REQUEST FOR INFORMATION
Oklahoma State Energy Office
Oklahoma Department of Commerce (ODOC)

Purpose and Objectives

The Oklahoma Department of Commerce (ODOC), Community Development, on behalf of the Oklahoma State Energy Office (SEO), is seeking information from Oklahoma lenders and banking institutions to help develop a new Oklahoma Energy Efficiency Co-Lending Fund for the State of Oklahoma. ODOC has received an allocation of $7,592,300 from the U.S. Department of Energy (DOE) under its Energy Efficiency Revolving Loan Fund Capitalization Grant Program, established by Section 40502 of the Infrastructure Investment and Jobs Act, which will provide the funding for the new program. In the event the program is successful, the ODOC State Energy Office (SEO) will consider expanding the loan program to additional markets and adding an additional $27 million from a loan fund that is stagnant and in need of restructuring. The $27 million are a combination from Stripper Well Restitution Program and Exxon Restitution Program and other loan funding awarded during the American Recovery and Reinvestment Act of 2009.

A. The DOE grant allows Oklahoma to use the funds for revolving loan funds or loan loss reserves to provide loans to Eligible Recipients for paid energy audits, energy efficiency upgrades, and retrofits. States are strongly encouraged to maximize equitable access to financing for energy efficiency improvements by leveraging private capital through co-lending or loan loss reserves with private capital providers.

Oklahoma may use up to twenty-five percent (25%) of its funding to provide grants or technical assistance to Eligible Recipients for energy audits and may use up to 10% of its funds for administrative expenses. The DOE grant places certain restrictions on Eligible Recipients for loans and grants and requires that loan proceeds be used to finance building improvements resulting for qualifying commercial energy audits and meet certain project requirements for cost-effectiveness and address the energy efficiency, physical comfort, or air quality of the building or facility. The DOE grant also requires that loans made through the program are subject to Davis-Bacon Act (which requires that laborers are paid locally prevailing wages and fringe benefits established by the U.S. Department of Labor), and that improvement in publicly owned buildings meet requirements of the Build America, Buy America Act. Please know that ODOC is researching the requirements of BABA. It was rumored that Loan Loss Reserve programs do not have BABA requirements, but that has not been determined to be in regulatory guidance at the time this was written.

ODOC plans to support lending to small businesses. Targeting small business owners represented from areas of disadvantage such as disability, high energy cost burden, new business owners, and other areas that may place this small business owner in jeopardy of failing due to circumstances this program can assist with.

ODOC also seeks to retrofit publicly owned buildings, and Oklahoma public schools for projects such as energy retrofits that can range from improvements to the building envelope – i.e., the walls, floors, windows, and doors of a building that act as barriers to external elements – to the installation of energy-efficient heating, ventilation, and air conditioning (HVAC) systems, lighting, and building controls. This list is not exhaustive and is determined by energy audits done to determine which areas are best to weatherize or improve to a level the energy savings is significant enough to fund.

ODOC must work with Oklahoma lenders to learn more about these types of loans, including Oklahoma banking regulations, and will address marketing, policies and procedures, and training for the Oklahoma Co-Lending Fund or Loan Loss Reserve program. Lenders will help provide the critical components of the co-lending or loan loss reserve process that Oklahoma may be implementing. The input of Oklahoma lenders to this process is critical to its success.

B. **This is a Request for Information (RFI) only. This RFI is being issued solely for information and planning purposes. This RFI does not constitute a Request for Proposal (RFP) or a promise to issue an RFP in the future.** This RFI does not commit the State of Oklahoma to contract with any Oklahoma or other state lending institution. Furthermore, the State of Oklahoma is not seeking proposals at this time and will not accept unsolicited proposals. The State of Oklahoma is unable to fund any unbudgeted liability. Responders are advised that the State of Oklahoma will not pay for any information or administrative costs incurred in response to this RFI; all costs associated with responding to this RFI will be solely at the responder's expense. If a solicitation is released, it will be released by the Office of Management and Enterprise Services/IS Procurement, as required by state law, on their website here.

   It is the responsibility of potentially interested parties to monitor the ODOC website for additional information, should the Oklahoma Department of Commerce (ODOC), Community Development Division, on behalf of the Oklahoma State Energy Office, pursue an RFP.

C. **ODOC invites all interested parties to submit a written response to this Request for Information (RFI). Phone calls and requests for virtual or in-person meetings are also accepted. This RFI is being sought strictly for the purpose of gaining knowledge of services available with an estimate of their corresponding costs and should not be construed as intent, commitment, or promise to acquire services, supplies, or solutions offered**. **No contract will result from any response to this RFI.**

   Information submitted in response to this RFI will become the property of the State of Oklahoma. The State of Oklahoma will not pay for any information herein requested nor is it liable for any cost incurred by the vendor**. RFI responses must be received no later than 5:00pm CST, Thursday, February 29, 2024, to the Energy Program Planner listed in Section 3.**

D. **This Request for Information will end at 5:00p.m CST, Thursday, February 29, 2024.**

1-Requirements

ODOC seeks your input on the development of the proposed Oklahoma Energy Efficiency Co-Lending Fund (OKEECLF) and the Loan Loss Reserve program from the perspective of lending leaders in Oklahoma. The Co-Lending Fund model is highly used in Nebraska. Lenders across the state offer low interest loans and retain the interest and the fees on the loan for their administration of the loans. The actual principle comes from the Co-Lending Fund at the state level. Oklahoma is also considering a Loan Loss Reserve program that backs the lenders funds allowing lenders to reduce interest rates or be reimbursed the interest rate from ODOC. If you understand a Loan Loss Reserve program and would prefer that model be examined, please let us know in your RFI reply. Please review these questions and reply to them to the best of your ability. These questions are all relevant to the closely estimated $27.5 million in funding Oklahoma now has for low interest energy efficiency retrofit loans. ODOC seeks your input and partnership to make these collaborative projects effective.

RFI RESPONSES

IMPORTANT DIRECTIONS

1-Questions:

Please type your replies in a separate document or directly on the WORD doc provided to you with the PDF or other format. Thank you!

- Would your banking institution rather see the Oklahoma Dept. of Commerce (ODOC) develop a Loan Loss Reserve program or the Co-lending Fund described here? Why?
- How does the loan processing workflow look in your lending program? Describe how it starts and finishes for any loan and especially if you do green energy loans.
- Fees and interest are all retained by the Oklahoma lenders in a Co-lending fund program. and ODOC is considering paying back to the client on all interest. What are appropriate fees for this type of loan origination and other fees charged?
- What is your recommended interest rate for co-lending fund loans/loan loss in each sector (small business, public buildings, schools)? What would the interest rates look like in a Loan Loss Reserve program?
- How can we bring down interest rates for your clients on these energy programs?
- Describe your lending institution's experience with minority small business loans and other small businesses loans? Could energy loans be easily melded in with this type of loan program?
- Does the co-lending fund or loan loss program interest your institution? Why or why not?
- Do you have any recommendations for individuals or organizations we should include in the RFP bidders list, who could provide support to ODOC staff to develop, and possibly administer, the Oklahoma Energy Efficiency Co-Lending Fund or the Loan Loss Reserve Program?
- What kind of training and technical support for lenders will be needed in a loan loss reserve and co-lending fund program to bring this project to successful implementation?
- Would a representative from your institution be open to serving on a technical advisory group? If so, what would this look like to acquire cross categorical representation of the banking industry in Oklahoma?
- Do Oklahoma lending institutions have program managers that can assist our development contractor in creating the policies and procedures, so they are consistent with Oklahoma lending regulations?
- What must occur to encourage lenders in Oklahoma to participate in this Co-Lending Fund or Loan Loss Reserve program?
- What Technical Support and Training will be needed from the contractor to the lenders/bankers in Oklahoma to successfully implement these programs?
  - What does direct training on the process and coaching when the program begins look like?
  - Which type of meeting works best? Remote / Onsite / Hybrid /All or Combo. Do you foresee issues or concerns with DOE grant requirements for energy audits, Davis-Bacon requirements, or Build America, Buy America (BABA) requirements?

Important Additional RFI Questions

(1) ODOC also seeks your opinion, based on your past experiences, on whether the State has identified all the major components necessary to offer these low interest green energy loans? If not, please provide information on other necessary components needed.

(2) ODOC is seeking a list of potential problems/risks that the State may encounter, and any ideas or suggestions about how such problems/risks should be addressed in a solicitation.

(3) What time and effort would be needed to develop policies and procedures for a Co-Lending Fund program or a Loan Loss Reserve program by a private consultant? If you did the work, how long would it take and what would you pay yourself or others for the work to develop, train, and monitor the program for two years?

ODOC would like to acknowledge that some of the ineligible items below exist in the grant's guidance. Please let us know if you are aware of or can imagine other ineligible items that may come up for our contractor during development?

- Ineligible Items:
  - Loans for improvements in facilities not located in the State.
  - Out of State Lenders
  - Minority Clients that Do Not Own Their Businesses
  - Non-Public and Charter Schools
  - Private Schools

RFI Response Instructions:

The State of Oklahoma is asking all interested parties to submit a document containing their responses to the email or address below.

Thank you for your time and the contact information is listed below for you. Please be sure to type responses and feel free to call or write Greg Gaden, ODOC Energy Programs

Greg Gaden
900 N. Stiles Avenue
Oklahoma City, OK 73104
e-mail: gregory.gaden@okcommerce.gov
Phone Number: 405-623-9314

Any questions may be directed to the person listed above by email, phone call or by requesting an in-person meeting. We appreciate your response to this request.