
ConserFund Plus Basics



The ConserFund Loan program was established to assist government and non-profit entities in carrying out energy efficiency projects. The program has recently been expanded using funds repaid to the State by entities which received the original 75% grant/25% zero interest loans under the American Recovery and Reinvestment Act (ARRA.)

Who is eligible to receive a ConserFund Plus Loan?

State government agencies, public K-12 school districts and publicly funded colleges and universities. Non-profits and local governments are **not** eligible. **ConserFund Plus** loans will only be available to those state entities that were eligible for the original ARRA grants and will consist of a

70% loan/30% grant option.

What is the interest rate and does it change?

The rate is currently 2.0%. The rate is reevaluated each June, but the rate in effect when your loan documents are signed will remain in effect over the life of the loan.

How much can I borrow?

The minimum loan amount is \$25,000 and the maximum is \$500,000 per (state) fiscal year. This will include the 30% grant amount. In other words, an agency borrowing the maximum amount would receive disbursements up to \$500,000 but would repay only \$350,000 plus current interest. As is the case with ConserFund, an entity could borrow up to the maximum before July 1 of a given fiscal year, and then borrow additional funds after July 1 if necessary for a large project.

Do ARRA funds create additional requirements?

Yes, borrowers must comply with all ARRA requirements, including Davis Bacon wage reporting, (ARRA) Buy American Provisions requirements, and restrictions on transfer or sale of equipment costing more than \$5,000. ARRA requirements apply to both the grant and loan portions of the transaction, as well as to any expenditures borrowers may make directly. See Application Attachment A.

How long is the term of the loan?

The maximum term is 10 years. However, loans should not extend beyond one and one-half times the expected payback of the loan. In other words, if your planned activity is expected to pay for itself in 4 years, your loan would be for no more than 6 years.

Is there a penalty for paying off the loan more quickly than planned?

No

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How are loan applications evaluated?

Loans are evaluated in two ways: financial stability of the borrower and technical merit of the proposed energy measure(s). We want the borrower to be able to repay the loan portion of the transaction and we want to see that the proposed energy measure(s) will generate savings that pay for themselves within a period of approximately 8 years.

How does it work?

Once the loan/grant is approved, the ORS-Energy Office will prepare agreement documents covering both the loan portion and the grant portion of the award. When the agreement is signed by you (the Borrower) and the ORS-Energy Office (the Lender) you may begin work. As work is completed and contractors submit invoices to you, you may request progress reimbursement payments based on work completed and invoices received. Disbursement requests will be counted equally against the grant and the loan portions of the transaction until the 30% grant portion has been accounted for. The ORS-Energy Office encourages monthly submission of reimbursement requests.

There is a grace period while your energy project is completed. Once the project(s) is completed, interest begins accruing. The first annual loan payment will be due one year after the designated construction period is over. This way, you will have a year's worth of savings from the project before loan payments have to be made.

Once the project is completed, the ORS-Energy Office will conduct an on-site monitoring visit to ensure project compliance with both the scope and requirements of the loan/grant agreement, and to gather "success stories" to inspire others.

What do I need to do to apply?

1. Have a technical analysis completed by an engineer or other professional who is a Professional Engineer (PE), a Certified Energy Manager (CEM) or an Accredited Commercial Energy Manager (ACEM) so that you know which energy measures will yield the greatest savings, have a plan in place, and know how much you need to borrow. In some cases, vendors may prepare the technical analysis if you are only contemplating one type of energy measure. For guidelines on completing a technical analysis and template, see [ORS Energy Office ConserFund PLUS Related Links/Files](#).
2. Based on the information provided in the technical analyses guidelines, complete the application form found at [ORS Energy Office ConserFund PLUS Application](#) and have it signed by the appropriate official with authority over organizational or financial matters. Once signed, you may scan the form and email it to tjerman@regstaff.sc.gov or send a physical copy through the mail.

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3. Include with the application (either scanned or in hard copy)
 - a. Technical analysis for each project location
 - b. Current Financial Statement providing year-to-date total assets, liabilities, revenue, State appropriations, etc.
 - c. Previous three consecutive years of audited financial statements
 - d. Completed projected Budget Form – Appendix I
 - e. Completed Technical Analysis Summary – Appendix II

What about collateral?

The Treasurer's Funds Intercept provisions will be used to recoup loan payments in case of default. In some instances, borrowers in default may be required to repay the grant funded portion as well as the loan portion of the agreement.

Questions? Call the Office of Regulatory Staff, Energy Office, at 803-737-8030