



Department of  
Development

Mike DeWine, Governor  
Jon Husted, Lt. Governor

Lydia L. Mihalik, Director

# Energy Loan Fund

---

## Program Guidelines and Application Process

Fiscal Years 2022 and 2023

Revised and Issued: July 27, 2022

Qualified Loan Applications Accepted on a First-Come, First-Served Basis and Subject to Funding Availability.

Fiscal Year 2022 Funding Available: up to \$8 million in state funds.

Fiscal Year 2023 Funding Available: up to \$8 million in state funds.

Ohio Department of Development  
Office of Energy and Environment  
77 South High Street, 26<sup>th</sup> Floor  
Columbus, OH 43215-6130

Applicants may submit questions to the Office of Energy regarding this loan program by email via [energy@development.ohio.gov](mailto:energy@development.ohio.gov)

## Table of Contents

<b>OVERVIEW</b> .....	<b>3</b>
<b>FUNDING AVAILABLE</b> .....	<b>3</b>
<b>APPLICANT ELIGIBILITY</b> .....	<b>4</b>
<b>ELIGIBLE PROJECTS</b> .....	<b>5</b>
<b>MINIMUM PROJECT REQUIREMENTS FOR ALL ELIGIBLE PROJECTS</b> ....	<b>7</b>
<b>APPLICATION PROCESS</b> .....	<b>9</b>
<b>TECHNICAL REVIEW</b> .....	<b>12</b>
<b>APPROVAL</b> .....	<b>13</b>
<b>LOAN AGREEMENT</b> .....	<b>14</b>
<b>PROGRAM FEES</b> .....	<b>15</b>
<b>LINK TO ONLINE APPLICATION</b> .....	<b>16</b>
<b>COMMUNICATION AND INQUIRIES</b> .....	<b>16</b>
<b>DEADLINE FOR SUBMISSION</b> .....	<b>16</b>
<b>ADDITIONAL GUIDELINES FOR OHIO PUBLIC K-12 SCHOOLS</b> .....	<b>16</b>

## **OVERVIEW**

The Ohio Department of Development (Development) connects companies and communities to financial and technical resources to increase energy efficiency and reduce energy costs. In support of its mission, Development provides financing through federal and state funding resources for eligible projects that demonstrate a reduction in energy usage and associated costs, avoidance of fossil fuel emissions and the creation and/or retention of jobs.

The Energy Loan Fund provides financing for Ohio businesses, non-profits, and public entities to complete energy efficiency and advanced energy projects. Projects are evaluated on a variety of technical and financial criteria that will result in significant energy and cost savings.

Interested entities should review the program Guidelines to determine the eligibility of their project. A project is defined as all eligible work related to the installation and implementation of eligible Energy Efficiency Measures (EEMs) and includes adherence to the program requirements of the Energy Loan Fund.

The Energy Loan Fund is a revolving loan fund. Financial assistance will be approved for loan applications determined by Development to be most consistent with the program goals and objectives, evaluation criteria, and are most meritorious at the time of submission.

Development reserves the right to fund any loan application in full or in part, to request additional information to assist in the review process, to reject any or all loan applications responding to these Guidelines and to re-issue the Guidelines and accept new loan applications if Development determines that doing so is in the best interests of the State of Ohio. Issuing these Guidelines does not bind Development to approve any loan application. Any commitment of funds in respect to these Guidelines will be subject to availability of funds. These Guidelines are not a contract or commitment of any kind on behalf of Development. Development administers these Guidelines and reserves the right to adjust the dates for these Guidelines for whatever reason it deems appropriate.

## **FUNDING AVAILABLE**

Funding available under these Guidelines is up to \$8 million in state funds for Fiscal Year (FY) 2022 and up to \$8 million in state funds for FY 2023. Amounts are further divided as follows:

- \$4 million each FY is available to Ohio manufacturers, commercial businesses, municipalities, hospitals, and non-profits with the minimum loan amount being \$250,000 and the maximum loan amount being \$2.5 million.
- \$4 million each FY is available to Ohio public K-12 schools with the minimum loan amount being \$250,000 and the maximum amount being \$2.5 million.

Funding can be made available through federal and state resources but for the purposes of these Guidelines it is anticipated that all funding will be sourced from State of Ohio funds. All projects approved for loan funds must comply with associated federal or state requirements where applicable.

Federal funding is available through the U.S. Department of Energy's (DOE) State Energy Program (SEP). DOE's authorization for the SEP is 10 CFR Part 420.

State funding is available through the Advanced Energy Fund, which is authorized by Sections [4928.61 to 4928.63](#) of the Ohio Revised Code.

If selected for funding, applicants will receive details on the specific federal or state requirements pertaining to their project.

Development, at its discretion, may amend these Guidelines, the loan amount, funding availability amount, funding source, application process, application timeline, or criteria in approving funds. Qualifying Loan Applications may be funded until all the funds allocated for distribution under this program are committed or until Development determines the program no longer suits the best interests of the State of Ohio.

## **APPLICANT ELIGIBILITY**

Eligible borrowers can be corporations, limited liability companies, limited partnerships, non-profits, school districts, colleges and universities, local units of government, or any combination thereof. All applicants 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.

Ohio public K-12 schools are defined as properly accredited Ohio Public School Districts that issue diplomas recognized by the Ohio State Board of Education and meet and adhere to the Ohio Department of Education's Ohio Operating Standards at the time of application to the Energy Loan Fund program. All the requirements of these Guidelines apply to applicants who are Ohio public K-12 schools. Additional necessary and supplemental information and requirements for Ohio public K-12 schools can be found in the Ohio Public K-12 Schools section on page 15.

Development also offers technical assistance to help identify potential energy savings. Manufacturers are encouraged to enroll in the Energy Efficiency Program for Manufacturers, a multi-phase program designed specifically for manufacturers to identify and implement EEMs. Similarly, Development also assists non-manufacturing commercial businesses, local governments, and non-profit institutions to plan, assess, and implement cost-effective energy efficiency improvements to buildings and facilities. For more information on these Energy Efficiency Programs, go to <https://development.ohio.gov/business/redevelopment/energy-efficiency-program>.

Projects that fall outside any of the Guidelines of the Energy Loan Fund may be eligible for funding through an Ohio Port Authority and the Ohio Energy Loan Loss Reserve

Program. The Loan Loss Reserve program offers credit enhancement to eligible Ohio Port Authorities as they originate loans for projects that make business and non-profit facilities more energy efficient. Development partners with eight Ohio Port Authorities for this program. For more information and a list of participating ports, go to <https://development.ohio.gov/business/redevelopment/loan-loss-reserve-program>.

## **ELIGIBLE PROJECTS**

The Energy Loan Fund can be used to finance EEMs and retrofits of existing buildings, energy efficiency improvements in manufacturing processes, equipment and systems, and may be used to finance cost efficient and effective distributed energy generation systems (combined heat and power, renewable, etc.) but only when they are a part of a larger overall energy efficiency project for an existing building. However, the energy efficiency potential (based on an energy efficiency audit) of each loan application must be demonstrated or included when seeking financial assistance through the Energy Loan Fund program. A copy of the energy audit report for each project must be included. An American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Level II audit (or equivalent) must be provided, which must be certified by an engineer/architect duly licensed to practice in the State of Ohio. Final decision on audit level and acceptability (ASHRAE Level II or equivalent) will be determined by Development.

Specific activities eligible through this loan program include:

- Energy efficiency retrofits\* (including energy saving performance contracting) for existing buildings or facilities adding energy efficient equipment, such as:
  - Insulation (as applied to building envelope, steam or hot water system, ductwork, equipment, etc.);
  - Installation of light emitting diodes (LED) lighting or other energy efficient lighting technologies, including day-lighting techniques;
  - Energy management demand control systems, occupancy sensors, and night setback;
  - Heating, venting and air conditioning (HVAC) upgrades, including air handler supply air reset;
  - Installation of high-efficiency boilers, chillers, and burners, including variable speed drive air compressors and chillers;
  - Weather-sealing;
  - The purchase and installation of permanently fixed ENERGY STAR appliances;
  - Replacement of windows and doors;
  - Process heating and cooling equipment and systems;
  - Steam traps;
  - Waste heat recovery equipment; and
  - Other energy efficient equipment such as pumps, fans, motors, variable frequency drives, high energy efficiency water treatment equipment (when part of a qualified project), ice storage for peak demand reduction, air handling unit economizers, etc.

\*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) and this would be determined through consultation with the State Historic Preservation Office.

- Entities may implement distributed energy resource technologies when they are a part of a larger overall energy efficiency project for an existing building, including but not limited to:
  - District heating and cooling systems;\*
  - Combined heat and power systems (systems sized to thermal loads);\*
  - Cogeneration systems (systems sized to thermal loads);\*
  - 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:\* (develop, implement, and install onsite renewable energy technology that generates electricity from renewable resources, including solar, wind, bio-energy, or other non-depletable sources of energy) Solar electric, wind electric and solar thermal projects will require completion of additional application materials and compliance with additional requirements.

\*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.

The Energy Loan Fund is designed to help Ohio reduce energy usage and associated costs. If an applicant is requesting funding solely for a distributed energy generation project, the applicant must describe the EEMs that have already been implemented at the facility, and the energy audit must confirm that the building has been made as energy efficient as reasonably possible. The Energy Loan Fund is not to be used for stand-alone Power Purchase Agreements for grid sales or for a distributed energy generation project without also installing the EEMs that are still necessary.

- Entities may also use loan funds to replace traffic signals and street lighting with energy efficient lighting technologies, including LEDs; and any other technology of equal or greater energy efficiency.

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;
- For non-energy-related alteration or upgrades or repair of a building or structure;
- 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;
- To purchase land, a building or structure or any interest therein; or
- For projects that would require but have not yet completed environmental impact statements.

### **MINIMUM PROJECT REQUIREMENTS FOR ALL ELIGIBLE PROJECTS**

- The project must be installed in Ohio.
- Entities must be registered with the Ohio Secretary of State and remain in good standing to conduct activities in the State of Ohio for the duration of the loan.
- The applicant must be the property owner or hold a long-term secured lease agreement with the property owner. The property owner must be an eligible entity.
- Expenses incurred prior to the term of the loan agreement are not eligible for reimbursement unless otherwise approved by Development.
- Project equipment must NOT be ordered, purchased, or installed prior to having an executed agreement with Development or unless otherwise approved by Development.
- All project components must be new or remanufactured parts with a minimum of a one-year warranty.
- All projects must demonstrate a minimum of 15% energy use reduction from existing conditions as a result of the EEMs or process improvements being implemented. ASHRAE is the industry standard for energy audits, and all applicants must provide an ASHRAE Level II audit (or equivalent), certified by an engineer/architect duly licensed to practice in the State of Ohio, for review so that the energy savings potential of each project can be determined. Information on ASHRAE can be found at [www.ashrae.org](http://www.ashrae.org). The final decision on audit level and acceptability (ASHRAE Level II or equivalent) will be determined by Development.
- All projects must result in a simple payback period of 15 years, and preferably less, which allows the loan to be paid back within a reasonable time period.
- Each applicant must provide a documented cost share for a proposed project. Cost share for for-profit entities must be a minimum of 20% of total project costs. Cost share for nonprofits, local units of government, and Ohio public K-12 schools must be a minimum of 10% of total project costs. For example, if a for-profit entity is selected to receive a loan for a \$1 million project, Development will offer a loan for \$800,000 and the borrower would provide cost share in the amount of \$200,000. A nonprofit or local unit of government would be required to provide a cost share of \$100,000 for a \$1 million project. Cost share must be

expended during the approved project period and term of the loan and for eligible expenses as defined in these Guidelines.

- Each applicant must meet all applicable state and federal permitting requirements. For any project selected, the applicant will be responsible for obtaining the appropriate permits and providing copies of the permits to Development as a required benchmark in the project timeline.
- The applicant must execute all documents required by Development.

All applicants must adhere to regular reporting requirements on their project, including:

- Monthly progress reports during installation that describe the 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 use and cost savings of the project and publicity;
- Financial data reports with support documentation such as invoices, financial statements, bills, receipts and proof of payments of the actual project expenses incurred;
- Project completion report documenting installation of the proposed EEMs for which loan funding was received and which required cost share also supported;
- Quarterly energy measurement and verification (M&V) reports for a year after the completion of the project. The reports will document energy and cost savings and/or energy production from technologies (Combined Heat and Power, renewable, etc.) installed and operational, emissions avoided, submission of quarterly utility bills, downtime and/or maintenance issues with the installed equipment and any publicity;
- Annual audited financial statements and certificate of non-default for the term of the loan; and
- Development will assign funds to each approved project and, depending upon the source of those funds, certain reporting requirements such as Davis-Bacon Act compliance may apply.

If requested, applicants must make the project available for inspection by Development during the application process, during construction, upon completion of construction, and for the term of the loan.

Each applicant must make public all non-proprietary project information about the project. Ohio Revised Code section [122.36](#) titled Confidential Information states:

Any materials or data submitted to Development, to the extent that the material or data consist of trade secrets, as defined in section [1333.61](#) of the Ohio Revised Code, or commercial or financial information, regarding projects are not public records for the purposes of section [149.43](#) of the Ohio Revised Code.

Applicants must also allow for participation by Development in at least two outreach activities and provide two facility tours for interested parties. The applicant may



undertake these efforts on their own or as requested by Development, during the term of the loan.

Details on the federal requirements of the DOE SEP for projects approved for federal funds are available at: <http://energy.gov/eere/wipo/state-energy-program-guidance>. DOE occasionally updates this information and, as a result, it is important to review this website on a periodic basis.

## **APPLICATION PROCESS**

Development will accept and process qualified loan applications on a first-come, first-served basis subject to the availability of funding. Applicants must apply online at <https://development.ohio.gov/EnergyLoanFund>.

A pre-application followed by a loan application must be completed for each eligible project.

### **Pre-Application**

All prospective applicants must submit a pre-application prior to submitting a loan application. Both the pre-application and the loan application must identify the eligible applicant. The eligible applicant also will be the authorized representative of the eligible project in all matters related to any funds approved under the Energy Loan Fund and will be solely responsible for all loan management responsibilities. In the pre-application, the prospective applicant must provide:

- An overview of the proposed project;
- Projected energy use savings;
- Projected energy cost savings;
- Simple payback with incentives, if applicable;
- Loan amount requested and cost share; and
- A description of the anticipated expenses for which the loan and cost share will be used.

A separate pre-application and loan application must be submitted for each individual project.

The pre-application is a REQUIRED step in the application process. Its purpose is:

- To facilitate a process by which Development can determine the eligibility and alignment of proposed projects with the applicable state and federal guidelines;
- To assist Development in preparing for the volume, range, and type of potential projects for which funding may be requested;
- To serve as notice to the prospective applicants of the size and type of the potential applicant pool; and

- To allow Development to adequately assign resources to review and process loan applications in a timely manner.

Any feedback from Development during the pre-application or loan application process does not constitute a determination, either favorable or unfavorable, of the applicant's proposed project or a formal evaluation of the strength or weakness of any such application materials.

Feedback from Development concerning the pre-application will be provided through written correspondence.

Applicants may be referred for technical assistance if Development determines the proposed project is eligible but in need of additional technical information. Projects receiving technical assistance must reapply for the Energy Loan Fund to be eligible for funding. Receiving technical assistance does not guarantee funding from the Energy Loan Fund in the future.

Submitting a pre-application does not obligate a prospective applicant to submit a loan application.

### **Formal Application Procedures**

Potential applicants interested in funding can find the pre-application and loan application process at <https://development.ohio.gov/EnergyLoanFund>.

A \$250 application fee is required for all applicants and must accompany the loan application. This fee is nonrefundable. Loan applications will not be reviewed on either technical or financial merit until the application fee has been received in full.

Loan applications for the Energy Loan Fund must contain, at a minimum, the following in addition to the information already submitted in the pre-application.

- ASHRAE Level II energy audit (or equivalent);
- The warranty, specs and brochures, of the equipment (HVAC, Lighting, Burners, etc.);
- Contact information for the project manager, property owner, and architect or engineer of record;
- Listing of the project timeline and milestones;
- Economic impacts of the project;
- U. S. Environmental Protection Agency (EPA) Form;
- Ohio Bureau of Workers' Compensation (BWC) Certificate;
- Current utility bill;
- Sources and uses budget;
- Three years historical financial statements (balance sheet, profit and loss);
- Interim financial statement;
- Projected financial statements for the current and next three years;

- Personal financial statements;
- Property appraisal;
- Debt schedule;
- Any additional supporting documentation needed to enhance the loan application; and
- Registration with the Supplier Portal (formally known as Ohio eSupplier) or complete the appropriate Supplier Portal online registration as a new supplier. Both are provided [here](#). Applicants for Energy Loan Fund funding are considered to be suppliers for the purposes of this registration.
  - For new suppliers, you will need to complete the “Start Registration” option. To complete the on-boarding process you will need the following documents:
    - Scanned copy of your hand-signed W9 form
    - Banking information (bank name, routing number, account number)
    - Full remit to address
  - For existing suppliers, please use the “Find My Business” option to:
    - Confirm your company has registered as a supplier with the Supplier Portal

Loan applications will be considered only from applicants who submitted a pre-application. Development will evaluate a loan application taking into account the following criteria:

- Loan application’s completeness;
- Energy use savings – proposed project must achieve at least an overall 15% energy savings in the EEMs or process improvements being implemented;
- Payback period – the proposed project must result in a simple payback of 15 years, and preferably less, from energy cost savings with eligible incentives in the EEMs or process improvements being implemented, not including operation and maintenance cost savings;
- Submitted ASHRAE Level II (or equivalent) energy audit;
- Proposed commissioning and measurement and verification plan;
- Submitted sources and uses budget;
- Whether application meets the requirements of applicable state and/or federal funding sources;
- Type of eligible technologies utilized, and the extent of energy savings achieved as a result of the project;
- Extent of job creation;
- Economic impacts and improvements, including but not limited to:
  - Project location such as a downtown or redeveloping neighborhood or area
  - Use of a vacant or dilapidated building
  - Community impact or public benefit
  - Purchase of Ohio-made products/materials
  - Applicant exports out of U.S.A.
  - Applicant is a small or medium-size business or manufacturer

- Project will result in new business to Ohio;
- Improvement in environmental quality and CO<sub>2</sub> emissions reduction as a result of the project;
- Extent, type and quality of cost share investment in the project;
- The project readiness and timeline to complete project;
- Applicant's need for financial assistance to complete project;
- Applicant's overall financial strength;
- The overall Energy Loan Fund portfolio; and
- The advancement of Development's mission.

Prior to the selection of an eligible project for approval, each applicant must adhere to regulatory compliance with the Ohio Secretary of State, the Ohio BWC, the Ohio Department of Taxation, the Ohio EPA and other state agencies. Each applicant is responsible for ensuring there are no significant outstanding issues or liabilities with the State of Ohio. Any determinations of noncompliance may result in a loan application not being recommended or funded.

Development reserves the right to request supplemental or clarifying information from an applicant at any time during the review process. If a loan is approved for an applicant, Development may also request additional information as may be necessary or useful to complete the credit review and loan documentation process.

## **TECHNICAL REVIEW**

The applicant must submit all required information in the loan application in order for Development to proceed with a full technical review. Development will be unable to complete a technical review of incomplete applications. Projects not receiving or passing a technical review will not receive a financial review and will be deemed ineligible for funding.

Expected energy, economic and environmental impacts for any project include:

- The project must demonstrate a minimum of 15% energy use reduction from existing conditions in the EEMs or process improvements being implemented to be eligible for this program. Projects where baseline data is not available must show (theoretical model) a 15% reduction in energy use from current standard code equipment in the EEMs or process improvements being implemented;
- The project must result in a simple payback of 15 years, and preferably less, not including operation and maintenance costs, which allows the loan to be paid back within a reasonable time period;
- The creation or retention of jobs or other economic impacts and community improvements will be considered through this loan program; and
- Improvement in environmental quality must be achieved as a benefit of completing the project and must be calculated in the Loan Application.

An ASHRAE Level II energy audit (or equivalent), less than two years old, must be submitted when seeking financial assistance through this program. The audit, conducted by a qualified engineer or architect duly licensed to practice in the State of Ohio, will identify and recommend EEMs, estimate the useful life of each EEM, determine total project capital cost expected energy use savings, and determine energy cost savings and emissions reduction that can be achieved. The audit will evaluate the project's key financial metrics including return on investment, internal rate of return, net present value and payback period based on the anticipated term of the loan.

It is expected that most energy audits will be ASHRAE Level II audits; however, final decision on audit level and acceptability (ASHRAE Level II or equivalent) will be determined by Development.

Subsidized ASHRAE Level II energy audits are available through contractors of Development, subject to funding availability. Please contact [energy@development.ohio.gov](mailto:energy@development.ohio.gov) for assistance in acquiring such services.

Energy baseline data must be submitted. Three years of baseline data is preferred, if available. If the last major renovation of the facility was completed within the prior three years, a minimum of one year of data is required.

For buildings where it is not possible or it is prohibitively difficult to obtain the required historical energy consumption data, energy modeling may be utilized for establishing baseline building energy use. Development has the ultimate responsibility and sole discretion to approve the appropriate energy use baseline for a particular project, depending upon the nature of the proposed project and supporting information.

Applicants must submit with their project, a Measurement and Verification (M&V) plan directed at project commissioning, and be responsible for its execution. Applicants may base their M&V plan on the International Performance Measurement and Verification Protocol, or an alternative protocol defined by the project energy consultant (depending on the project size and EEMs installed) as agreed upon by Development.

## **APPROVAL**

In determining whether the applicant satisfies all technical requirements, projects will be evaluated in five categories. The five categories are:

1. Economic impacts;
2. Projected energy cost savings;
3. Projected payback period;
4. Projected energy saved; and
5. Projected CO<sub>2</sub> emissions savings.
  - a. Applicants must utilize the EPA's Greenhouse Gas Equivalencies Calculator (<http://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>) to calculate savings.

Projects will undergo a financial review after a successful technical review. Development at its sole discretion may choose to financially review a limited number of applicants.

If a project does not pass either technical or financial review, it will not be considered for funding.

If the applicant is selected for funding, which is at the sole discretion of Development, the applicant will receive a term sheet describing the terms of the loan.

Development reserves the right to reduce the requested loan amount for: (1) ineligible costs, cost redundancies or any other cost inefficiencies evident in the application materials, or (2) because of funding availability.

The decision of Development in selecting loan applications for approval is final and may not be appealed.

Written notification will be provided to all applicants as to Development's final determination.

## **LOAN AGREEMENT**

The program funds will be disbursed as loans at or below market rates of interest and will be serviced in-house by Development.

The loan term will be determined based on the project activities, verified estimated energy cost savings, the useful life of the allowable project costs/uses financed, and the financial strength of the applicant. The maximum loan term is 15 years, however fewer years are preferable.

Loans will be made subject to customary loan documentation in form and substance acceptable to Development.

Each applicant must provide a documented cost share for a proposed project. Cost share must be secured prior to the close of the energy loan. All conditions to disbursement must be met before an eligible project may close a loan with Development.

Costs incurred prior to the loan closing date or past the agreed upon completion date will be ineligible unless an extension is requested by the applicant and granted by Development. It is Development's sole discretion to grant an extension.

The loan will carry 0% interest for six months after the close of the loan.

The first loan payment is due 12 months from the close of the loan.

Repayment of the loan may carry annual fixed interest rates that are set below current market rate. The interest rate is determined solely by Development. More competitive interest rates may be available for projects that have a loan term of less than 10 years.

Security is determined on a case-by-case basis and can include the real estate assets being improved, secured funds, corporate guarantees, personal guarantees, or other collateral. Development typically requires a first priority mortgage and/or security position on assets. Development will not subordinate in payment position. Development may require additional security in the form of one or more of the following: (1) a linked deposit control account naming Development as the beneficiary in the event of default; (2) personal guarantees from owners, major stockholders, members, partners, or other persons with similar interests; (3) corporate guarantees from affiliate companies; and (4) other comparable credit enhancement.

The applicant will be responsible for entering into all agreements as required under the Energy Loan Fund and as necessary to complete the eligible project, including binding agreements with third-party project partners. The applicant is responsible for complying with all applicable federal and state requirements, reporting procedures, and monitoring.

## **PROGRAM FEES**

The following program fees are required of applicants.

A \$250 loan application fee is required of all applicants.

Checks should be paid to the order of: Treasurer of State of Ohio and mailed to the address below within a week of submitting an online loan application.

Ohio Department of Development  
Office of Energy and Environment  
Attn: Energy Office  
77 South High Street, 26th Floor  
Columbus, OH 43215-6130

Additionally, applicants selected for funding must also pay a non-refundable processing and commitment fee, equivalent to 1% of the loan amount, which is due to Development upon receipt of the signed term sheet.

An annual servicing fee equal to a quarter of one percent (0.25%) of the outstanding principal amount of the loan will be assessed as part of the overall interest rate for the project.

## **LINK TO ONLINE APPLICATION**

After reading and understanding the program Guidelines in their entirety, applicants may begin the pre-application and loan application process online at:

<https://development.ohio.gov/EnergyLoanFund>

## **COMMUNICATION AND INQUIRIES**

Applicants may submit questions to Development regarding this loan program by email at [energy@development.ohio.gov](mailto:energy@development.ohio.gov).

## **DEADLINE FOR SUBMISSION**

Loan applications will be accepted on a first-come, first-served basis after submission of a pre-application.

## **ADDITIONAL GUIDELINES FOR OHIO PUBLIC K-12 SCHOOLS**

The required ASHRAE Level II energy audit can, subject to funding availability, be acquired through a contractor of Development at a subsidized rate. A list of energy audit firms performing ASHRAE Level II audits for Ohio public K-12 schools can be found at <https://development.ohio.gov/community/redevelopment/energy-efficiency-program>, under Participating Energy Audit Contractors for Non-Manufacturing Sectors.

The anticipated interest rate on loans to Ohio public K-12 schools is projected to be a quarter of one percent (0.25%), which is composed solely of the annual loan servicing charge.

The borrower on an Ohio public K-12 school loan will be required to pay their own closing costs and also reimburse Development for its closing costs within the 120 day period after execution of the loan and within 30 days of being presented those costs by Development. Development's closing costs will not exceed \$10,000.

The borrower on an Ohio public K-12 school loan will be required to designate the Energy Loan as a general obligation to be paid for by future tax revenues as collateral on the loan.

An Ohio public K-12 school district must use Energy Loan funds to replace one or more energy systems across the entire school district or at least within as many school buildings of the district as the loan funds and required cost share can cover. An entire energy system means all HVAC units, all windows, all lighting fixtures, etc.

Loans to Ohio public K-12 schools may be partially forgivable provided the energy audit firm or energy service company chosen by the Borrower employs interns or co-op students studying to work in the energy field. The energy audit firm or energy service company must use said interns or co-op students on the entirety of the audit and/or



energy measures installation process for a minimum of 20 hours a week through completion. For each student utilized, 1% of the loan amount will be forgiven up to a maximum of 5%. Students must be K-12 graduates currently enrolled in a community college, vocational/trade school, or undergraduate college program of study directly related to the work at hand and they must be an employee of the energy auditor or energy services company working on the project. Participation of such an intern or co-op student must be documented. Such documentation must be provided to Development by the completion of the energy measures installation (i.e., project period) by both employment records and a record of all time spent and work performed on the project.