TITLE 133
LEGISLATIVE RULE
HIGHER EDUCATION POLICY COMMISSION

SERIES 50
ENERGY AND WATER SAVINGS REVOLVING LOAN FUND PROGRAM

§133-50-1. General.

1.1. Scope – This rule establishes guidelines for the state institutions of higher education to follow in applying for an energy and water savings loan.

1.2. Authority – West Virginia Code §18B-5-11.

1.3. Filing Date – March 22, 2010

1.4. Effective Date – April 21, 2010

1.5. Purpose – The purpose of this rule is to establish policies and procedures for the operation of the Energy and Water Savings Revolving Loan Fund Program.

§133-50-2. Definitions.

2.1. Chancellor. The individual employed as Chancellor for Higher Education pursuant to W. Va. Code §18B-1B-5.

2.2. Commission. West Virginia Higher Education Policy Commission.

2.3. Energy and water conservation measures. Goods or services, or both, to reduce energy and water consumption operating costs of an institution's facilities. They include, but are not limited to, installation of one or more of the following:

2.3.1. Insulation of a building structure and systems within a building;

2.3.2. Storm windows or doors, caulking or weather stripping, multiglazed windows or doors, heat-absorbing or heat-reflective glazed and coated window or door systems, or other window or door modifications that reduce energy consumption;

2.3.3. Automatic energy control systems;

2.3.4. Heating, ventilating or air conditioning systems, including modifications or replacements;

2.3.5. Replacement or modification of lighting fixtures to increase energy efficiency;

2.3.6. Energy recovery systems;

2.3.7. Cogeneration systems that produce steam or another form of energy for use by any tenant in a building or complex of buildings owned by an institution;

2.3.8. Energy-conservation maintenance measures that provide long-term operating cost reductions of the building's present cost of operation; or

2.3.9. Water saving devices and fixtures, improvements to infrastructure to minimize water loss, and devices to monitor and control usage.

2.4. Energy or water savings contract. A contract for the evaluation and recommendation of energy and water conservation measures and for implementation of one or more measures.

2.5. Energy and Water Savings Loan or Loans. A loan made from the revolving loan fund established by W. Va. Code §18B-5-11.

2.6. Energy and Water Savings Revolving Loan Fund Program or Program. The program established by W. Va. Code §18B-5-11 to finance projects that will achieve significant reductions in campus energy or water consumption and costs.

2.7. Qualified provider or consultant. A person, firm or corporation experienced in one or more of the following: the identification, quantification, design, implementation or installation of energy and water conservation measures.

2.8. State Institutions of Higher Education or Institutions or Institution. Those institutions of higher education defined in W. Va. Code §18B-1-2 (p).

§133-50-3. Administration.

3.1. The provisions of this rule apply to the state institutions of higher education under the jurisdiction of the Higher Education Policy Commission and the Council for Community and Technical College Education.

3.2. The Energy and Water Savings Revolving Loan Fund Program shall be administered by the chief financial officer under the general direction of the Chancellor.

3.3. The program shall be operated as a revolving loan fund to provide loans to state institutions of higher education to finance energy and water conservation measures that will achieve significant reductions in campus energy and water consumption and costs.

§133-50-4. Establishing an Energy Usage Baseline and Identification of Energy and Water Conservation Measures.

4.1. An institution interested in applying for a loan shall establish an energy and water usage baseline for the campus and for each facility from which energy and water savings shall be measured. The baseline shall show the actual monthly energy and water usage for at least the past three years, or the past five years if the records are available.

4.2. The institution shall conduct a survey to identify and quantify energy and water conservation measures for each campus facility.

4.3. Once the energy and water usage baseline and general campus survey are complete, the institution shall rank the energy and water conservation measures in order of potential energy and water savings from highest to lowest.

4.4. The institution may enter into a contract with a qualified provider or consultant to assist in identifying and quantifying the potential energy and water savings of each energy and water conservation measure.

§133-50-5. Eligibility Criteria.

5.1. To be eligible for an energy and water savings loan an institution must:

5.1.1. Submit an application to the Commission in a form required by the Commission;

5.1.2. Specifically identify the energy and water conservation measure(s) the loan will finance; and

5.1.3. Demonstrate that the potential energy and water conservation measure(s) will generate sufficient savings to meet the payback requirements of this section.

5.2. The initial loans will be made for energy and water conservation measures that have a payback period of not more than ten years.

§133-50-6. Applications.

6.1. The Commission will begin taking applications for the initial loans July 1, 2009 and the application period will remain open until December 31, 2009.

6.2. Approved applications not funded after the initial evaluations shall remain active and will be reconsidered as funds become available.

6.3. Institutions will be notified when additional funds become available and may update existing loan applications at that time or submit additional applications.

6.4. Applications shall be made for loans of no less that $50,000 nor more than $1 million.

6.5. During the first year of the program, only one application from each institution will be funded unless all available funds are not utilized.

6.6. The application shall include, at the least:

6.6.1. A detailed description of the energy and water conservation measure(s), including location, start date, anticipated completion date, cost, and method of construction, renovation or upgrade;

6.6.2. Calculations demonstrating the amount of savings anticipated and the required payback period;

6.6.3. Certification by a qualified provider or consultant that the savings' calculations and payback projections are accurate and reasonable;

6.6.4. The amount of loan sought;

6.6.5. The amount of institutional funds, including federal and other funds legally available for this purpose, if any, that will also be dedicated to the project; and

6.6.6. Proposed repayment schedule based upon payments being generated from realized savings.

§133-50-7. Evaluation Criteria.

7.1. The applications will be evaluated by Commission staff using the following criteria:

7.1.1. Greatest energy or water savings attained per dollar loaned;

7.1.2. Shortest loan repayment periods;

7.1.3. Reliability of the savings and payback calculations;

7.1.4. Extent of the energy and water conservation measure's institution-wide effect; and

7.1.5. The amount of institutional funds, including federal and other funds legally available for this purpose, if any, that can also be dedicated to the project to increase the total potential savings.

7.2. The greatest weight in evaluating applications shall be given to those projects which are anticipated to generate the greatest amount of savings over the shortest period of time.

7.3. Commission staff shall rank the approved applications in proposed funding order for the Commission's approval.

§133-50-8. Reports.

8.1. Upon final implementation of the energy and water conservation measure(s) financed by a loan provided for by this rule, the institution shall report to the Commission the completion date, the date energy or water savings are expected to start accruing, and the total final costs of the energy and water conservation measure(s).

8.2. On each anniversary date of the completion of an energy and water conservation measure financed under this rule, the institution shall provide a report to the Commission indicating:

8.2.1. Prior average monthly energy or water consumption and costs that the energy and water conservation measure was intended to decrease;

8.2.2. Actual monthly energy or water consumption and costs after the energy and water conservation measure was implemented, adjusted by any increases or decreases in utility or energy or water unit costs; and

8.2.3. Total yearly savings realized in energy and water consumption and costs.

8.3. If the Commission determines that the energy and water savings anticipated but not realized by the institution were the result of unjustified and unreasonable assumptions by the institution, it may require that the institution accelerate the repayment of the loan.

§133-50-9. Interest.

9.1. The initial loans granted shall be repaid at an interest rate of zero percent a year on the unpaid balance. The Commission may increase this interest rate in subsequent years for new loans to a rate not to exceed four percent.