

# Energy Independence Program Update



PALM DESERT

**Palm Desert's Energy Independence Program, launched in August 2008, is now in its third phase of financing.**

## **Phase 1 and Phase 2**

Phase 1 (\$2.5M) and Phase 2 (\$5M) are fully funded. The two phases combine for a total 208 loans: 88 PV solar and 120 energy efficiency projects.



### **Phase 1 and Phase 2 Terms:**

- Loan Rate: 7% (no appraisal or credit check)
- Loan Terms: 5, 10, 15, 20 years (most 15 – 20)
- Residential and Commercial loans
- No loan size limits. (Largest to date \$500k Commercial PV)
- Loans greater than \$60k need City Manager approval
- No lender certification required

Typical loan request was \$36,000 - \$40,000. Approximately \$2.3 million in loans has been funded to date, \$5 million in commitments. Loan proceeds have been used for:



- A/C
- Solar
- Pool Pumps & Pool Heaters
- Water Saving Measures
- Windows & Doors
- Other EE Measures

## **Changes to EIP for Phase 3**

On May 21, 2009, Palm Desert City Council approved the issuance of \$2.5M in lease revenue bonds through Wells Fargo Bank for funding of Phase 3. The residential interest rate will be 7%; the commercial interest rate has not yet been fixed. With funding pending, property owner applications are accepted and will be serviced in the order received.

### **Phase 3 - Three changes have been made to the Program Guidelines:**

- Loans greater than \$30,000 will require mortgage lender approval via a "Consent Agreement" signed and notarized by the lender.
- Maximum loan amount per property will be \$100,000.
- Half of the funds will be reserved for energy efficiency measures. For solar loans, the CSI rebate must be assigned to the contractor.

Currently there is a waiting list for EIP Phase 3 of 200+ names.

June 9, 2009