

FY 2008 Implementation Plan

Loan Guarantee Program Title XVII, Energy Policy Act of 2005

Prepared pursuant to the Consolidated Appropriations Act, 2008

Loan Guarantee Program Office Office of the Chief Financial Officer U.S. Department of Energy

April 2008

This Loan Guarantee Program Implementation Plan for FY 2008 is being submitted by the U.S. Department of Energy ("DOE") to the Congressional Appropriations Committees, pursuant to the requirements of the Consolidated Appropriations Act, 2008, Pub. L. No. 110-161 (2007) ("FY 2008 Appropriations Act"). That Act requires DOE to submit to the Congressional Appropriations Committees, at least 45 days prior to "execution of a new solicitation" under the loan guarantee program authorized by Title XVII of the Energy Policy Act of 2005 (EPAct 2005), a "loan guarantee implementation plan that defines the proposed award levels and eligible technologies" in such solicitations.

The FY 2008 Appropriations Act makes Title XVII loan guarantee authority available to DOE through FY 2009. In the explanatory statement accompanying the FY 2008 Appropriations Act, Congress called for DOE to make available certain specified amounts of Title XVII loan guarantee authority for certain technologies. The President's FY 2009 Budget proposed that the same overall limitation on the Department's loan guarantee authority be set forth in law, and that the authority be extended through FY 2010 for eligible projects, except in the case of nuclear power facilities, for which the Budget proposed an extension of authority through FY 2011. Table 1 below shows the aggregate amount of loan guarantee authority and eligible technologies in the next round of solicitations, all of which will be issued simultaneously, in late May or in June, 2008. This allocation of loan guarantee authority is consistent both with Congress's explanatory statement and with the President's FY 2009 Budget.

Table 1

SOLICITATION	TECHNOLOGY	AUTHORITY
	Projects employing any of the	
	following:	
	· Advanced electric transmission	
EFFICIENCY,	and distribution technologies	
RENEWABLE	· Advanced energy storage	
ENERGY AND	technologies	
ELECTRIC	· Alternative vehicle technologies	
TRANSMISSION	· Biomass technologies	
Π^*	· Efficient end-use energy	\$10.0 Billion
	technologies	
	· Energy efficient building	
	technologies and applications	
	· Geothermal technologies	
	· Grid integration and intermittency	
	technologies	
	· Hydrogen and fuel cell	
	technologies	
	· Industrial energy efficiency	
	technologies	
	· Manufacturing/production facility	
	technologies	
	· Ocean/wave/tidal technologies	

	· Solar technologies	
	· Wind technologies	
NUCLEAR I	Nuclear power facilities	\$18.5 Billion
NUCLEAR II	Nuclear facilities for the "front-end"	\$2.0 Billion
	of the nuclear fuel cycle	
TOTAL		\$30.5 Billion

^{*}Roman numerals indicate occurrence of solicitations. This will be the second solicitation under the Title XVII program for projects employing efficiency, renewable energy and transmission technologies. The first solicitation addressing technologies in these areas was issued in 2006.

After the issuance of the next round of Title XVII loan guarantee program solicitations, covering the projects and technologies specified in Table 1, the Department will in late summer 2008 issue another solicitation as specified in Table 2 below.

Table 2

SOLICITATION	TECHNOLOGY	AUTHORITY
FOSSIL II	Advanced fossil energy projects,	\$8.0 BILLION
	including coal-based power	
	generation facilities, industrial	
	gasification activities at retrofitted	
	and new facilities that incorporate	
	carbon capture and sequestration,	
	and advanced coal gasification	
	facilities	
TOTAL		\$8.0 BILLION

Prior to the issuance of the upcoming \$10 billion solicitation for projects in the energy efficiency, renewable energy and electric transmission areas, the Department intends to issue a Request for Information to solicit input from stakeholders concerning areas of particular technology focus and interest in these areas. The Department intends to use this public input in the development of the solicitation, the refinement of selection criteria, and to ensure that the solicitation properly supports the development of projects that can have the greatest environmental and energy security benefit to the United States, within the requirements of Title XVII and the Department's implementing regulations.

DOE's regulations require that Title XVII solicitations include the programmatic, technical, financial and other factors that the Department will use in evaluating responses to the solicitation, as well as the relative weightings to be assigned to these criteria. The Department anticipates that, in general, its selection criteria for projects will focus on: avoidance of emissions of air pollutants and greenhouse gases; the period of time required to place the project into service and/or to be commercialized; the potential for reducing costs to consumers; the commercial scale of the project; the potential for future long-lasting commercial success of the project and the technology; and the ability of the project sponsor to minimize the Government's financial risk and provide a reasonable prospect of repayment of the principal and interest on the debt obligation. The Department will develop and refine selection criteria and relative weightings for those selection criteria for each unique solicitation issued under the Title XVII program.