



Ohio Revised Code

Section 717.25 Low-cost alternative energy revolving loan program.

Effective: June 17, 2010

Legislation: Senate Bill 232 - 128th General Assembly

(A) As used in this section:

(1) "Customer-generated energy project" means a wind, biomass, or gasification facility for the generation of electricity that meets either of the following requirements:

(a) The facility is designed to have a generating capacity of two hundred fifty kilowatts of electricity or less.

(b) The facility is:

(i) Designed to have a generating capacity of more than two hundred fifty kilowatts of electricity;

(ii) Operated in parallel with electric transmission and distribution facilities serving the real property at the site of the customer-generated energy project;

(iii) Intended primarily to offset part or all of the facility owner's requirements for electricity at the site of the customer-generated energy project and is located on the facility owner's real property;
and

(iv) Not producing energy for direct sale by the facility owner to the public.

(2) "Electric distribution utility" and "mercantile customer" have the same meanings as in section 4928.01 of the Revised Code.

(3) "Reduction in demand" has the same meaning as in section 1710.01 of the Revised Code.

(B) The legislative authority of a municipal corporation may establish a low-cost alternative energy revolving loan program to assist owners of real property within the municipal corporation with



installing and implementing either of the following on their real property:

(1) Alternative energy technologies limited to solar photovoltaic projects, solar thermal energy projects, geothermal energy projects, and customer-generated energy projects;

(2) Energy efficiency technologies, products, and activities that reduce or support the reduction of energy consumption, allow for the reduction in demand, or support the production of clean, renewable energy.

(C) If the legislative authority decides to establish such a program, the legislative authority shall adopt an ordinance that provides for the following:

(1) Creation in the municipal treasury of an alternative energy revolving loan fund;

(2) A source of money, such as gifts, bond issues, real property assessments, or federal subsidies, to seed the alternative energy revolving loan fund;

(3) Facilities for making loans from the alternative energy revolving loan fund, including an explanation of how owners of real property within the municipal corporation may qualify for loans from the fund, a description of the alternative energy and energy efficiency technologies and related equipment for which a loan can be made from the fund, authorization of a municipal agency to process applications for loans and otherwise to administer the low-cost alternative energy revolving loan program, a procedure whereby loans can be applied for, criteria for reviewing and accepting or denying applications for loans, criteria for determining the appropriate amount of a loan, the interest rate to be charged, the repayment schedule, and other terms and conditions of a loan, and procedures for collecting loans that are not repaid according to the repayment schedule;

(4) A specification that repayments of loans from the alternative energy revolving loan fund may be made in installments and, at the option of the real property owner repaying the loan, the installments may be paid and collected as if they were special assessments paid and collected in the manner specified in Chapter 727. of the Revised Code and as specified in the ordinance;

(5) A specification that repayments of loans from the alternative energy revolving loan fund are to



be credited to the fund, that the money in the fund is to be invested pending its being lent out, and that investment earnings on the money in the fund are to be credited to the fund; and

(6) Other matters necessary and proper for efficient operation of the low-cost alternative energy revolving loan program as a means of encouraging use of alternative energy and energy efficiency technologies.

The interest rate charged on a loan from the alternative energy revolving loan fund shall be below prevailing market rates. The legislative authority may specify the interest rate in the ordinance or may, after establishing a standard in the ordinance whereby the interest rate can be specified, delegate authority to specify the interest rate to the administrator of loans from the alternative energy revolving loan fund.

The alternative energy revolving loan fund shall be seeded with sufficient money to enable loans to be made until the fund accumulates sufficient reserves through investment and repayment of loans for revolving operation.

(D) Except as provided in division (E) of this section, an electric distribution utility may count toward its compliance with the energy efficiency and peak demand reduction requirements of section 4928.66 of the Revised Code any energy efficiency savings or any reduction in demand that is produced by projects utilizing alternative energy technologies or energy efficiency technologies, products, and activities that are located in its certified territory and for which a loan has been made under this section.

(E) A mercantile customer that realizes energy efficiency savings or reduction in demand produced by alternative energy technologies or energy efficiency technologies, products, or activities that it owns and for which a loan has been made under this section may elect to commit the savings or reduction to the electric distribution utility in exchange for an exemption from an energy efficiency cost recovery mechanism permitted under section 4928.66 of the Revised Code, approved by the public utilities commission.

(F) The legislative authority shall submit a quarterly report to the electric distribution utility that includes, but is not limited to, both of the following:



(1) The number and a description of each new and ongoing project utilizing alternative energy technologies or energy efficiency technologies, products, or activities located in the utility's certified territory that produces energy efficiency savings or reduction in demand and for which a loan has been made under this section;

(2) Any additional information that the electric distribution utility needs in order to obtain credit under section 4928.66 of the Revised Code for energy efficiency savings or reduction in demand from such projects.