

LETTER TEMPLATE TO PROJECTS ON HOLD

DATE, 2011

NAME
ORGANIZATION
ADDRESS
CITY, ST ZIP

Dear NAME:

Thank you for your ongoing interest in the Section 1705 loan guarantee program. To date, under the 1705 program, the Department of Energy (DOE) has issued conditional commitments totaling almost \$11 billion to nineteen clean energy projects with total project costs of over \$16 billion. These projects will support the development of our nation's 21st century clean energy economy and create thousands of good-paying jobs.

As you know, the program's limited appropriations (commitments already made will likely utilize approximately two-thirds of the program's appropriated funds), deep pool of quality applicants, and statutorily imposed September 30, 2011 expiration date, mean that not all projects under consideration will ultimately receive a loan guarantee. We are, therefore, focused on ensuring that we leverage the remaining funds as effectively as possible in the brief time that remains.

Currently, there are a number of projects that are closer to the conditional commitment stage than yours, and we expect these projects, if they reach financial close, to utilize all of our remaining appropriation. Given this reality, we are unable to continue working on your application at this time. We wanted to let you know this as soon as possible, so that you can avoid expending time and resources unnecessarily.

You may be aware that the FY 2011 Continuing Resolution recently passed by Congress provides an additional \$170 million of appropriated credit subsidy under the Section 1703 loan guarantee program, and that projects that have already applied for loan guarantees under Section 1703 or Section 1705 may be eligible for these funds. We are developing a process to implement that provision. While your project may be eligible for 1703 funding, you should be aware that the available credit subsidy will not be sufficient to support all of the projects we expect to be interested in pursuing it.

To be clear, your project is not being terminated; it is being put on hold. This is a statement not about the quality of your project, but simply about its readiness to proceed at this time.

If, in the future, the Loan Programs Office has sufficient budget resources, we would be pleased to continue our evaluation of your project. We must caution you, however, that there is no assurance that we will ever be in a position to continue our evaluation of your project or of the terms on which we would do so.

We wish you great success with your project.

Sincerely,

Jonathan Silver
Executive Director, Loan Programs Office