



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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SMALL HYDROPOWER LOAN PROGRAM

The Small Hydropower Loan Program ("SHLP") was created in 2008 to bring low cost funding to governmental agencies in Colorado for the development of small hydropower. The program complements the Colorado Renewable Energy Standard signed by Governor Bill Ritter on March 22, 2010, which requires investor-owned utilities to obtain 30% of their power from renewable sources by 2020.



**Maximum \$5 Million Loans
per Governmental Agency for
a Maximum term of 30 Years
at an interest rate of 2.5%**

Borrower Eligibility

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Colorado cities, towns, counties, water districts, water and sanitation districts, metropolitan districts, water conservancy districts, water conservation districts, irrigation districts and any enterprise created by the foregoing are eligible to receive a Small Hydropower Loan.

Eligible Projects (10MW or Less)

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Eligible projects consist of new hydropower facilities (turbines, mechanical and electrical), pipelines, necessary remodel/reconfiguration of the building housing the facilities and transmission lines.

Contact

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Matching Grants for Feasibility Studies, Design and Permitting

The Authority has budgeted \$150,000 for SHLP matching grants per year. Matching grants of up to \$15,000 will be available for each governmental agency per project. The governmental agency is required to match 50% of invoice costs up to the full \$15,000 grant amount. The matching grant can be used for feasibility studies, permitting activities or final design on a potential hydropower project and other costs associated with the Federal Energy Regulatory Commission (FERC) or Bureau of Reclamation (BOR) permitting or exemption process.

The Colorado Water Resources and Power Development Authority Board of Directors added a condition to the SHLP matching grants in 2014; all grants going forward should note that if the grantee is not borrowing funds from this program, a waiver from reimbursing the Authority the amount of the grant must be requested from the Authority Board. Matching grant applications and additional information can be found at:

<http://www.cwrpda.com/index.php/programs/small-hydropower-loan-program>

Loan Amount and Terms

- **Loan Amount** – Up to \$5 million
- **Loan Interest Rate** – 2.5%
- **Loan Term** – Up to 30 years

Loan repayments will be structured to begin 12-18 months from the execution of the agreement. The loan repayment structure should allow a full year of revenues prior to the first loan repayment.

Loan applications will be considered on a “first in, first served” basis. The borrower will have six months to execute the loan following approval. If the borrower fails to execute a loan and/or meet the conditions required by the Board within this six month period, a new application with full Board review and approval is required.

The Authority and the Colorado Water Conservation Board operate in a partnership to jointly fund small hydropower facilities in Colorado. Governmental agency’s seeking funding of \$5 million or more can receive the first \$5 million from the Authority, and the borrower can seek the remaining funding from the Colorado Water Conservation Board.

Conditions Precedent for a Small Hydropower Loan

1. A FERC or BOR exemption or permit is required.
2. The governmental agency must have a contract to sell or a plan to use within its system the energy produced from the hydropower project.
3. All required project funds are in place.
4. Final design and costs are available with construction contract imminent. The governmental agency must demonstrate an ability to repay the Small Hydropower loan; and
5. Security for the loan (hydropower revenues or utility system revenues) is in place. If security for the loan is solely from revenues from the sale of electricity, the governmental agency must have a debt service reserve fund equal to or greater than 1 year of debt service for the loan.

