

# Guaranteed Loan Programme

## Renewable Energy



2023

- Energy efficiency survey
- Energy star awards
- Renewable energy funding

# Initiative Overview

Energy is one of the top three operating expenses for micro, small and medium-sized enterprises (MSMEs) around the globe, especially convenience stores, quick service restaurants, boutique hotels, auto dealerships and general retail stores.

Under the Guaranteed Loan Programme, the Small Business Development Centre (SBDC) and the Bahamas Chamber of Commerce (BCCEC) is partnering with Bahamas Power and Light (BPL) as well as Grand Bahama Power Company (GBPC) to launch The Renewable Energy Initiative on January 31, 2023. This initiative has five main objectives, including:

- Collect energy usage data from commercial customers of Bahamas Power and Light and Grand Bahama Power Company;
- Release Energy Usage Reports by Industry and Island for survey participants, programme sponsors and funding partners;
- Award businesses with an energy efficiency star if they score in the top 25 percentile of their Industry;
- Encourage MSMEs to obtain grant, loan and equity funding to purchase solar panels, LED lighting, smart appliances, building insulation and electric vehicles; and
- Highlight funded MSMEs who comprise and support the local Renewable Energy Industry.



# Market Survey

SBDC, BPL, GBPC and BCCEC (Initiative partners) will conduct an online energy efficiency survey between January 31, 2023 and February 14, 2023 that asks participants to provide the following information:

- Business name
- Principal owner's name
- Principal owner's gender
- Business classification
- Primary phone number
- Primary email address
- Industry segment
- Launch date
- Employee count
- Customer count
- Facility type
- Facility count
- Facility size
- Island location

Participants will also confirm their monthly kilowatts consumed and electricity charges incurred from January to December 2022 for up to five facilities. For each commercial facility, the SBDC's Data Analysts will calculate the average monthly electricity charge per square foot, per employee and per customer. Based on these three categories, facilities will be ranked from lowest to highest energy efficiency compared to industry peers. Facilities that rank in the top 25 percentile of each category (square foot, employee count and customer count) will receive an energy efficiency star sticker to display on their facility window or door. Whereas, facilities that rank in the top 10 percentile of each category will receive an energy efficiency star trophy at an awards ceremony tentatively scheduled for February 28, 2023. Additionally, Initiative partners will secure sponsors to donate cash awards for the three most energy efficient MSMEs in The Bahamas.

Leading up to the award ceremony, Initiative partners will facilitate three information sessions dedicated to the topics below:

#### February 7, 2023 (Live online session)

- Rising Electricity and Fuel Costs – The Impact on Businesses and Residents

#### February 14, 2023 (Live online session)

- Renewable Energy Solutions – Solar Panels, Smart Devices, Building Insulation and Electric Vehicles

#### February 21, 2023 (Hybrid town hall meeting)

- Going Off Grid – Capacity Limits, Application Process and Net Metering for Businesses and Residents
- IDB Local & Regional Solar Projects – How to become an approved and contracted vendor?
- Funding Renewable Energy – Loan, Equity and Grant Options

To supplement the educational component of this initiative, survey participants, initiative sponsors and funding partners will receive an Energy Usage Report segregated by business classifications, owner genders, industry segments and island locations. This report will be prepared by the SBDC in collaboration with BCCEC.

The Energy Efficiency Survey will ask participants to confirm the total percentage of their 2022 revenues spent on electricity and fuel charges. While the latter will not be included in the energy efficiency score calculation, a section of the Energy Usage Report will specifically highlight Commercial Fuel Consumption.



# Available Funding

Under the Guaranteed Loan Programme, existing and startup MSMEs can access grant, loan and equity funding as follows:

- Up to \$20,000 in grant funding
- Up to \$500,000 in loan funding
- Up to \$250,000 in equity funding

However, MSMEs applying under the Renewable Energy Initiative must allocate at least 40% of their funding to energy efficient items including, but not limited to:

- Solar panels
- Batteries
- Electric cars
- Charging stations
- Smart appliances
- LED or CFL Lighting
- Wall, ceiling and floor insulation
- Air conditioner with thermostat

Once applications are approved by the SBDC's Investment Committee for a government grant or 75% to 90% government guarantee, loan and equity applications will be sent for final approval and disbursement to the funding partners listed below:

- Fidelity Bank
- Royal Bank of Canada
- Bahamas Development Bank
- Bahamas Entrepreneurial Venture Fund
- Simplified Lending
- National Workers Cooperative Credit Union
- Teachers & Salaried Workers Credit Union

To be eligible for funding under the Guaranteed Loan Programme, a business must:

- Generate less than \$5 million in annual sales;
- Employ less than 50 full-time and part-time staff; and
- Have majority Bahamian owners with at least 51% controlling interest.

# Initiative Reach

Our target for the Energy Efficiency Survey is to collect data from at least 3,500 MSMEs representing 35 industries across The Bahamas, including:

- Agriculture
- Arts & Crafts
- Appliances
- Automobile
- Banking
- Beauty
- Charities
- Cleaning
- Construction
- Courier & Delivery
- Education
- Energy
- Entertainment
- Fashion
- Food & Beverage
- Fishing
- Fitness
- Funeral
- Furniture
- Import/Export
- Insurance
- Landscaping
- Medical
- Packaging
- Photography & Videography
- Printing & Signage
- Professional Services
- Real Estate
- Security
- Storage
- Technology
- Telecommunications
- Tourism
- Transportation
- Waste Management

Since survey participants will confirm their industry segment, Data Analysts can study energy efficiency levels between different segments within the same industry, for example: accommodations versus tours within the Tourism Industry and laundromat services versus mold remediation services within the Cleaning Industry.

Our target for Guaranteed Loan Programme approvals is 50 MSMEs approved for average funding of \$50,000 and total funding of \$2,500,000. The SBDC feels this is a conservative target since MSMEs can apply for renewable energy funding until December 31, 2023.