

BILL ANALYSIS

Senate Research Center
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S.B. 598
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Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, school districts can apply for a loan through the loanstar revolving loan program (loanstar program) to help offset the cost of energy efficiency upgrades, which in turn lowers the school's monthly electric bills. However, the loanstar program does not apply to the cost of installing solar panels.

As proposed, S.B. 598 requires the State Energy Conservation Office (SECO) to establish a pilot program under the loanstar program to provide loans to school districts that would like to install solar panels on the public school buildings and see a significant decrease in their electricity consumption. The bill is a statewide pilot, through which SECO would accept applications and grant school districts that SECO determines to be qualified the opportunity to borrow money necessary for installing solar panels and any essential energy efficiency upgrades, making their schools as close to energy independent as possible.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the State Energy Conservation Office in SECTION 1 (Section 2305.0321, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 2305, Government Code, by adding Section 2305.0321, as follows:

Sec. 2305.0321. PILOT REVOLVING LOAN PROGRAM FOR SOLAR ENERGY FOR SCHOOL BUILDINGS. Requires the State Energy Conservation Office (SECO) to establish a pilot program under the loanstar revolving loan program (loanstar program) to provide loans to pay the cost of installing photovoltaic solar panels on public school buildings and the cost of associated energy efficiency improvements to the buildings. Requires SECO to allocate to the pilot program at least \$4 million from the funds available to the loanstar program.

(b) Requires SECO by rule to establish the terms under which a loan is to be made under the pilot program, including the interest rate for repayment of pilot program loans.

(c) Requires SECO, through the pilot program, to offer to each school district the opportunity to apply for a loan to pay the cost of installing photovoltaic solar panels on at least one school building of the school district's choice and the cost of associated energy efficiency improvements to that building. Requires SECO by rule to establish a procedure for determining which school districts qualify for a loan under the pilot program, including rules for selecting the school districts that will receive a loan if there is not sufficient money set aside for pilot program improvements at all school districts.

(d) Requires each school district that receives a loan to pay for the principal of and interest on the loan for each school building improvement primarily from the amount budgeted for the energy costs of the school at which the solar panel are installed. Authorizes the school district to make additional payments of the principal of or interest on a loan from money rebated to it 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.

(e) Provides that this section expires September 1, 2011, and the pilot program established under this section is dissolved on that date.

SECTION 2. Effective date: upon passage or September 1, 2009.