

GREENHOUSE GAS EMISSIONS REDUCTION FUND
Quarterly Progress Report Form

1. Program Title

NH Business Energy Conservation Revolving Loan Fund

2. Program Type

Revolving loan fund for energy efficient investment;

Energy efficiency related industrial processes and controls;

Programs to improve the electrical and thermal efficiency on new and existing commercial buildings.

3. Summary of work completed during this reporting period **February 1, 2010 – April 30, 2010.**

- Develop loan program guidelines – previously completed;
- Establish monitoring and accounting systems for RLF and create from loan documents –previously completed;
- Market the RLF through NH Business Resource Center and utility audit programs – ongoing, initial efforts have been to work with potential borrowers identified by previous audits coordinated by these groups; presentation at April 30 Portsmouth Business Fair;
- Reviewed 1 new loan application (5 total to date) - We approved an application from Vitex Extrusion in Franklin to install a new billet furnace and related equipment and worked on a revised proposal (third revision) from the Androscoggin Valley Regional Refuse District to pipe methane gas from the landfill to the mill. The AVR RD project is on hold pending a bankruptcy court decision regarding the sale of the mill. 95% complete;
- Prioritize loan applications from businesses not currently eligible for existing utility energy efficiency programs – All 3 projects approved to date do not qualify for the existing energy efficiency rebate programs.
- Close each loan application –60% complete. Seven hundred-fifty thousand dollar Foss loan closed December 7, 2009. Vitex loan closing scheduled for May 27. A court decision regarding the Gorham mill is expected by the end of May, which will allow us to close the AVR RD loan next quarter.
- Perform tasks listed in each Loan Agreement – 25% complete. We are working with Coastal Economic Development Corporation to implement and monitor the Foss loan. Ten requisitions totaling \$375,988 have been approved to date. The first Vitex draws will occur in May.

- Utilize existing loan underwriting and management capabilities – 100%. BFA staff has completed all underwriting and other administrative activities. The BFA has borne all this expense. One hundred percent of GHGERF funds will be used to provide business energy efficiency loans.
- Monitor collection of payments – 10% complete. The Foss project is still in the construction phase so we are just collecting construction period interest.
- Seek matching funds – 100%. We are requiring each borrower to pursue all other available funding options. As noted above, Foss applied for USDA funds. Fraser/AVRRD has applied for both EDA and CDBG funding.
- Refer bankable projects to Ocean National Bank’s energy efficiency program – RLF guidelines specify that projects that qualify for bank funding will be referred to the Ocean Bank program. No borrower to date would qualify for bank financing, either because of the nature and quality of the loan collateral or because of the borrower’s operating results.

4. Summarize work to be completed next quarter: **May 1, 2010 – July 31, 2010**

- Continue to aggressively market the RLF – BFA website, direct outreach to utility audit programs, and through the DRED Business Resource Center;
- Convert at least 2 of our existing prospects into loan applications and commitments;
- Close Vitex and AVRRD loans;
- Work with Foss, Vitex and AVRRD to implement their project.

5. Budget vs. Actual Expenditures

Funds used for Loan Fund Capital - Budget - \$2,000,000
 Actual - \$375,988
 Match - \$0

6. Please document any jobs created.

Foss has increased employment from 306 to 328 since the closing of the energy loan. The two companies we have made commitments to employ over 660 people in high wage manufacturing employment.

7. Explain any obstacles encountered or any milestones not reached.

The three main obstacles to implementation of the program are the lack of comprehensive energy audits, which are essential to evaluate potential projects, timing issues in coordinating the RLF with other funders, and delays in receiving equipment so the improvements can be completed. We believe the energy audit situation has been resolved by DRED's Business Resource Center, which has received Stimulus funds to help businesses evaluate their energy use and potential savings. Coordination with other funders will continue to be an issue given the different funding cycles and requirements of the various programs. Nonetheless, we are committed to leverage as much other funding as possible. Finally, we just have to accept the delays in project implementation that are being caused by the flood of stimulus funding.