

## CONCISE EXPLANATORY STATEMENT

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In accordance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-2.6, following is a concise explanatory statement:

**AGENCY:** Rhode Island Infrastructure Bank

**DIVISION:** *(If any)*

**RULE IDENTIFIER** 830-RICR-10-05-1

**RULE TITLE:** Efficient Buildings Fund Policies and Procedures

**REASON FOR RULEMAKING:** These Policies and Procedures have been established to govern the lending activities of the Efficient Buildings Fund in accordance with R.I. Gen. Laws Chapter 46-12.2.

**ANY FINDING REQUIRED BY LAW AS A PREREQUISITE TO THE EFFECTIVENESS OF THE RULE:** *none*

**TESTIMONY AND COMMENTS:** No comments or objections were received

**CHANGE TO TEXT OF THE RULE:** Amendments have been made to the following sections: 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11.

**REGULATORY ANALYSIS:** The primary benefit of EBF financing is that it provides long-term, low-cost financing to local governmental units that wish to complete energy efficiency and/or renewable energy projects in public buildings. The improvements financed through EBF help to reduce energy consumption or displace energy from existing sources by creating clean energy and, therefore, reduce the energy costs for municipalities. These savings can in turn be used on other local initiatives or to reduce the tax burden on residents. Although other sources of financing for these types of project exist, the primary advantages of EBF are that financing can be extended to a maximum of 15 years and that borrowers receive an interest rate reduction as

compared to their market rate of borrowing (15% off the market rate during the first round of financing). In addition to energy and financial savings, projects financed through EBF oftentimes improve the quality of public buildings (such as HVAC improvements that ensure sufficient heat or cooling).