



Arkansas Energy Technology Loan: Green Technologies Loan

The AETL- Green Technology Loan targets and supports clean technology companies in Arkansas that make or sell products that contribute to renewable energy (RE) production or storage, energy efficiency (EE), or that result in an overall reduction in energy use in the state. Low interest rate loans are provided to assist Borrowers in financing these their services or products. The program's revolving loan mechanism allows borrowers to repay loans through the stream of cost savings realized from the projects. AETL funds are distributed on a "first come - first served" basis.

A wide range of activities may be funded as part of the mission of the AETL- Green Technology Loan.

Project Criteria

Possible projects include those which support the growth, development or viability of companies in or moving to the State of Arkansas that own, market, develop or hold prototypes for green technology products or services. Such products or services could include, but are not limited to:

- **Technical Assistance:** Conduct energy assessments or audits; launch energy efficiency/renewable energy (EE/RE) benefit promotional and marketing activities or campaigns; participate in EE/RE measurement projects; conduct feasibility studies to facilitate access to capital and credit for EE/RE measurement projects.
- **Facilities and Equipment Improvements:** The GTLF will encourage companies to modify patterns of energy consumption to reduce peak demands for energy and improve efficiency of energy supply systems. The GTLF will help companies that implement, expand, upgrade or demonstrate EE/RE products by funding equipment retrofits and processing improvements.
- **Renewable Energy Products:** Acquire, upgrade or demonstrate renewable energy products, equipment and materials for use in an operational setting, provided that any energy generation demonstration must be small scale. "Small scale" is defined as appropriately sized solar units on existing rooftops and parking shade structures, as well as 60kW systems or smaller installed on the ground within boundaries of an existing facility.
- **Process Improvements:** Conduct energy audits and replace energy efficient and renewable energy equipment and materials in order to reduce energy consumption.
- **Technology Improvements:** Support interaction with resources that can analyze existing techniques or technologies in order to speed improvements and deployment of commercially available EE/RE techniques and



technologies. Applicants will be encouraged to seek partnerships that develop and demonstrate advances in energy efficiency and clean technologies. Funds will be provided for travel, conferences, database research and other ancillary costs to facilitate interaction.

- **Workforce development:** Conduct education and training activities for employees related to the sale, installation and maintenance of green technology systems and equipment.
- **Retrofits:** Assess the need for and fund building energy efficiency retrofits, specifically the replacement of existing equipment with more energy efficient equipment. This may be done in conjunction with introducing renewable energy technologies to the industry.

Financing Options and Requirements:

- Loan will be a secured loan with security requirements to be determined in underwriting.
- Maximum loan term is ten years.
- The return on investment (ROI) should be sufficient to cover the loan payment. A project with a ROI of over 10 years will be considered if the company commits to buy down the loan such that it is repaid in 10 years.
- Interest rates will be below market rate and will be determined during the underwriting process. Examples of typical loan rates include (based on a company with excellent financial strength):
 - Loan Term 6 – 10 years = 2% below market rates (market rate to be utilized is rate at time of closing).
 - Loan Term 3 – 5 years = 1.5% below market rates.
 - Loan Term 0 – 2 years = 1% below market rates.

Company & Product/Service Evaluation

Each company and its product/service will be evaluated for:

- Products/Services that contribute to the energy efficiency and renewable energy portfolio of the state (such as accelerating the deployment of energy efficient or renewable energy products or technology in the state).
- Products/Services that promote the conservation of energy in the state.
- Products/Services that reduce the rate of growth of energy demand in the state.
- Products/Services that reduce dependence on imported oil in the state.

Contact

For additional information and application, please visit the Arkansas Energy Office website at www.adeq.state.ar.us/energy or call 1-800-558-4567.