

[4-906] 10-906.

(a) Loans may be used for the costs of implementing an energy conservation project, including costs of all necessary technical assessments, studies, surveys, plans and specifications, start-up, architectural, engineering, or other special services, as well as costs of construction, rehabilitation, or modification, including the purchase and installation of any necessary machinery, equipment, or furnishings.

(b) Each sponsor must make a contribution to a project that is of a type and amount acceptable to the [Department] ADMINISTRATION.

(c) The sponsor must document that the anticipated energy cost savings over a defined period following the completion of the project are greater than the cost of the project.

(d) Loans made under the Program shall:

(1) Be repayable by the sponsor from specified revenues which may include the energy cost savings generated by a project;

(2) Bear interest at a rate determined by the [Department] ADMINISTRATION to be necessary and reasonable for the project; and

(3) Be repayable in accordance with a schedule determined by the [Department] ADMINISTRATION which may be on a deferred payment basis.

(e) The [Department] ADMINISTRATION shall require a sponsor to provide assurances for the repayment of a loan. Such assurances shall include a promissory note and may also include superior or subordinate mortgage liens, guarantees of repayment, or other forms of collateral.

(f) Loans may be made in conjunction with, or in addition to, financial assistance provided through other departmental, State, or federal programs.

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(a) The Fund [shall operate as] IS a continuing, nonlapsing, special fund, that consists of moneys appropriated by the State to the Program, including the Energy Overcharge Restitution Trust Fund, moneys received from other public or private sources, interest earnings on the Fund, and repayments and prepayments of principal and interest on loans made from the Fund.

(b) (1) The [Department] ADMINISTRATION shall annually reserve a portion of the funds available for financial assistance under the Program for loans to schools and hospitals.

(2) In a fiscal year in which requests for financial assistance from schools and hospitals are less than the amount reserved under paragraph (1) of this subsection, the [Department] ADMINISTRATION may make the unencumbered or noncommitted portion of the reserve available to other sponsors in the Program.