



EE RLF Application Instructions

Application Periods

Eligible State entities seeking to perform energy upgrades and/or retrofits on State-owned and operated facilities may apply for a loan under the EE RLF. The maximum loan amount for one (1) project under this program will be \$2,000,000 and the minimum loan amount will be \$300,000.

The proposed program structure is based on two (2) rounds of application periods. The first application period, Application Period A, will be open to eligible State entities to perform work on State-owned and operated facilities located in disadvantaged communities. The first application period will open no later than January 28, 2025 and will close after a three (3) month period or if the available funds total less than \$300,000. If sufficient available funds remain after three (3) months, Application Period B will begin and be open to any eligible state entity to perform work on any State-owned and operated facility. Application Period B will remain open until available funding is exhausted.

Within each application period, applications will be evaluated on a first come first-serve basis so long as a submitted application is deemed substantially complete. It is anticipated that future application periods will become necessary as the fund is replenished by scheduled loan payments from the original awardees. When the available funds total more than \$300,000, Staff will begin the process of opening up a new phased application period in line with the process described above.

Filling out the application

A state agency should use the Energy Efficiency Revolving Loan Fund application to submit the request for funds.

Section 1- Please fill out this section with the name of the agency, the facility information, and contact information for the project director, energy manager and fiscal contact.

The facility information should match the data within LBAM and AvidXchange.

Section 2- For an application to be deemed complete it must be filled out in its entirety and submitted to State Energy Services at bpu.energyservices@bpu.nj.gov for review.

Applications must include one electronic copy of the following documents:

- A completed application
- A preliminary energy audit that meets US DOE specifications and lists all energy conservation measures (ECMs) that would be covered in the loan. For additional information see EE RLF Energy Assessment Requirements document
- List of any other funding sources that will be part of the project budget

Section 3- Applicants may leverage additional sources of funding for these projects including other federal, state and utility programs. Any non-EE RLF funds that are braided into the project must be

accounted for separately. Within this section, please indicate if an agency will be providing other funding sources for the project.

Section 4- A brief summary of the project should be included in narrative form. This should include where the project is located, how it will help the agency to upgrade/retrofit the building, anticipated energy savings, and timeframe for project payback. Recognizing that most projects will be handled by DPMC, the agency will need to share the DPMC project number if available/when project is submitted to DPMC.

Signature of Applicant

Please fill in the items requested and have an authorized agency representative sign off on the loan application.

Attachment B Energy Efficiency Revolving Loan Fund Energy Conservation Measures

Please use your energy audit and its recommendations for ECMs to be completed under the loan agreement to fill out this section.

List all identified ECMs along with their annual savings, project cost, simple payback period, and estimated project useful life. Include any additional fees and costs required to implement the project. The RLF Program requires that all upgrades and retrofits be identified in a qualifying energy audit.

MOU

A successful applicant will have to enter into a promissory note agreement with BPU which will include a Memorandum of Understanding (“MOU”) with the BPU setting forth the terms of the loan. All MOUs are subject to approval of the Board and do not constitute loan funding until executed by all parties.

The terms of the loan set forth in the MOU will include but are not limited to the following:

- Loan repayment and interest rate: 1.5% interest for the duration of the loan with repayments on January 1 and July 1 until the loan has been fully repaid. Money that is repaid will go back into the EE RLF and be available to loan out again.
- For retrofit/upgrade loans, the maximum duration will be the shorter of fifteen (15) years or the useful life of the upgrade or retrofit.
- Loans will also be available as an advance on federal Direct Pay tax credits that are related to specific upgrades or retrofits being performed. The federal Direct Pay tax credit is a mechanism created by the BIL that allows entities normally exempt from income tax, such as state governments, to receive a direct payout from the Internal Revenue Service for the amount equal to certain clean energy tax credits they would otherwise qualify for. The EE RLF will provide loans to eligible State entities as an advance of these expected payments which relate to the retrofits and upgrade being performed under the EE RLF. For these BIL Direct Pay loans, the duration of the loan will be up to one year post construction. Upon the applicant’s receipt of the BIL Direct Pay tax credit for the measures installed, the loan will be repaid.

- Loan payout structure: BPU Staff will work with the New Jersey Department of the Treasury and loans will correspond to a New Jersey Division of Property Management and Construction (“DPMC”) Project for all executive branch departments that use DPMC for construction projects. All invoices being paid by DPMC will be submitted to BPU for review prior to Treasury payment. For executive branch departments not using DPMC, the money will be held in escrow for BPU to pay out to vendors that are in NJStart upon submission of the project invoice.
- The project must comply with the USDOE’s Special Terms and Conditions including compliance with the Davis-Bacon Act, Build America, Buy American Act and the National Environmental Policy Act and reporting requirements as dictated by USDOE.