

## **BILL ANALYSIS**

S.B. 598  
By: Van de Putte  
Energy Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

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

S.B. 598 requires the state energy conservation office of the comptroller of public accounts' office to establish a pilot program under the loanstar program to provide a loan to a school district that would like to install solar panels on a public school building and see a significant decrease in electricity consumption. The bill requires the energy office to offer to each district the opportunity to apply for a loan and requires the energy office to establish a procedure to determine which districts qualify to borrow money necessary for installing solar panels and any associated energy efficiency upgrades to make a district's school as close to energy independent as possible.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the state energy conservation office of the comptroller's office in SECTION 1 of this bill.

### **ANALYSIS**

S.B. 598 amends the Government Code to require the state energy conservation office of the comptroller of public accounts' office to establish a pilot program under the loanstar revolving loan program to provide loans to pay the cost of installing photovoltaic solar panels on a public school building and the cost of associated energy efficiency improvements to the building. The bill requires the energy office to allocate to the pilot program at least \$4 million from the funds available to the loanstar revolving loan program. The bill requires the energy office by rule to establish the terms under which a loan may be made under the pilot program, including the interest rate for repayment of a pilot program loan.

S.B. 598 requires the energy office, 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. The bill requires the energy office by rule to establish a procedure for determining which school districts qualify for a loan under the pilot program, including rules for selecting a school district that will receive a loan if there is not sufficient money set aside for pilot program improvements at all school districts.

S.B. 598 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 panels are installed. The bill authorizes a 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.

S.B. 598 provides that its provisions expire September 1, 2011, and dissolves the pilot program on that date.

**EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.