

# SAN ANTONIO'S MUNICIPAL REVOLVING LOAN FUND\*

The City of San Antonio established its revolving Energy Efficiency Fund (EEF) in 2011 with \$4.6 million of federal American Recovery and Reinvestment Act funds to finance energy conservation projects in its facilities with a primary goal of reducing costs. The city's building portfolio encompasses more than 15 million square feet. As the city achieves energy savings after each efficiency project is completed, it returns a portion of the estimated annual energy savings to the EEF to be used in future projects. In addition, money received from utility rebates is also returned to the EEF. Total project costs range from \$1,000 to \$250,000 with an average project cost of \$20,000. The EEF invests approximately \$1.8 million on projects annually and also covers the personnel costs of administering the fund. The city self-manages all retrofits from design through completion, including measuring and verifying energy savings. This overall approach enables lower overall costs to implement energy efficiency projects due to reduced management and installation costs and the lack of debt service payments.



## SIGNIFICANT IMPACT

Accomplishments of San Antonio's Energy Efficiency Fund as of 2017:

372

Number of efficiency projects

13.2%

Reduction in energy use

58,597

Tons of GHG emissions avoided

\$20,000

Average project cost

*\* San Antonio did not participate in the City Energy Project, however the city's approach serves as a model for other cities to follow.*

## WHAT IS A REVOLVING LOAN FUND?

A Revolving Loan Fund (RLF) is a source of money from which loans can be made. It has become a useful mechanism for financing energy efficiency projects in cities, counties, and states, as well as at institutions like university campuses. The RLF is called “revolving” because the money that is initially lent out is ultimately repaid and re-used for new projects, thereby recirculating the original capital. Usually, the repayments of principal go back into the RLF and the interest payments and lending fees paid by the borrower are used to manage the RLF so that the RLF does not need additional budget for its operations. Seed capital for an RLF can come from public budgets, ratepayer funds, bond issuances, grants, and private capital. RLFs have been used to finance energy efficiency projects on both municipal and private sector buildings.

**While there are many options for financing programs, the City Energy Project Resource Library has many financing resources to get you started:**

- [FACT SHEET: INTRODUCTION TO PRIVATE SECTOR FINANCING](#)
- [FACT SHEET: INTRODUCTION TO REVOLVING LOAN FUNDS](#)
- [CASY STUDY: NEW YORK CITY ENERGY EFFICIENCY CORPORATION REVOLVING LOAN FUND](#)

## SUCCESSFUL FEATURES OF SAN ANTONIO'S ENERGY EFFICIENCY FUND

**Re-allocation of energy savings and utility rebates to EEF.** This feature enables the EEF to replenish itself more rapidly, thus providing for continued investment in energy efficiency projects each year. The Sustainability Office worked with the Office of Management and Budget (OMB) to help track energy savings. Importantly, the OMB committed to not reduce the city's utility budget and move the energy savings outside of the energy management budget through the creation of a special revenue fund.

**City management of efficiency projects.** The city developed the technical capability in-house to assess, prioritize, and manage energy efficiency projects from start to finish. This enabled staff to take a more strategic approach to project management, bundle categories of projects (e.g. lighting) across buildings, and substantially reduce management and installation costs of projects.

**Regular monitoring and tracking of projects during and after retrofit.** The Sustainability Office uses the U.S. Environmental Protection Agency's Portfolio Manager tool to develop building baselines, identify and prioritize projects, and measure and track energy usage and avoided costs. This regular tracking is what enables the OMB to be comfortable that tangible energy savings are materializing.

**Development of robust, quantitative business case to create EEF.** The Sustainability Office developed a business case for an RLF, quantifying the potential energy savings with 5- and 15-year projections. It also clearly articulated other program benefits (for example, a strategy for addressing deferred maintenance and the ability to cover some city personnel costs through the EEF). Staff presented this over the course of a year to several key city officials, including the city manager, chief financial officer, budget director, and the Finance and Building and Equipment Services departments, in order to convince all key stakeholders of the viability of the concept.

**Improved focus on operations and maintenance.** In addition to its focus on capital projects, the EEF enabled the city to expand capacity to maintain systems and to ensure that it continues to operate efficiently, lowering its overall operating costs. This helped further decrease energy costs in addition to the savings from capital projects, freeing up additional funds for new retrofit projects.

---

## REFERENCES

1. City of San Antonio Office of Sustainability, “SA Tomorrow Sustainability Plan: 2018 Progress Report,” 2018.
2. Texas City Efficiency Leadership Council Best Practice, “Revolving Funds for City Efficiency Projects,” 2015.