

Energy Loan Fund

Frequently Asked Questions

- Q1. How do I begin the online Letter of Intent process?
- A1. The link to the online Letter of Intent and formal application process is located in the Program Guidelines PDF document posted at http://development.ohio.gov/bs/bs_energyloanfund.htm. Please read the Program Guidelines document in its entirety before beginning the online Letter of Intent / application process.
- Q2. Do new build mixed-use buildings qualify? I am looking at doing solar panels and potentially other renewable and energy efficient items. This is for a project in Columbus, OH.
- A2. The Energy Loan Fund is available for existing buildings only. You may want to contact the Columbus-Franklin County Finance Authority. Their Columbus Region Loan Fund may be another option for funding. You can get more information at http://columbusfinance.org/energy_fund.aspx.
- Q3. What are rates and length of loans?
- A3. Rates and terms are decided on a case-by-case basis, but we estimate the rate to be at or below market rates (around 3 percent) and terms no longer than 15 years.
- Q4. Will funds be available annually or is this a one-time opportunity? I have three projects in mind so should I apply for one in 2016 and the others in future years or should I apply for all three now?
- A4. The Energy Loan Fund is anticipated to be a revolving loan fund with some appropriation each fiscal year, but we cannot speak to anything beyond the current round.
- Q5. Can your loan be subordinated to the existing mortgage?
- A5. Ohio Development Services Agency might take a subordinate position on an existing mortgage, if the first lender allows it. The borrower would need to get approval from the first lender to do so. Additionally, the borrower would be required to pledge additional forms of collateral to secure the loan.
- Q6. Are CNG stations eligible for loans? They don't exactly reduce energy use, but they facilitate GHG emission reductions of more than 15 percent, use in-state resources, etc.
- A6. No, CNG stations are not an eligible project under the Energy Loan Fund.

Q7. Can this be used for R & D?

A7. Funding from the Energy Loan Fund cannot be used for the development or demonstration of energy efficiency or renewable energy technologies or for any systems or technologies not widely commercially available.

Q8. If the project consists of rehabbing an existing building and constructing an addition - all with energy efficient systems, how would we calculate energy expense savings? Pro rata share (by square foot) of future cost attributable to the existing building versus the previous cost for that building?

A8. The Energy Loan Fund can be used for rehabbing an existing building, but not for the construction of the addition. To calculate the energy savings of the existing property, energy modeling may be used to establish a baseline.

a. As per page 7 of the guidelines: "The Energy Loan Fund will be used on energy efficiency retrofits of existing buildings... Retrofits do not include new construction and expansions of buildings or facilities."

b. And on page 13: "For buildings where it is not possible or prohibitively difficult to obtain the required historical energy consumption data, energy modeling may be utilized for establishing baseline building energy use."

Q9. Would a county need to file this application if they would be the borrower?

A10. Yes, if the county is the one that will be the borrower, they will need to be the main contact on the application.

Q9. How does the required 15% energy savings apply to a solar generating facility? Can that be projected over the life of the project based on expected electricity cost increases, or must it be based on current rates?

A9. A solar project funded under the Energy Loan Fund must provide at least 15% of the facility's energy usage in order to qualify. In addition, ODSA would likely require that energy efficiency measure have been implemented prior to or along with an installation of solar energy.

Q10. Since Davis Bacon law usually affects the labor cost of a project, at what point do we find out if it applies?

A10. If the applicant is selected for financial assistance, the applicant will receive a term sheet describing the terms of the loan and the source of funding.