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| SUBJECT: | Creating a pilot revolving loan program for solar energy in schools |
| COMMITTEE: | Energy Resources — favorable, without amendment |
| VOTE: | 8 ayes — Keffer, Crabb, Craddick, Farabee, Gonzalez Toureilles, Hardcastle, Rios Ybarra, Strama<br><br>0 nays<br><br>1 absent — Crownover |
| SENATE VOTE: | On final passage, April 17 — 28-0 |
| WITNESSES: | For — Luke Metzger, Environment Texas; Cyrus Reed, Lone Star Chapter, Sierra Club; Bill Stout, Green Party of Texas; (*Registered, but did not testify:* Matthew Johnson, Public Citizen)<br><br>Against — None |

BACKGROUND:

The Texas LoanSTAR (Loans to Save Taxes And Resources) revolving loan program, administered by the State Energy Conservation Office (SECO), is a building energy-efficiency loan program. The loans are targeted to public buildings, including state agencies, school districts, higher education, local governments and hospitals.

A school district currently is able to apply for a loan through the LoanSTAR revolving loan program for energy efficiency upgrades, but the program does not apply to the cost of installing solar panels.

DIGEST:

SB 598 would require SECO to establish a pilot program under the LoanSTAR revolving loan program to provide loans to pay the cost of installing photovoltaic solar panels and other associated energy efficiency improvements on public school buildings.

SECO would be required to allocate to the pilot program at least $4 million from the funds available to the LoanSTAR revolving loan program and, by rule, establish loan terms, including the interest rate for repayment of pilot program loans.

Through the pilot program, each school district would have the opportunity to apply for a loan to install photovoltaic solar panels and associated energy efficiency improvements on at least one school building of the school district's choice. SECO, by rule, would establish a procedure for determining which school districts qualified, including rules for selecting the school districts that would receive a loan if there was not sufficient money set aside for pilot program improvements at all school districts.

Each school district that received a loan would be required to pay for the loan primarily from the amount budgeted for the energy costs of the school at which the solar panels were installed. The school district could make additional payments on a loan from money rebated as compensation for electric energy generated by the solar panels or money received as a gift or grant for the purpose of paying the loan.

The pilot program would be dissolved on September 1, 2011.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.