

# Energy Efficiency Revolving Loan Fund

The Arizona Finance Authority (AFA) and Governor's Office of Resiliency (OOR) have received an allocation of \$1,657,015 under U.S. Department of Energy's Energy Efficiency Revolving Loan Fund Capitalization Grant Program, authorized under Section 40502 of the Infrastructure Investment and Jobs Act, commonly referred to as the Bipartisan Infrastructure Law.

AFA/OOR will use \$1,000,000 of its grant for loans to CDFIs and nonprofits with lending experience in energy efficiency projects.

## Program Sponsors



## About the Arizona Finance Authority

The Arizona Finance Authority is a comprehensive resource for financing, supporting, expanding, and relocating businesses, addressing community infrastructure needs, and assisting homebuyers. The AFA is committed to providing a streamlined, predictable process that gets borrowers the affordable financing they need.

## About the Office of Resiliency

The Arizona Governor's Office of Resiliency works to ensure a habitable environment for all Arizonans, today and in the future. It unites water, land use, transportation, and energy policy areas to address the compounding threats to Arizona's economy and quality of life. Additionally, the office serves as the state's energy office and has secured more than \$272 million in federal funding to improve the well-being of Arizonans and pave a path to long-term prosperity.

## Eligible Recipients of Loans, Grants, and Technical Assistance

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### Eligible Borrowers

- Commercial (publicly and privately owned). Must conduct a majority of business in the state that provides the loan.
- Residential: Individual who owns a single-family home, condo, duplex, or manufactured housing unit. A business that owns or operates a multifamily housing facility.
- Public sector entities qualify, including schools.

### Grants and Technical Assistance

- Commercial: Fewer than 500 employees.
- Residential: Low-income individual that owns a residential building.

### Eligible Project Lenders

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- Federal- and state-chartered banks and credit unions;
- Community development financial institutions certified by the U.S. Department of the Treasury CDFI Fund; and
- Any other lending institution approved by AFA/OOR for an Eligible Project.

### Eligible Projects

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- Each upgrade or retrofit must be recommended in a qualifying Energy Audit completed for a public- or privately-owned commercial building/structure in Arizona. The energy audit cost may be included in the amount loaned to the borrower if they qualify for a loan.
- The project must be life-cycle cost-effective, as determined by the Program Sponsor.
  - Generally, this will be determined in the energy audit report by demonstrating that anticipated energy savings over the useful life of the improvements will equal or exceed the total cost of such improvements. AFA/OOR reserve the right to use other approaches to determine project cost-effectiveness.
- The project must address at least one of the following:
  - The energy efficiency of the building or facility.
  - The physical comfort of the building or facility occupants.
  - The quality of the air in the building or facility NOTE: Based on the criteria above, geothermal heating systems are eligible, but solar/PV systems would need to be paired with energy storage or designed to provide operation during a utility electricity grid outage to be eligible.
- The project must lead to at least one of the following outcomes:
  - Reduce the energy intensity of the building or facility of the Eligible Recipient.
  - Improve the control and management of energy usage of the building or facility to reduce demand during peak times.

## Energy Audit Requirements

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Each eligible project must have an energy audit completed for the project that meets certain statutory and DOE requirements. See the end of the application for information on reporting requirements.

## Loan Terms

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- Minimum Loan Amount: \$500
- Maximum Loan Amount: \$250,000
- Project Lender is to repay the principal plus 1% interest within 24 months of receiving funds.
- Loan Participants must agree to all EE RLF Program reporting requirements on metrics under EE RLF Program rules and this Agreement.
- Loan Participants shall be responsible for the underwriting criteria for approving their loans.

## Technical Assistance

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- Up to 25% of awarded loan funds can be used for technical assistance.
- Technical assistance is expected to primarily be used for energy audits.
- To receive technical assistance, borrowers must be either: (1) a low-income individual that owns a residential building, or (2) a business that meets both criteria to receive loans and has fewer than 500 employees.

## Long-Term Requirements

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Loans provided under the RLF program must be fully amortized by the earlier of the following:

- The year in which the upgrades or retrofits carried out using the loan exceed their expected useful life.
- 15 years after the upgrades or retrofits are installed.

## Reporting Requirements

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### Expenses

- Marketing Costs
- Technical assistance grants made and for what purpose

### Retrofits

- Number of buildings retrofitted
- Square footage of buildings retrofitted
- Number of water conservation retrofits completed
- Number of water management systems installed
- Reduction in electricity consumption (megawatt-hours per year)
- Reduction in water consumption (gallons per day)
- Reduction in fuel oil consumption (gallons per year)
- Reduction in natural gas consumption (million cubic feet per year)
- Estimated dollars saved

### Training and Education/ Technical Assistance

- Number of contacts reached via webinars, site visits, fact sheets, or other
- Number of workshops, training, and education sessions held
- Number of people attending workshops, trainings, and education sessions

### Energy Audits

- Number of investment grade audits (IGAs) performed (count)
- Number of non-investment grade audits (IGAs) performed (count)
- Square footage of buildings/facilities audited (square feet)
- Auditor's projection of energy savings (user-specified units)
- Average Daily Flow of WWTF audited (millions of gallons per day)
- Number of projects started based on audits (count)

### Renewable Energy Market Development

- Number of solar PV electric systems installed (count)
- Total capacity of solar PV electric systems installed (kilowatts)

## Application

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Please email completed form and any supporting documentation to [communications@afa.az.gov](mailto:communications@afa.az.gov).

## Applicant

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Contact \_\_\_\_\_ Phone \_\_\_\_\_

Title \_\_\_\_\_ Email \_\_\_\_\_

Address \_\_\_\_\_

Organization Name \_\_\_\_\_

Type of Business or Nonprofit \_\_\_\_\_ Include documentation proving CDFI or nonprofit status

UEI (Unique Entity Identifier) \_\_\_\_\_ Organization's website \_\_\_\_\_

Description of organization services provided, including a description of any current energy efficiency lending.

## Project Narrative

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Information may be provided in a separate document.

Budget \$ \_\_\_\_\_

Timeline \_\_\_\_\_

Intended Outcomes: Identify how success will be measured through implementation. Data requested includes information related to expenses, retrofits, technical assistance, and energy audits.

The undersigned hereby certifies that the information provided for above and attached is accurate to the best knowledge of the Applicant.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date