



Department of Economic Development
Division of Energy

Energy Loan Program Fact Sheet

Energy Loan Program

The Energy Loan Program provides loan financing to eligible recipients for energy-saving investments to reduce energy use and cost.

Eligible Recipients

- Public schools (K-12)
- Public and private higher education institutions
- Public and private not-for-profit hospitals
- Local governments, including hospital districts, sewer districts, water supply districts, sub-districts of a zoological park and museum districts, and public owned airport facilities (municipal, county, regional, and international)

Note: Please refer to current loan cycle offering for eligible applicants.

Benefit to Recipients

- Loan recipients will benefit from reduced energy cost and increased comfort of building occupants
- Loan financing frees up tax dollars that recipients can use for essential services or other capital improvements
- Loan recipients repay the loan with money saved on energy costs as a result of implementing energy-efficiency projects
- An energy saving loan for schools and local governments is not defined as debt and therefore does not count against debt limits or require a public vote or bond issuance

Examples of Eligible Loan Activities

- High efficiency lighting fixtures and lamps
- High efficiency heating, ventilation and air conditioning systems
- Combined heat and power systems
- Renewable energy systems
- Waste heat recovery
- Energy efficient fine bubble diffusers and high efficiency pumps
- Building shell improvements such as insulation and other infiltration measures
- Other measures that reduce energy use and cost

Loan Cycles, Terms of Loan and Repayment

- Loan cycles and time for submission of applications is announced in the Missouri Register, through news releases, electronic mail announcements, the department's website and links to stakeholder groups
- Interest rates are set at below market rates – typically from two to four percent simple interest
- The terms of loan repayment is typically 10 years or less
- This is a reimbursement program. Once a project is complete, the loan recipient will submit Reimbursement Request and Final Project Cost Report forms, itemized invoices, and canceled checks to the Energy Loan Program Clerk for review and reimbursement

Process and Selection Criteria

- Recipients of loan financing are determined on a competitive basis
- Applications are ranked based on the project's payback score, which will be determined by dividing the cost to implement a project by the estimated yearly energy cost savings
- Projects with the lowest payback will be funded until all available funds are allocated

Emergency Loans

- Eligible recipients impacted by severe weather events or catastrophic equipment failure may apply for low-interest emergency loans year round
- Applications must be submitted within two months of the weather event or catastrophic equipment failure
- Loans can provide financing for replacing or upgrading damaged equipment

For More Information

- Website: <http://energyloan.mo.gov/>
- Email: energy@ded.mo.gov
- Missouri Department of Economic Development-Division of Energy
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