

**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 **October 1, 2009 – December 31, 2009.**

- 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 December 2 BIA energy conference;
- Reviewed 1 new and 1 revised loan application (4 total to date) - We considered an application from Janco Inc in Rollinsford to install a gas heating system and a revised proposal from Fraser Papers/Androscoggin Valley Regional Refuse District to convert the mill from oil to gas. Janco needs a better energy audit to verify savings and cost-effectiveness of the proposal. Fraser is waiting for a decision from EDA regarding match funding. 60% complete;
- Prioritize loan applications from businesses not currently eligible for existing utility energy efficiency programs – Both projects approved to date do not qualify for the existing energy efficiency rebate programs.
- Close each loan application –20% complete. Seven hundred-fifty thousand dollar Foss loan closed December 7, 2009. AVRDR loan closing has been delayed by the Economic Development Administration, which is providing the match funding. We have since restructured the project so that the priority improvements can begin while they seek funding for the remaining activities (if match funding sources permit).

- Perform tasks listed in each Loan Agreement – 10% complete. We are working with Coastal Economic Development Corporation to implement and monitor the Foss loan. Three requisitions totaling \$297,128 have been approved to date.
- 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 – 0% 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 EDA funding, and Janco is pursuing funding from Unifund.
- 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: **January 1, 2010 – March 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 at least 1 new loan;
- Work with Foss to implement their project.

5. Budget vs. Actual Expenditures

Funds used for Loan Fund Capital - Budget - \$1,000,000  
 Actual - \$297,128  
 Match - \$0

6. Please document any jobs created.

No jobs have been created to date but the two companies we have made commitments to employ over 600 people in high wage manufacturing employment.

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

As noted above, the two main obstacles to implementation of the program are the lack of comprehensive energy audits, which are essential to evaluate potential projects, and timing issues in coordinating the RLF with other funders. 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.