



## **Revolving Loan Fund 2015 Agreement**

### **Program Conceptualization**

- 1) In 2011 a Revolving Loan Fund (RLF) was established for utility conservation projects at the University of Illinois Urbana-Champaign. The original fund sources consisted of contributions of \$1M, \$500K and \$750K from the Office of the Chancellor, the Student Sustainability Committee (SSC), and Office of the President respectively. An additional contribution of \$750K has been received from the Bonneville Environment Foundation.
- 2) The RLF is managed by Facilities and Services Utilities and Energy Services.
- 3) Savings from a RLF project will be calculated using the fully loaded rate. The maximum payback period for a project to be considered for the RLF is 10 years. The loan will be repaid with an annual payment equal to the calculated annual savings until the loan is fully repaid. When a project is funded by multiple funding sources, the annual savings to be returned to the RLF will be calculated by the payback associated with the work completed by the entire project.
  - a. For example, Project A costs \$500K and has a \$100K per year payback. The RLF contributes an additional \$400K to increase the scope of work and increase the savings by \$250K per year. Thus, the total project would cost \$900K with an annual cost savings of \$350K per year. The RLF would be repaid at \$350K per year until the original loan amount is repaid.

### **Project Submission**

- 4) Potential projects will be solicited from campus units. The solicitation will be at a minimum in the form of an e-mail from FandS Customer Relations and Communications.
- 5) Projects will be submitted through a web based form which will include the following applicable items to be completed by the requesting department:
  - a. Submitted by: Full Name
  - b. Project contact within department: Full Name
  - c. Email address
  - d. Department requesting project
  - e. Associated building name
  - f. Description of utility savings measure
  - g. Departments affected by project
  - h. Specific area work is to be performed
  - i. Detailed construction cost budget



- j. Estimated utility and greenhouse gas savings with calculations  
*Utility rates:* <http://www.fs.illinois.edu/services/utilities-energy/business-operations>  
Provide:
    - i. Annual Utility Consumption Savings
    - ii. Annual Dollar Savings
    - iii. Annual CO2 reduction or CO2 equivalent if other greenhouse gas
  - k. Describe how the project meets the selection criteria
    - i. Payback Period
    - ii. Reduction of Green House Gas Emissions
    - iii. Fund Size Impact
    - iv. Visibility
    - v. Project Coordination
  - l. Other information pertinent to project
- 6) Any incomplete submissions will not be considered. Assistance through F&S may be available upon request to help complete necessary information.

Web based PDF form location: F&S website <http://fs.illinois.edu/services/utilities-energy/business-operations/revolving-loan-fund>

#### **Project Selection**

- 7) Project selection will be handled through the RLF Loan Committee (the “Committee”).
- a. The Committee includes the following representatives:
    - i. Executive Director of Facilities and Services
    - ii. Associate Provost for Capital Planning
    - iii. Associate Vice Chancellor for Research
    - iv. Associate Vice Chancellor for Student Affairs
    - v. Student Sustainability Committee Chair
    - vi. ISS President
    - vii. Institute for Sustainability, Energy, and Environment representative
  - b. The members of the Committee will meet on a semiannual basis to approve/reject projects. For projects to be considered at semiannual meetings, all items identified under the “Project Submission” section needs to be complete. Semiannual meetings will not be necessary if projects have not been submitted or if funds are not available. Projects may be evaluated outside of the regular meetings on a case by case basis, if approved by Facilities and Services Utility and Energy Services.



8) Criteria (and weights) for allocation of monies from the fund will be:

**01. Payback Period (30%)**

*Project has a short payback period.*

**02. Reduction of Greenhouse Gas (25%)**

*Does this project reduce the use of greenhouse gas?*

**03. Revolving Loan Fund Size Impact (20%)**

*Projects that increase the revolving loan fund size through grants or additional allocations.*

**04. Visibility (5%)**

*How visible/noticeable is the project to users of the facility, space, and/or the campus community?*

**05. Project Coordination (20%)**

*Projects that can be executed in conjunction with other planned or ongoing projects. The intent of the coordination is to make the RLF project more efficient to deliver for the University and/or department.*

**Growth of the RLF**

9) The RLF will grow through the following methods.

- a. The Chancellor, President, or SSC can elect to increase the fund through a direct allocation. The Office of the Chancellor has agreed that future contributions to the RLF from the SSC will be matched by Campus, up to a cumulative total of \$500,000.
  - i. Note: The SSC can elect to fund a project directly and require the funding recipient to submit the project to the RLF for payback. If the RLF committee approves the project, the utility savings from the project can be paid back to the RLF over the payback period, at the variable utility rate, by the Campus Utility Budget to grow the fund. This agreement would be documented in the Memorandum of Understanding between F&S and project department. The SSC funds allocated directly to a project are not eligible for matching campus funds.
- b. When a selected project is eligible for grant funding (for example through Department of Commerce and Economic Opportunity - DCEO or Illinois Clean Energy Community Foundation - ICECF), the project is not for an auxiliary, and F&S handles the grant application and accounting, the grant dollars will contribute to the growth of the RLF.
  - i. For example, Project A costs \$900K and has a 3-yr payback period. It is funded by the Revolving Loan Fund. Project A gets a grant for \$300K. The grant funds offset the loan fund charges, but project A is still responsible for repaying \$300K/year for 3 years. The result is an increase to the Loan Fund of \$300K. (This simple example doesn't include interest calculations.)
- c. When a selected project is an auxiliary and they request a grant, the auxiliary has control of the grants funds and may use them to reduce their project costs.
- d. The loan will be repaid at a fixed 1% interest rate.



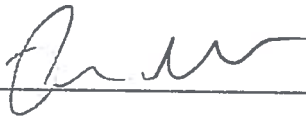
**Confirmation of Review:**

**Student Sustainability Committee:**

\_\_\_\_\_

Date: \_\_\_\_\_

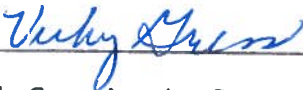
**Vice Chancellor of Research:**

  
\_\_\_\_\_

Peter Schiffer, Vice Chancellor for Research

Date: 12/4/15

**Office of the Provost:**

  
\_\_\_\_\_

Vicky Gress, Associate Provost for Budget

Date: 12/8/15

**Approval:**

**Facilities and Services:**

\_\_\_\_\_

Al Stratman, Executive Director

Date Approved: \_\_\_\_\_