Variable speed drive on a heating water system

Introduction

One of the best ways to ensure that Oregon has clean and affordable energy in the future is to conserve the energy it uses now.

The Small Scale Energy Loan Program – which began in 1980 – offers fixed-rate, long-term loans for qualified Oregon projects that invest in energy conservation, renewable energy, alternative fuels, or create products from recycled materials.

The program has made more than 860 loans in excess of $600 million. These loans have financed projects that, together, have saved enough electricity, natural gas and oil to heat more than 150,000 Oregon homes each year.

Who Can Apply?

SELP makes long-term, fixed-rate loans to governments, tribes, schools, non-profits, businesses and individuals to finance Oregon projects that conserve energy or use renewable resources. School districts responding to the Governor's Cool Schools Initiative began using SELP loans in 2011.

What Projects Qualify?

Eligible projects must be located in Oregon and generally fall into one of four categories: 1) energy conservation; 2) producing energy from renewable resources such as water, geothermal, wind, solar, or biomass; 3) energy-saving recycling projects; or 4) promoting alternative fuels.

Examples of Previous Projects

- lighting improvements
- weatherization
- solar and geothermal heating
- wind and solar electric systems
- motors and motor controls
- building management and control systems
- district heating
- HVAC systems
- methane gas recovery
- central steam plants
- cogeneration and hydroelectricity
- water heating improvements
- irrigation system improvements
- recycling projects
- alternative fuels for transportation
- equipment

Eligible Costs

Loans can cover most energy-related project costs, including engineering and design, permits, loan fees, project management, building commissioning and other eligible project costs. They may also be applied as matching funds for grants. Applicants with multiple projects or facilities can bundle them together under one loan process to create more flexibility and reduce costs.

Loan Terms

Typical loan terms can range from 10 to 20 years. The type of project, the amount of energy saved, and other financial considerations factor into the terms. Energy savings or income produced by the project help cover the loan payments.

Loan Rates

Interest rates reflect current bond rates and are fixed for the full term of each loan. The bonds sell at favorable rates because they are backed by the State of Oregon and, in some cases, the interest earned by bond buyers is tax exempt.

Pre-Application Help

Loan officers and technical staff can meet with potential borrowers before they apply to discuss their energy projects and ensure a thorough and sound application. Potential applicants should speak to a loan officer before applying. ODOE reviews the project for technical and financial feasibility.

Technical Help

The program's staff often works with project engineers and designers early in the design phase, long before the loan process begins. SELP's technical staff reviews project reports and other documents provided by the project engineer to fully understand the project process and scope.

Loan Fees

Loan fees and closing costs vary with each project. Potential borrowers pay application and underwriting fees. A borrower can use loan proceeds to cover closing costs.

Data center

Loan Approval

Loans of up to $100,000 are usually approved within two to three weeks. Larger loans usually take 60 days to approve and are reviewed by the program's citizen advisory committee.

Other Oregon Incentives

Applicants for SELP loans may also qualify for other state incentives, including those for conservation and generation projects administered by the Oregon Department of Energy.

SELP staff can help applicants determine the availability of these different funds and who to contact.

For More Information

SELP's loan officers and technical experts are happy to discuss your project with you. Please call the loan program at one of the following numbers or send us an email:

Large commercial/industrial 503-378-5048

Municipal/state agency 503-378-5048

Agricultural/commercial/residential .. 503-373-1032

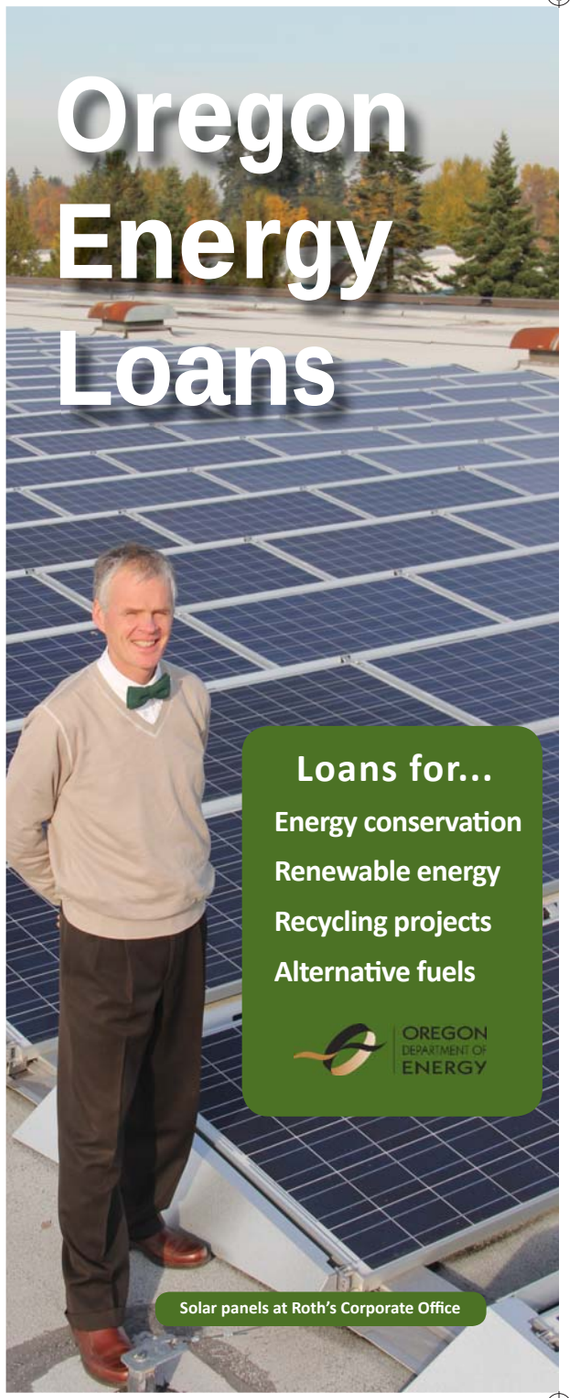
SELP.EnergyLoan@state.or.us

Oregon Department of Energy

625 Marion Street NE
Salem, OR 97301-3737
Direct: 503-378-4040
Toll-free: 1-800-221-8035
Fax: 503-373-7806
www.Oregon.gov/energy

October 2014

Oregon Energy Loans



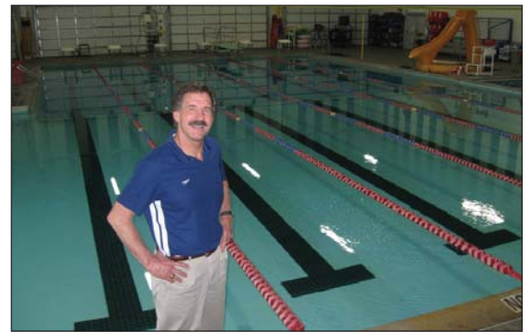
Loans for...

- Energy conservation
- Renewable energy
- Recycling projects
- Alternative fuels

OREGON DEPARTMENT OF ENERGY

Solar panels at Roth's Corporate Office

OREGON'S ENERGY LOAN DOLLARS AT WORK



Lebanon Community Pool

The Lebanon Community Pool, built in 1967, saw 74,752 visitors over the 2009-10 fiscal year. In order to keep serving that many people, keep them happy and keep costs down, the Lebanon Aquatic District secured a $473,000 SELP loan for energy efficiency upgrades. Pool users have noticed cleaner, more comfortable air to breathe. When the loan is paid back in 15 years, the district will save about $19,000 a year in energy costs.

Klamath Falls City Schools

In less than a year, Klamath Falls City Schools completed 48 energy efficiency improvements to all 11 of its district buildings, many of which were constructed before 1930. The district took out a SELP loan processed through Oregon's Cool Schools Initiative. While most of the district's facilities were too cold for a number of reasons, one elementary school – heated with geothermal energy – was actually too warm! District officials say the energy savings will cover the cost of the loan. The savings in energy will allow it to pay back the $400,000 loan within 10 years.

Central Oregon Irrigation District

The Central Oregon Irrigation District provides both agricultural and industrial water to about 3,600 customers along the Deschutes River. COID's Juniper Ridge Hydroelectric Project, completed in the fall of 2010, is a 2.5-mile canal piping project centered on a five megawatt hydro facility. The $17 million SELP loan made the project possible. Not only will the project produce enough renewable power for about 1,300 homes, but the piping will save water that was previously lost to seepage and allow less water to be taken from the river. Once the loan is paid off, COID will sell about $300,000 in power each year.