

LoanSTAR Revolving Loan Program

Application Information Packet

RFA# BE-G20-2018



State Energy Conservation Office

Overview

Program Summary

The Texas Comptroller of Public Accounts (“Comptroller”) administers the LoanSTAR (Saving Taxes and Resources) Revolving Loan Program through its State Energy Conservation Office (“SECO”). The program finances energy-related cost-reduction retrofits for eligible public sector institutions, as set forth in this RFA. Low interest rate loans are provided to assist those institutions in financing their energy-related cost reduction efforts. The program’s revolving loan mechanism allows a Successful Applicant (hereinafter also referred to as a “Borrower”) to repay loans through the stream of energy cost savings realized from the projects.

This Request for Applications (“RFA”) allows applications to be submitted from the time of issuance until Friday, August 30, 2019. LoanSTAR Applications (“Applications”) received will be reviewed on a first-come, first-serve basis during the open enrollment period.

Solicitation Details

- Maximum individual loan amount: \$8.0 million per Application
- Maximum number of loans awarded for this solicitation: 3 per Applicant
- Interest rate:
 - 2% (no minimum loan size)
 - 1% for American Recovery and Reinvestment Act (“ARRA”) funds. Minimum loan size \$3.0 million

Eligibility

Applicants must meet eligibility requirements before submitting an Application in response to this RFA.

Organization Eligibility

Eligible public sector institutions include any of the following: (1) a state agency, commission, board, office, institution, facility, or other state entity; (2) public junior college or community college; (3) an institution of higher education as defined in Section 61.003 of the Texas Education Code; (4) a unit of local government including a county, city, town, a public or non-profit hospital or health care facility; (5) a public school district (excluding charter schools); or (6) a political subdivision of the State of Texas. The public institutions must own and occupy the facilities where the proposed retrofit projects will occur.

Project Eligibility

Projects funded under the LoanSTAR Revolving Loan Program Request for Applications may be implemented using Design-Build, Design-Bid-Build, Energy Savings Performance Contracts (“ESPCs”) or Commissioning approaches. Each Utility Cost Reduction Measure (“UCRM”) must have a simple payback that does not exceed the estimated useful life of the UCRM.

Projects with an HVAC UCRM cost of less than 50 percent of total project cost must have a composite simple payback of ten (10) years or less. Projects with an HVAC UCRM cost equal to or greater than 50 percent of total project cost must have a composite simple payback of fifteen (15) years or less.

Utility dollar savings are the number one criterion for determining if the measure can be considered an eligible UCRM. UCRMs are not limited to activities that save units of energy. A UCRM could conceivably call for actions which save no energy or consume additional BTUs, but save utility budget dollars. Examples of such UCRMs include demand reduction, increased power factor, load shifting, switching utility rate structures, and thermal storage projects. All improvements must meet minimum efficiency standards as

prescribed by applicable building energy codes.

Examples of acceptable projects include:

- Building and mechanical system commissioning and optimization;
- Energy management systems and equipment control automation;
- High-efficiency heating, ventilation and air conditioning systems, boilers, heat pumps and other heating and air conditioning projects;
- High-efficiency lighting fixtures and lamps;
- Building shell improvements (insulation, adding reflective window film, radiant barrier, cool roof);
- Load management projects;
- Energy recovery systems;
- Low-flow plumbing fixtures, high efficiency pumps; or
- Retro- and re-commissioning.

Renewable energy efficiency projects are strongly encouraged wherever feasible and include:

- Installation of distributed technology such as rooftop solar water and space heating systems;
- Geothermal heat pumps (only closed loop systems with maximum 10-ton capacity);
- Electric generation with photovoltaic; or
- Small wind and solar-thermal systems.

Borrowers are responsible for compliance with all applicable state and federal laws, rules, and requirements, including United States Department of Energy (“DOE”) National Environmental Policy Act review and State Historical Preservation Office review, if applicable. Refer to the requirements set forth in the sample loan agreement.

Application Process

Schedule

Description	Date
Issuance of RFA	Friday, October 19, 2018- 10 a.m. CT
Application Deadline	Friday, August 30, 2019- 2 p.m. CT
Loan Approval and Award	As soon thereafter as practical and/or when funding becomes available. Applications that do not have MOU commitments by September 30, 2019 will expire.

Application Submission

All Applicants must submit three (3) hard copies and one (1) electronic copy of the Application and Required Documentation on a compact disc (not a USB flash drive). Applications must be complete, signed by an authorized representative of Applicant and meet all the requirements of the LoanSTAR Program.

Applications may be submitted anytime during the open enrollment period. The deadline for submission during this enrollment period is 2:00 p.m. CT, on Friday, August 30, 2019.

Applications submitted in person or by private courier service must be submitted to Comptroller’s Issuing Office at the following address.

Joseph Madden
Assistant General Counsel, Contracts
Texas Comptroller of Public Accounts
LBJ State Office Building

111 East 17th Street, Room 201
Austin, Texas 78774

Applications submitted through the U.S. Postal Service (“USPS”) must be sent to the following address:

Joseph Madden
Assistant General Counsel, Contracts
Texas Comptroller of Public Accounts
P. O. Box 13528
Austin, Texas, 78711-3528

Applications may NOT be submitted by fax or email. Faxed or emailed Applications will NOT be considered.

Late Applications will not be considered under any circumstance. Applicant shall be solely responsible for verifying Comptroller’s timely receipt of a loan application.

Following the award of a loan, responses to this LoanSTAR Revolving Loan Program are subject to release as public information under the Texas Public Information Act.

Comptroller reserves authority, in its sole discretion, to provide the loans or to make multiple loans under this RFA, and/or to withdraw this RFA and cancel the RFA and the LoanSTAR Revolving Loan Program at any time. Comptroller and SECO shall have no liability whatsoever for any costs or expenses incurred in submission of Applications in response to this RFA.

Required Documentation

Applicants are required to submit an Application with supporting documentation:

Option 1 (Design-Bid-Build projects, Design-Build projects or ESPCs):

1. Loan Application; and
2. Utility Assessment Report.

Option 2 (Retro- or Re-commissioning projects):

1. Loan Application; and
2. Commissioning Report.

Option 3 (without Utility Assessment Report or Commissioning Report):

1. Loan Application; and
2. Project Assessment Commitment or Preliminary Energy Assessment; and
3. Memorandum of Understanding.

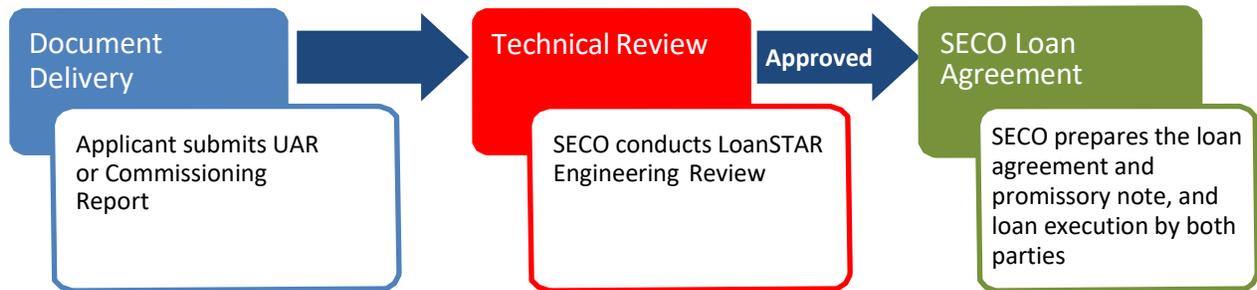
Applicants may either submit a Utility Assessment Report (“UAR”) or a Commissioning Report, as applicable, with the Loan Application, or submit a Project Assessment Commitment (“PAC”) or a Preliminary Energy Assessment (“PEA”) along with an executed Memorandum of Understanding (“MOU”). Applicants who choose to submit a Loan Application with a PAC or PEA and MOU will be required to submit a UAR or a Commissioning Report within one hundred forty (140) days of execution of the MOU by SECO (“End Date for Commitment” in MOU). Loan Applications submitted with completed UARs or Commissioning Reports may be prioritized for evaluation, at SECO’s discretion.

A UAR is required in order to receive funding for Design-Bid-Build projects and Design-Build projects. A Commissioning Report is required in order to receive funding for Retro- or Re-commissioning projects. The UAR and Commissioning Report Engineers are selected by Applicant and must be licensed in the state of Texas. Documentation must comply with the [LoanSTAR Technical Guidelines](#). There is not a prescribed format for Retro- or Re- commissioning project Commissioning Reports.

UARs and Commissioning Reports not having a Texas Licensed Professional Engineering seal will be evaluated the same as a PAC or PEA. All UAR and Commissioning Reports will be reviewed by a professional engineer selected by SECO.

Technical Review Process

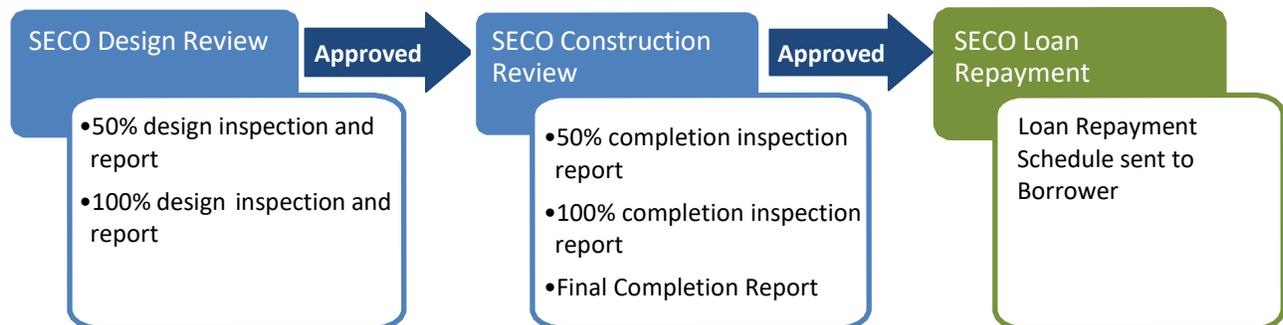
The following chart illustrates the process for Applicants, based on available funds that are not already committed:



Construction Review Process

Design-Bid-Build, Design-Build, ESPCs and Commissioning Projects

After a SECO Loan Agreement has been executed, Borrower can begin the process of designing and implementing the projects identified in the report.



Loan Repayment

After submittal of the Final Completion Report to SECO and the final reimbursement request is made, the Borrower will request a Loan Repayment Schedule from SECO. The Loan Repayment Schedule will contain the outstanding loan balance, the term of the loan and the schedule of quarterly payments to SECO.

The outstanding loan balance on the Loan Repayment Schedule will include the aggregate amount disbursed to Borrower plus the interest accrued on the unpaid principal amount as calculated from the date of each disbursement to Borrower. Interest will continue to accrue until the outstanding loan balance has been repaid in full. The schedule of quarterly payments in the Loan Repayment Schedule will reflect the interest which is anticipated to accrue throughout the term of the loan based on timely payments.

The loan repayment term is equal to the Simple Payback as calculated in the UAR or Commissioning Report. Payments are due at the end of each fiscal quarter using the State of Texas fiscal year calendar.

SECO forwards the Loan Repayment Schedule to Borrower based on the incurred loan amount. Loan repayments will begin within sixty (60) days of SECO's acceptance of project completion.

Sample Loan Agreement

Applicants should carefully review the Sample Loan Agreement posted with this RFA. The Sample Loan Agreement represents a sample of the terms and conditions that will be executed between a Borrower and Comptroller and is incorporated by reference into this RFA. A final loan agreement must be fully executed by both Borrower and Comptroller before the commitment of loan funding will be provided. Each Applicant must review these terms and conditions in the Sample Loan Agreement and otherwise in this RFA and take any exceptions and otherwise address any concerns or identify any issues in writing with its Application. Terms and conditions not specifically objected to at the time of submittal will be deemed to be accepted by Borrower. Comptroller has final approval of any loan agreement awarded as a result of this RFA.