

SAVE ENERGY, SAVE MONEY, SAVE JOBS

by Matt Kisber

Governor Phil Bredesen has placed a strong emphasis on creating an environment suitable for clean energy development. Under his leadership, Tennessee has charted a new course toward sustainability and economic development in the renewable energy industry and further diversified our state's economy.

Not long ago, I had the pleasure of joining Governor Bredesen in announcing the launch of a new \$50 million Energy Efficiency Loan Program to help Tennessee companies finance investments in energy-efficient technology, energy retrofits, and renewable energy systems. With this announcement, Tennessee has taken another innovative step in helping our state's economy prepare for a future in which the efficient use of energy will take on growing importance in our ability to create and sustain jobs for our citizens.

Collaboration Is Key

This new resource for businesses is a model of how collaborative efforts between the public and private sectors can have positive and lasting impacts on the economy and the environment. The State of Tennessee, the U.S. Department of Energy, the U.S. Economic Development Administration, Pathway Lending, Pinnacle Financial Partners, and the Tennessee Valley Authority all had a hand in making this program a reality.

Pathway Lending will administer the program, and collaboration with the state is nothing new for them. Pathway, under its previous name, Southeast Community Capital, was the state's partner in creating the Rural Opportunity Fund, a loan fund aimed at making business loans more accessible to companies in rural Tennessee. The Rural Opportunity Initiative was recognized earlier this year with a national award from the Federal Financial Institutions Examiners Council.

Energy Efficiency within Reach

In these still uncertain economic times, businesses are looking for any ways they can save money. Energy costs continue to rise while operating budgets continue to shrink, and energy consumption can have a serious impact on bottom lines. Offering resources to companies considering becoming "leaner" and "greener" may help them move forward to make their Tennessee facilities more productive and competitive.

Pathway Lending will offer below-market rate loans of \$20,000 to \$1 million at 5 percent with terms extending to 10 years to finance energy-efficient improvements. There are no out-of-pocket expenses for businesses, and 100 percent of project costs can be financed, including equipment, engineering, design, installation, loan fees, and facility assessments.

This is a great opportunity for companies who previously had little or no access to clean energy alternatives to jump into the game head first. Another great feature of the program is the Shared Savings Option, which allows businesses to retain up to 50 percent of their monthly energy savings, using the remainder as repayment on the loan.

The initial application period for the Energy Efficiency Loan program opened Aug. 25 and will close Nov. 1, 2010. Businesses interested in applying for a loan should visit www.pathwaylending.org soon for instructions and an application. Businesses should not wait, however. To be eligible for a loan, they must complete an energy audit, assessment, or vendor proposal with detailed project energy savings. Once verified, these energy savings determine the amount and term of the loan and the applicant's ability to repay the loan with those savings.

I'm happy to report there has been great interest in the program. Our friends at Pathway Lending tell us they've seen a strong response via their online application process. In addition, Pathway has held six free informational workshops across the state to help businesses interested in the program with maximum capacity crowds in attendance.

Why Now?

It's just good business to take advantage of this program. Every dollar a company invests in energy efficiency creates \$2.84 in benefits over the lifetime of that investment—a return of more than 184 percent. You can't find returns like that just anywhere.

What's good for business is good for Tennessee. Typically, most of the energy retrofits and system upgrades are done by local installers, benefiting Tennessee's economy. Energy efficiency is a powerful tool—one that will create jobs, save money, and help our Tennessee businesses thrive.



Matthew H. Kisber serves as commissioner of the Tennessee Department of Economic and Community Development.

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