

# LoanSTAR Revolving Loan Fund

Adam Mueller, Program Specialist



GLENN HEGAR, TEXAS COMPTROLLER OF PUBLIC ACCOUNTS



# Loan Details

- Low interest, reimbursement-based loans for public entities to complete energy efficiency projects
- Loans based on Utility Cost Reduction Measures (UCRMs)
- Dollars saved from UCRMs pay for the loan
- First-come, first-served
- Most common borrowers:
  - Local and County Governments
  - Public K-12 Schools
  - Public Universities
  - State Agencies



# Summary Statistics

- As of September, 2023...

**337+**  
**loans**

**\$600M+**  
**financed**

**\$800M+**  
**saved**

# Loan Details

**Interest Rate**

Usually between 1.5% - 3% (Depending on fiscal year of program)

**Simple Payback**

15 years or less

**Repayment Period**

Following completion of construction activities

# Qualifications

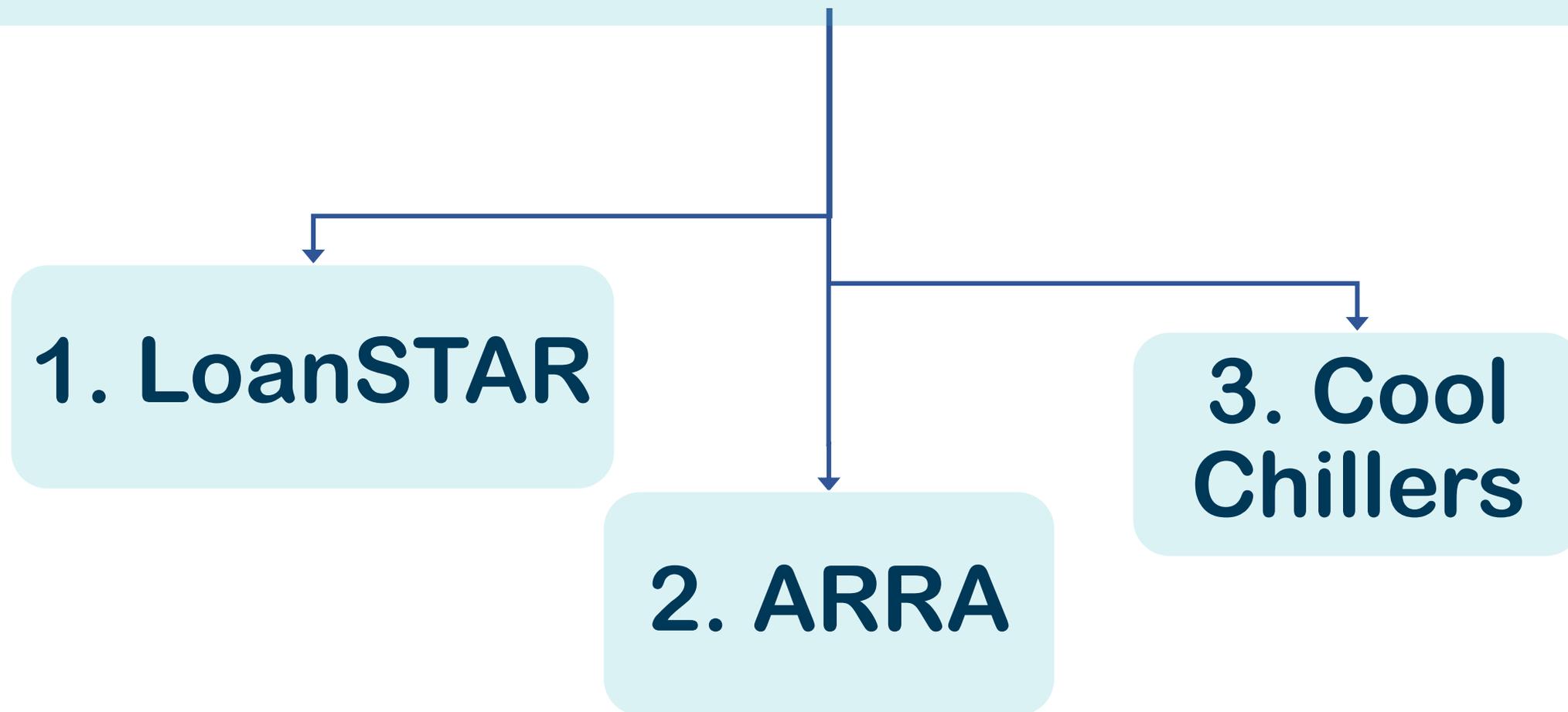
- **Permanently affixed energy efficiency measures**
- **Public entity must own and occupy the property**
- **Measured payback must be less than or equal to the Expected Useful Life (EUL) for all UCRMs**
- **Implemented using Design-Build, Design-Bid-Build, Energy Savings Performance Contracts (ESCPs), or Commissioning approaches**
- **LoanSTAR Technical Guidelines**

# Example Projects



- Building and mechanical system commissioning and optimization
- Energy management systems
- High-efficiency HVAC systems, boilers, heat pumps, etc.
- High-efficiency lighting fixtures and lamps
- Load management projects
- Retro- and re-commissioning
- and more!

# LoanSTAR Distinctions



# 1. “Flagship” LoanSTAR

- Interest Rate: 2.5%
- No minimum loan amount
- Maximum loan amount: \$6,000,000
- 12-month project term



## 2. LoanSTAR ARRA



- American Recovery and Reinvestment Act (ARRA) fund source
- Lower interest rate than “flagship” LoanSTAR loans: 1.5%
- Higher reporting burden:
  - Davis-Bacon Act Wage Determination
  - National Environmental Policy Act
- Minimum loan amount: \$3,000,000
- Maximum loan amount: \$8,000,000

# 3. Cool Chillers



- Special LoanSTAR Program
- Interest rate fixed at 0.25%
- No minimum loan amount
- Maximum loan amount: \$3,000,000
- Replace 12-year-old or older chillers and associated equipment
- Like-for-like replacement
- 24-month project term



# Application

- Application may be submitted with or without Utility Assessment Report (UAR)
- MOU holds funds for 140 days
- UAR must be completed by a Professional Engineer (PE)

**PART 1: General Information** PRINT FORM CLEAR FORM

**Borrower**

Name of Eligible Public Entity  Federal Tax ID  Application Date

Mailing Address  City  State  ZIP Code

County Name  Total Amount Requested \$

**Signing Authority**

Name  Title

Telephone  Email Address

**Primary Contact (Project Director)**

Name  Title

Telephone  Email Address

**Secondary Contact (Energy Manager)**

Name  Title

Telephone  Email Address

**Administrative Contact for Accounting (Financial Contact)**

Name  Title

Mailing Address  City  State  ZIP Code

Telephone  Email Address

**PART 2: Documentation Submitted with Application**

Place a check next to the documentation submitted with the application. One (1) electronic copy of the report is required. Reports must comply with SECO guidelines. See attachments for Project Assessment Commitment and Memorandum of Understanding forms.

- Utility Assessment Report (UAR) – for design-bid-build projects, design-build projects or Energy Savings Performance Contracts (ESPCs)
- Commissioning Report – for Retro- or Re-Commissioning projects
- Preliminary Energy Assessment (PEA) and Memorandum of Understanding (MOU) – a UAR is required to be completed within 140 calendar days of execution of the MOU.
- Project Assessment Commitment and Memorandum of Understanding. See attachments for Project Assessment Commitment and Memorandum of Understanding forms – a UAR is required to be completed within 140 calendar days of execution of the MOU.

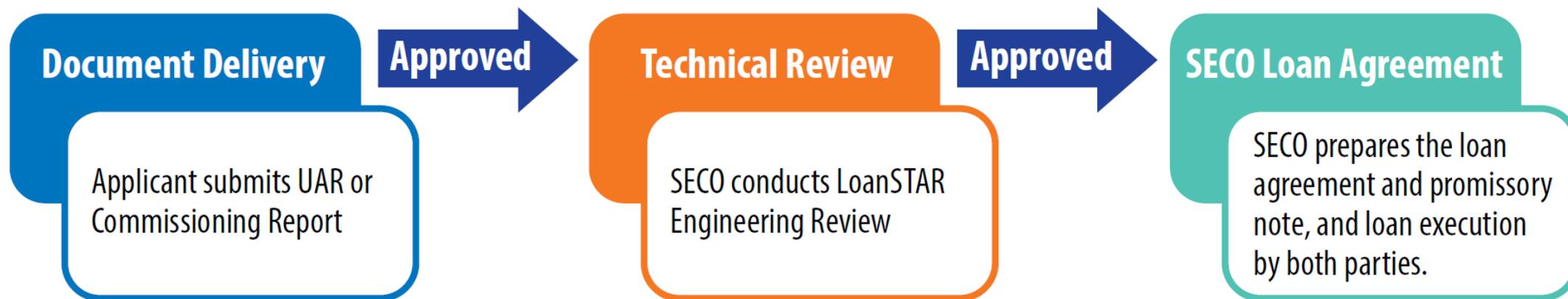
If UAR cannot be completed within 140 calendar days after notice is received that funding is committed to the project, do not proceed. The project is disqualified from loan consideration.

If an application is received with a UAR, applicant shall include the following (while the UAR is under Third Party review).

Bounded Category\*; Texas Historical Commission Project Review\*; Flood Map of Project Site\*; Wetland Map Project Site\*  
Definitions for each item are provided in Attachment D.



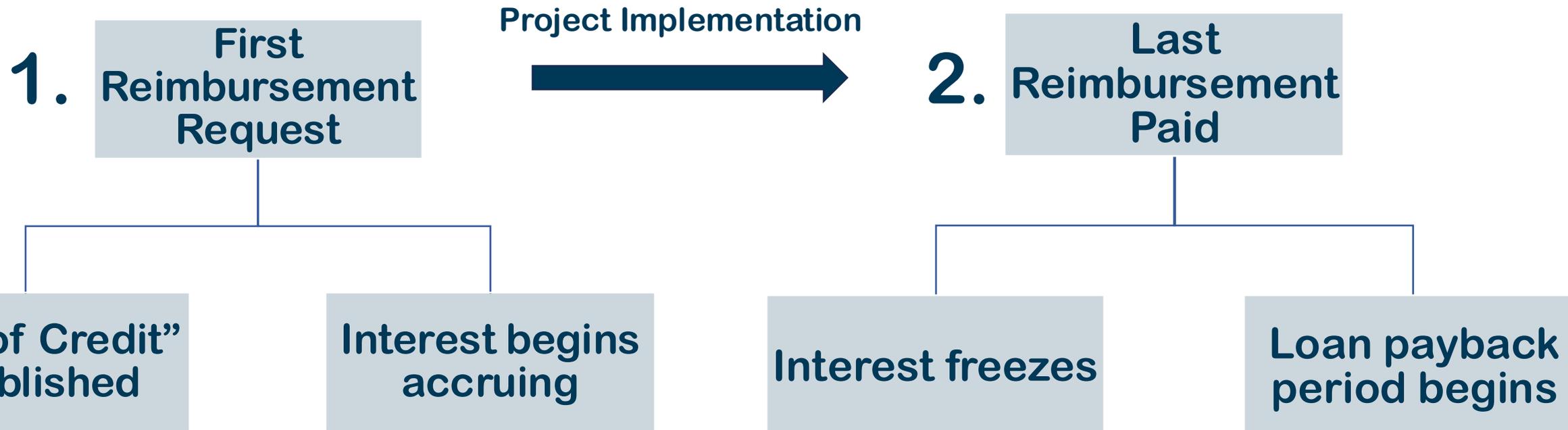
# Design Review Process



# Construction Review Process

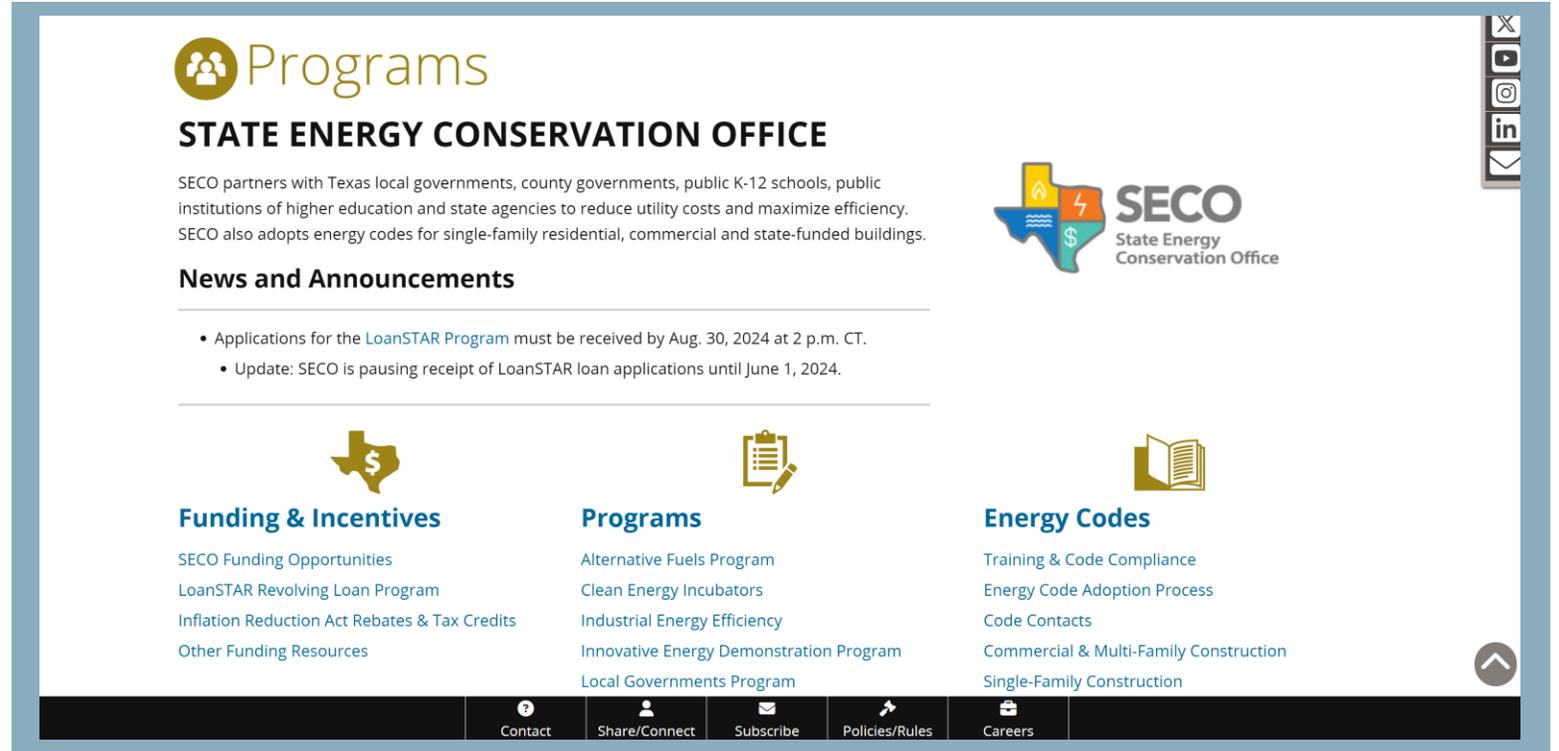


# Loan Process



# How to Apply

- All funding opportunities are posted on the SECO website as they become available
- [Sign up for alerts](#) to be notified when new opportunities are posted!



The screenshot displays the SECO website's 'Programs' page. At the top, the 'Programs' header is accompanied by a group of people icon. Below this, the 'STATE ENERGY CONSERVATION OFFICE' logo is shown, featuring a stylized Texas map with a house, a lightning bolt, and a dollar sign. The main content area includes a paragraph describing SECO's partnerships and a 'News and Announcements' section with two bullet points regarding the LoanSTAR Program. The page is organized into three columns: 'Funding & Incentives' (with a Texas map icon), 'Programs' (with a clipboard icon), and 'Energy Codes' (with a book icon). Each column lists specific programs and resources. A footer contains navigation links: Contact, Share/Connect, Subscribe, Policies/Rules, and Careers. Social media icons for YouTube, Instagram, LinkedIn, and Facebook are visible in the top right corner.

**Programs**

**STATE ENERGY CONSERVATION OFFICE**

SECO partners with Texas local governments, county governments, public K-12 schools, public institutions of higher education and state agencies to reduce utility costs and maximize efficiency. SECO also adopts energy codes for single-family residential, commercial and state-funded buildings.

**News and Announcements**

- Applications for the [LoanSTAR Program](#) must be received by Aug. 30, 2024 at 2 p.m. CT.
- Update: SECO is pausing receipt of LoanSTAR loan applications until June 1, 2024.

**Funding & Incentives**

- SECO Funding Opportunities
- LoanSTAR Revolving Loan Program
- Inflation Reduction Act Rebates & Tax Credits
- Other Funding Resources

**Programs**

- Alternative Fuels Program
- Clean Energy Incubators
- Industrial Energy Efficiency
- Innovative Energy Demonstration Program
- Local Governments Program

**Energy Codes**

- Training & Code Compliance
- Energy Code Adoption Process
- Code Contacts
- Commercial & Multi-Family Construction
- Single-Family Construction

Contact | Share/Connect | Subscribe | Policies/Rules | Careers

# LoanSTAR Questions?

# Thank you!

Adam Mueller, Program Specialist  
adam.meuller@cpa.texas.gov



Sign up for SECO updates!

[www.seco.cpa.texas.gov](http://www.seco.cpa.texas.gov)