the project energy cost reduction measures (ECRMs) less than ten years?	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Not a DB or DBB
3. This question relates only to <u>Energy Savings Performance Contracts (ESPCs)</u> : Is the Total Project Payback less than ten years?	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Not an ESPC
4. Is the simple payback for each ECRM/UCRM less than Estimated Useful Life (EUL) of that measure?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>If the answer to any of the questions is “No”, do not proceed. Project is disqualified from further loan consideration. Either Question 2 <u>or</u> 3 must have a “Yes” response to be considered for loan consideration.</b>	

# Attachment B (Cont.)

Description	Possible Base Points	Applicant Self-Score
<p>1. Which of the following reports are submitted with this application?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Energy Assessment Report (EAR) for design-bid-build or design-build projects – 45 points</li> <li><input type="checkbox"/> Utility Assessment Report (UAR) for Energy Savings Performance Contracts – 45 points</li> <li><input type="checkbox"/> Commissioning Report – 45 points</li> <li><input type="checkbox"/> Preliminary Energy Assessment (PEA) (Maximum 40 points) If EAR/UAR can be completed in less than:               <ul style="list-style-type: none"> <li>• 100 days after MOU execution – 40 points</li> <li>• 120 days after MOU execution – 35 points</li> <li>• 140 days after MOU execution – 30 points</li> </ul> </li> <li><input type="checkbox"/> Project Assessment Commitment (PAC) (Maximum 25 points) If EAR/UAR can be completed in less than:               <ul style="list-style-type: none"> <li>• 100 days after MOU execution – 40 points</li> <li>• 120 days after MOU execution – 35 points</li> <li>• 140 days after MOU execution – 30 points</li> </ul> </li> </ul> <hr/> <p><b><u>Do not proceed</u></b>, if EAR/UAR cannot be completed in less than 140 days after notice is received that funding is committed from project (Memorandum of Understanding (MOU)). The project is disqualified from further loan consideration.</p> <p><b><u>Do not proceed</u></b>, if no EAR/UAR/PEA/PAC is submitted, the project is disqualified from further loan consideration.</p>	45	_____

Description	Possible Base Points	Applicant Self-Score
<p>6. What is the name of the county and the county population (<a href="http://quickfacts.census.gov/qfd/states/480001k.html">http://quickfacts.census.gov/qfd/states/480001k.html</a>) where project retrofit activities will take place?</p> <p><b>County Name:</b> _____ <b>County Population:</b> _____</p> <ul style="list-style-type: none"> <li>• County population less than 10,000 - 2 points</li> <li>• County population between 10,001 to 100,000 – 1 point</li> <li>• County population greater than 100,000 – 0 points</li> </ul>	2	_____
<p>7. Will the energy savings information, updated monthly, be available for public viewing?</p> <ul style="list-style-type: none"> <li>• If yes, how will the applicant make this information available for public viewing <ul style="list-style-type: none"> <li>○ Via an internet portal or</li> <li>○ Via detailed signage at the facility entrance - 1 point</li> </ul> </li> <li>• If this information will not be made available for public viewing- 0 points</li> </ul>	1	_____
<p>8. In the previous (last announced) NOLFA/RFA, did you submit a NOLFA/RFA application which was <u>not</u> funded due to lack of available funding?</p> <ul style="list-style-type: none"> <li>• Yes (Insert date of application _____) - 2 points</li> <li>• No - 0 points</li> </ul>	2	_____
<b>Applicant Self-Score Total</b>	<b>50 max</b>	_____

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# Submitting Applications

- Applicants must submit one (1) original Loan Application and attachments and five (5) bound copies.
- Applications must be delivered to:
  - The Comptroller of Public Accounts Office
  - Attn: Assistant General Counsel, Contracts
  - 111 E. 17<sup>th</sup> Street, Room 201
  - Austin, Texas 78774.
- Application are due no later than 2:00pm (CST) on Friday, June 7, 2013. Late Applications will not be considered under any circumstances.

# Q&A

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Eddy Trevino, P.E., CEM

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