



# ***Designing an Effective State Clean Energy Loan Program.***

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# *Energy Loan Program (SELP)*



The purpose of the Energy Loan Program (SELP) is to promote energy conservation, sustainability and renewable energy resource development in Oregon. The program offers long-term, low-interest loans for projects that:

- (1) Conserve energy;
- (2) Produce energy from renewable resources such as water, wind, geothermal, solar, biomass or waste heat;
- (3) Use recycled materials to create new products;
- (4) Promote use of alternate fuels



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# Energy Loan Program

## Unique program

- 1980 Article XI-J. Constitutional amendment. Allows general obligation bond sales to fund projects
- Program issues State general obligation bonds (taxable, tax exempt, private activity)
- Loans from \$20,000 to \$20 million
- Terms from 5 to 20+ years
- Construction/ Take Out Package
- Loans are secured
- No cost to taxpayers—borrower fees/interest pay program costs



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# Energy Loan Program

- Qualified Borrowers
  - Individuals
  - Businesses
  - Governments
  - Schools
  - Tribes
  - Non-Profits
  
- Qualified Project Types
  - Energy efficiency
  - Renewable resource
  - Alternative fuel
  - Recycling projects



*AIA, Portland*



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# Program Administration and Technical Support

- Staff (10): Administrator, Loan Officers, CFO/Bond Specialist, Accounting, Technical Energy Analyst
- Project financial review, documentation and loan servicing
- Technical support for project review and selecting energy measures, developing demonstration projects and trouble shooting existing projects
- Citizen Advisory committee reviews larger loans



*Smith Ranch, Riley*



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## Items to Consider for Revolving Loan Fund....

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- Need proper authority
- Define project types and target markets
- Establish loan terms: does it work for both program and borrower
- Identify documentation needs: In house (custom or packaged) or outsourcing
- Plan for loan administration and servicing: own data base or outsourcing
- How is administrative costs paid
- Identify sources of funds
- Model program cash flow: what interest spread is needed, include some loan losses



*Pepsi Warehouse, Klamath Falls*



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## Benefits of Energy Loan

- Easy to deal with – easy process
- Flexibility on terms and structure
- SELP can use other collateral and work with the existing debt structure
- Can include most costs in the loan, e.g. study, design, engineering, installation, commissioning
- Fuel blind and impartial to equipment brand or specific contractor
- Technical help and second opinion of more complex projects
- Leverage with utility incentives, tax credits and other loans on same project

*Benefits other than energy savings drive many projects*



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## Contact Info



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