

## ***Energy Loan Fund for Manufacturers***

### **OVERVIEW:**

Manufacturers interested in applying for the Energy Loan Fund will need to identify the most effective energy cost-saving measures available for their facility using one of the following paths:

- Participate in the Energy Efficiency Program for Manufacturers, administered by the Ohio Development Services Agency's Office of Energy, and complete Phase I & II of the program; or
- Conduct an ASHRAE level II audit of their facility and apply directly to the Energy Loan Fund.

### Path 1

The Energy Efficiency Program for Manufacturers includes a multi-phase energy saving process that provides facilitation services and financial assistance to Ohio manufacturers to diagnose, plan, and implement cost-effective energy improvements at their facilities.

These phases include:

- **Phase I – Energy Management Diagnostic**  
A company will follow a structured process with a facilitator to examine the impact of energy on their operations and identify opportunities to improve business systems to achieve sustainable energy cost savings.
- **Phase II – Energy Management Plan Development**  
A plan to increase the energy efficiency with a technical assessment of the facility is completed by the facilitator. Financial assistance may be available from the Ohio Development Services Agency to companies in this phase.
- **Phase III – Project Implementation**  
After completing Phase I and II, companies may be eligible for loan funding, as described herein, to implement energy saving measures identified in the technical assessment completed in Phase II.
- **Phase IV – Measurement and Verification**  
Upon completion of installed technologies and measures, companies will work with the Office of Energy to verify the estimated energy savings data. *This is at no cost to the companies.*

The Ohio Development Services Agency may provide loan funding to eligible private entities in the manufacturing sector that completed Phase I and Phase II of the Energy Efficiency Program for Manufacturers. The application for Phase III shall include the information of energy projects identified through Phase I and Phase II and demonstrate the energy, economic and environmental impacts of these projects. The program may finance up to 80 percent of eligible costs (up to a maximum loan amount of \$1 million).

### Path 2

If a manufacturer would like to apply for a loan from the Energy Loan Fund without participating in Phases I and II, then a recent ASHRAE level II audit is required. It must provide the most comprehensive analysis on the facility's current energy usage and future efficiency capabilities. More information on this type of audit can be found on the American Society of Heating, Refrigerating and Air-Conditioning Engineers website at <https://www.ashrae.org/>. It is preferred that the manufacture hire a third party engineer or company that has no financial interest in the installment of measures. However, if the customer is working with a project developer that has a financial interest in the installation, the audit will still be acceptable, if it is performed by and stamped by a Professional Engineer.

Companies participating in the Energy Loan Fund for financing of their energy project will be expected to participate in Phase IV – Measurement and Verification in coordination with the Office of Energy.

For a limited time, borrowers who close on an Energy Loan Fund are eligible to receive a rebate up to 50 percent, or maximum amount of \$50,000, for the cost of the required ASHRAE level II or equivalent facility energy audits. Eligible audit rebates are dependent upon facility type, system complexity and may not exceed \$0.12 per square foot.

### **ELIGIBILITY:**

#### ***Eligible Entities:***

To be considered for financial assistance, applicants must meet both pre-requisites below:

- Applicant must have completed Phase I and Phase II of EEPM, which includes both
  - An Envinta One-Two-Five or Energy Achiever diagnostic session, and
  - The development of an energy management plan and technical opportunities assessment that utilizes the results of the Phase I diagnostic session.

The application must include information regarding energy efficiency projects specified in the energy management plan/technical assessment. Information about the EEPM is available at:

[http://development.ohio.gov/bs/bs\\_energyefficprograms.htm](http://development.ohio.gov/bs/bs_energyefficprograms.htm).

**OR**

- Applicant must complete an ASHRAE level II energy audit of their facility.
- Applicants must be manufacturing facilities located in the state of Ohio and must operate under the following industry codes:
  - SIC Code Major Group: 10, 12, 14, 20-39;
  - NAICS Code: 212, 31-33, 42442, 49312; or
  - Other codes as determined by the Ohio Development Services Agency.

The codes can be found at:

SIC: <http://www.osha.gov/pls/imis/sicsearch.html>

NAICS: <http://www.census.gov/naics/2007/index.html>

Applicants can be partnerships, corporations, limited liability companies, and limited partnerships and must be registered with the Ohio Secretary of State either as an Ohio entity or as a foreign (non-Ohio) entity qualified to do business in the state of Ohio.

***Eligible Activities:***

Loan funds can only be used for eligible costs of **energy efficiency projects identified through Phase I and Phase II of the Energy Efficiency Program for Manufacturers, or through an ASHRAE level II energy audit**, and may include but are not limited to the following activities:

- Purchase and installation of eligible project equipment to increase the energy efficiency of Ohio's manufacturers.
- Implementation of process changes or improvements that can show a reduction of energy use.
- Retrofits of existing industrial buildings or facilities with energy efficient or demand reduction equipment and practices. The types of projects may include but not limited to:
  - Insulation and weather sealing;
  - Light emitting diodes (LED) lighting;
  - Heating, ventilating and air conditioning (HVAC) upgrades;
  - Purchase and installation of ENERGY STAR products;
  - Replacement of windows and doors;
  - Automated or remote control systems;
  - Repairing or replacing motors, steam traps and related components, and systems in industrial operations; and
  - Replacement of inefficient process equipment with higher efficiency equipment.

Retrofits do not include new construction and expansions of buildings or facilities. For historic structures, it may be necessary for the retrofits to maintain the building's historic character (e.g., replacement of windows and doors with appropriate designs). This will be determined through consultation with the State Historic Preservation Office.

- **Distributed Energy Generation:** Entities may implement distributed energy resource technologies that significantly increase energy efficiency, including but not limited to:
  - District heating and cooling systems;\*
  - Combined heat and power systems (systems sized to boilers appropriate to the buildings in which they are located);\*
  - Cogeneration systems;\*
  - Energy storage systems;
  - Absorption chillers;\*
  - Desiccant humidifiers;\*
  - Micro turbines;
  - Biomass systems that include gas generation for internal use or electric generation as byproducts;\* and
  - Renewable Energy: Entities *may implement renewable energy projects under the following conditions:*
    - Applicant will implement all energy efficiency measures with a four year pay back or less (exclusive of this loan) that have been identified in the Phase II Energy Management Plan, or ASHRAE II audit; and
    - Any loan to be based upon \$1.50/watt of installed capacity where the maximum loan for renewable energy measures cannot exceed the lesser of \$150,000 or the total loan for energy efficiency measures.

\*If selected for financial assistance with federal funds, applicants must comply with certain size restrictions on installed technologies and must adhere to federal requirements such as Buy American, Davis-Bacon Act, Historic Preservation, National Environmental Policy Act, and Waste Stream Compliance along with all reporting and monitoring requirements. Details will be provided to those applicants selected for assistance with federal funds.

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**Project Restrictions:** Funding **CANNOT** be used:

- For any work related to the construction of a new building, an addition, or an expansion project;
- To conduct or purchase equipment for research, development or demonstration of energy efficiency or renewable energy techniques, and technologies not commercially available;
- For non-energy-related alteration or upgrades or repair of a building or structure;



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- For any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool if federal funds are used;
  - To subsidize utility rate demonstrations or state tax credits for energy conservation or renewable energy measures; or
  - To purchase land, a building or structure or any interest therein.
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### **REPORTING AND MONITORING**

Selected applicants are required to submit project and financial reports on a monthly and/or quarterly basis. Reports submitted before and during the completion of the project will be required on a monthly or quarterly basis depending on the source of funds.

All selected applicants must adhere to regular reporting requirements on their project and submit the following reports on a monthly and/or quarterly basis:

- Progress reports before and during installation that describe the log of activities and work completed during the reporting period, work remaining to be completed, actual project costs, project variances, project successes, and/or project changes which would result in a change of project scope of work or would affect the energy output of the project, and publicity;
- Post-installation reports must be submitted on a quarterly basis for one year after the completion of installation of the project and describe the energy saved and/or energy production from technologies installed and operational emissions avoided, submission of quarterly utility bills, downtime and/or maintenance issues with the installed equipment, and any publicity conducted for the project;
- Financial data reports with support documentation such as invoices, financial statements, bills, receipts, and proof of payments of the actual project expenses incurred;
- If projects are financed with federal funding: verification of payment for Davis-Bacon Act compliance and any other information as required by the U.S. Department of Energy.
- Close out report summarizing the results and outcomes of the project due at the end date of the loan.

Selected applicants must provide access to the site upon 48 hour notice of intent by the Ohio Development Services Agency to visit the job site. Additional requirements may be added to ensure the transparency and accountability of funds.

### **CHANGES TO ELIGIBILITY GUIDELINES**

The Ohio Development Services Agency reserves the right to adjust the dates listed above for whatever reasons it deems appropriate without prior notice. The Ohio Development Services Agency also reserves the right to request additional information to assist in the review process, to reject any and all proposals and make no awards under this program, to make fewer and smaller awards than anticipated, or to fund partial projects.