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In July, 2011, the Kansas Corporation Commission partnered with the Kansas Department of Commerce to fund two biofuels projects in Kansas. Funds for these projects were redirected from the Efficiency Kansas program due to the program's lack of ability to expend the funds within the timeframe of the ARRA. At that time, the KCC committed to seeking a long-term source of funding from the private sector.

On Tuesday, January 10th, the KCC signed an agreement for financing with Central Bank. This agreement provides up to \$20 million in financing, and will work through the Efficiency Kansas utility partners and place the loan payments on a customer's utility bill.

The Efficiency Kansas program will have only minor changes as a result of the new funding source. Certain provisions required by the ARRA, such as Davis-Bacon and historical preservation requirements, will no longer be required.

The most significant change to the program will be the addition of an interest rate on the loan. While funds from the ARRA allowed the KCC to offer interest-free loans, the funding from Central Bank will come with a fixed interest rate that ranges from 5% to 8.5% depending on the length of the loan. The table below lists the interest rate and loan term.

Loan Term	Interest Rate (fixed for the term of the loan)
1 – 3 years	5%
4 – 6 years	6%
7 – 9 years	8%
10 – 15 years	8.5%

During the transition to private-sector financing, there were Kansans that applied for Efficiency Kansas financing that were unable to receive funding. Working with the Kansas Department of Commerce, \$1.5 million was made available to cover the loans of those customers. Using this funding, the KCC was able to make loans to all customers who had submitted loan requests by the end of August, a total of nearly 160 additional loans.