

# ENERGY EFFICIENCY NEEDED FOR STATE BUSINESSES

**In a unique public-private collaboration, the State of Tennessee is creating a targeted loan program for financing energy efficiency improvements.**

**by Clint Gwin**

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**T**hanks to the leadership of Governor Brede- sen and the legislature, Tennessee busi- nesses will now have access to energy- efficiency financing at an unprecedented level.

Through this leadership, the State of Tennessee is creating a unique public-private collabora- tion to develop a model for the rest of the na- tion to follow. This first-of-its-kind collabora- tion is leveraging state funds with capital from the Tennessee Valley Authority (TVA), Pinnacle National Bank, and Pathway Lending for the creation of a targeted loan program for financing energy efficiency improvements. This program is receiving additional support from the U.S. Economic Development Administration and the U.S. Department of Energy as a possible blue- print for other states.

Why is it important that Tennessee and Path- way Lending develop and launch this type of loan program at this time? As many businesses understand, energy costs are rising, corporate budgets for capital projects are shrinking, and as the Pew Foundation recently reported, lack of finan- cing is the number-one barrier to implement- ing energy-efficiency projects.

This program will bring businesses in our state what is currently unattainable—access to loan capital to finance energy efficiency and renew- able energy projects. The program will provide below-market-rate loans to finance energy effi- ciency improvements ranging from \$20,000 to \$1 million in Tennessee facilities. Whether it's building retrofits, upgrading equipment, or add- ing renewable-energy generation, businesses can now take the next step in achieving the sig- nificant, long-term energy savings they've been demanding, all while becoming more competi- tive and reducing impact on the environment.

The study *Energy Efficiency in the South*, re- leased in April 2010, cites that by reducing the growth of electricity consumption, Tennesseans could save as much as \$1.6 billion a year by 2020 and \$3.1 billion a year by 2030. More important, energy-efficiency projects create and retain jobs right here in Tennessee. These economic im- pacts are felt locally where trained contractors, consultants, and installers are needed for proj- ect implementation. Over the next 10 years, it is expected that this loan program will generate more than \$100 million in loans and will create and retain more than 3,500 jobs while decreas- ing Tennessee's demand for new electric power generation and reducing environmental impacts.

Tennessee has made significant strides to be- come a national leader in sustainability and green business over the past few years. Major corporations specializing in solar energy are moving to our state. Organizations like the Southeastern Energy Efficiency Alliance are educating businesses on the value of energy effi- ciency. Oak Ridge National Laboratory is us- ing commercially available and lab-developed technology for energy-efficiency efforts such as the Net-Zero Energy Building and Sustainable Campus Initiative, all of which have been rec- ognized as potential national models.

Energy efficiency is a smart decision for busi- ness and the economy of our state and an even better decision for the environment. Pathway Lending is launching an efficient online applica- tion process to assist businesses across Tennes- see from sole proprietors to corporations in their efforts to become more energy efficient, envi- ronmentally friendly, and globally competitive.

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