



**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM**  
*H. Martin Lancaster, President*

**MEMORANDUM**

**IMPORTANT**

To: Presidents  
Chief Business Officials

From: Philip V. Albano

Date: January 5, 2005

Subject: Energy Improvement Loan Program

North Carolina has an Energy Improvement Loan Program (EILP) sponsored by the North Carolina Department of Administration's State Energy Office. This program makes low interest loans for eligible energy conservation measures up to \$500,000 from a revolving fund. The philosophy behind the program is that the borrower will repay the loan from the savings accrued in energy costs.

While the legislation creating this revolving fund (G.S. 143-345.18) clearly makes these funds available to "Local Government Units," which includes community colleges, there is nothing specifically in this statute, or the community college statutes (G.S. 115D), that permits a community college to borrow funds for this purpose. I believe that before colleges can directly use this program, we will either need to have written assurances from the Attorney General's office that this is permissible, or new enabling legislation. We are seeking an AG opinion.

In the meantime, if you are considering some of the energy conservation measures eligible for this loan program, I encourage you to pursue the idea while we seek a resolution to the question. Should your project be ready before we have a resolution, your county could apply for the loan. I have attached five documents from the State Energy Office for your review. One very interesting note is that if you have a new construction project, the loan could be made for the incremental costs between state code and above-code improvements. Thus, some of the extra costs associated with building a "Green Building" may be eligible for this loan program.

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E-Mail

This Energy Improvement Loan Program, along with the Performance Contracting method, are both excellent ways to fund energy conservation measures. With performance contracting; however, projects in excess of \$500,000 can be funded.

If you have questions concerning this program, please contact Ms. Rondra Macmillan with the State Energy Office at 919-733-1919.

PVA/sr

Attachments

cc: Rhondra Macmillan  
Kennon Briggs