

May 12, 2004

**75-25-101. Alternative energy revolving loan account.** (1) There is a special revenue account called the alternative energy revolving loan account to the credit of the department of environmental quality.

(2) The alternative energy revolving loan account consists of money deposited into the account from air quality penalties from 75-2-401 and 75-2-413 and money from any other source. Any interest earned by the account and any interest that is generated from a loan repayment must be deposited into the account and used to sustain the program.

(3) Funds from the alternative energy revolving loan account may be used to provide loans to individuals, and small businesses, and nonprofit organizations for the purpose of building alternative energy systems, as defined in 15-32-102, for residences, and small businesses, and nonprofit organizations to generate energy for their own use and for net metering as defined in 69-8-103, and for capital investments by such entities for energy conservation purposes, as defined in 15-32-102, when done in conjunction with an alternative energy system.

(4) The amount of a loan may not exceed ~~\$10,000~~ \$40,000, and the loan must be repaid within 5 years.

**75-25-102. Administration of revolving loan account -- rulemaking authority.** (1) The department of environmental quality shall adopt rules establishing:

(a) eligibility criteria, including criteria for defining residences, and small businesses, and nonprofit organizations, criteria for defining capital investments for energy conservation purposes, ownership of the alternative energy facility, financial capacity to repay the loans, estimated return on investment in the alternative energy or energy conservation, and other matters that the department considers necessary to ensure repayment of loans and to encourage maximum use of the fund for alternative energy and net metering uses;

(b) processes and procedures for disbursing loans, including the agencies or organizations that are allowed to process the loan application for the department; and

(c) terms and conditions for the loans, including repayment schedules and interest.

(2) The department shall solicit assistance in the familiar with financial services and persons knowledgeable in alternative energy systems.

(3) Administrative costs may not exceed 10% of the ~~total loans~~ deposits into the account from all sources, including penalties from 75-2-401 and 75-2-413, interest on penalties, and principal and interest payments. Legal fees and costs associated with collection of debt on principal are not considered administrative fees.

(4) The loan repayment period may not exceed 5 years. The loans must be made at a low interest rate. The department may set the interest rate at an amount that will cover its administrative costs, but the rate may not be less than 1% per year. The department may seek recovery of the amount of principal loaned in the event of default.