WATER SECURITY
GRAND CHALLENGE

Abundance Through Innovation

Federal Water Finance Programs

June 10, 2020

U.S. DEPARTMENT OF ENERGY

Agenda

- Agency Leadership Remarks
  - Daniel R Simmons, DOE
  - David Ross, EPA
  - Chad Rupe, USDA
  - Dr. Timothy R. Petty, DOI
- EPA Water Infrastructure Finance and Innovation Act (WIFIA), **Danusha Chandy**
- EPA Clean Water State Revolving Fund (CWSRF), **Justin Mattingly**
- EPA Drinking Water State Revolving Fund (DWSRF), **Howard Rubin**
- USDA Rural Development Loans Office, **Hal Nielson**
- DOI Water Resources and Planning Office, **Amanda Erath**
- DOE Loan Program Office, **Michael Reed**

Department of Energy

Daniel R Simmons

Assistant Secretary for Energy Efficiency and Renewable Energy

Environmental Protection Agency

David Ross

Assistant Administrator for Water

Department of Agriculture

Chad Rupe

Administrator for Rural Utilities Service

Department of Interior

Dr. Timothy R. Petty

Assistant Secretary for Water and Science

EPA

WIFIA PROGRAM

JUNE 10, 2020

MISSION STATEMENT

The Water Infrastructure Finance and Innovation Act (WIFIA) program accelerates investment in our nation's water and wastewater infrastructure by providing long-term, low-cost, supplemental credit assistance under customized terms to creditworthy water and wastewater projects of national and regional significance.

ELIGIBILITY

Eligible borrowers

- Local, state, tribal and federal government entities
- Partnerships and joint ventures
- Corporations and trusts
- Clean Water and Drinking Water State Revolving Fund (SRF) programs

Eligible projects

- Projects that are eligible for the Clean Water SRF, not withstanding the public ownership clause
- Projects that are eligible for the Drinking Water SRF
- Enhanced energy efficiency projects at drinking water and wastewater facilities
- Brackish or seawater desalination, aquifer recharge, alternative water supply and water recycling projects
- Drought prevention, reduction or mitigation projects
- Acquisition of property if it is integral to the project or will mitigate the environmental impact of a project
- A combination of projects secured by a common security pledge or submitted under one application by an SRF program


20
LOANS CLOSED
$4.2 BILLION
TOTAL FINANCING
19,000
JOBS CREATED
21 MILLION+
POPULATION SERVED

LOAN PROCESS

IMPORTANT PROGRAM FEATURES

Minimum project size for large communities.

Minimum project size for small communities (population of 25,000 or less).

Maximum portion of eligible project costs that WIFIA can fund.

Maximum final maturity date from substantial completion.

Maximum time that repayment may be deferred after substantial completion of the project.

Interest rate will be equal to or greater than the U.S. Treasury rate of a similar maturity.

Projects must be creditworthy.

NEPA, Davis-Bacon, American Iron and Steel, and all federal cross-cutter provisions apply.

WIFIA BENEFITS

- **Very low interest rate** equivalent to the U.S. Treasury rate of the same maturity based on the weighted average life (WAL)
- **Highly flexible repayment schedule** during construction, allowing payment deferral during periods of high capital expenditure
- **Ability to preserve a borrower's senior debt capacity**, allowing borrowers issue future non-WIFIA project related debt at lower interest rates and with more favorable terms
- **Flexibility to sculpt the WIFIA repayment schedule** in order to reduce burden on rate payers. WIFIA repayments can be ramped up over time, allowing for small and steady rate increases to satisfy capital expenditures and debt service payments
- **Ability to back load repayments** offers significant saving compared to level repayment schedules, because cash outlays that are made sooner cost more than outlays in future years due to lost earning capacity on that cash
- Presence of low-cost, flexible WIFIA debt **improves the position and confidence of other lenders**. This may help borrowers obtain other sources of funding at more favorable terms

CURRENT STATUS - FUNDING

- WIFIA will have approximately $5.5 billion in loans available to finance approximately $11 billion in water infrastructure investment with its 2020 appropriation.
- WIFIA estimates that it will publish a Notice of Funding Availability (NOFA) for both the base program and SWIFIA program in Summer 2020.
- This timing is necessary due to the additional requirements mandated by the Appropriations Act, which must be completed prior to issuing the 2020 NOFA.

UPCOMING OUTREACH EVENTS

NOFA Webinar

- June 23rd from 2 to 3:30 PM EST
- Register Now

Water Finance Conference

- August 19-20
- Washington, DC
- WIFIA staff will be attending

CONTACT US

Website: www.epa.gov/wifia

Email: wifia@epa.gov

Sign-up to receive announcements about the WIFIA program at https://tinyurl.com/wifianews

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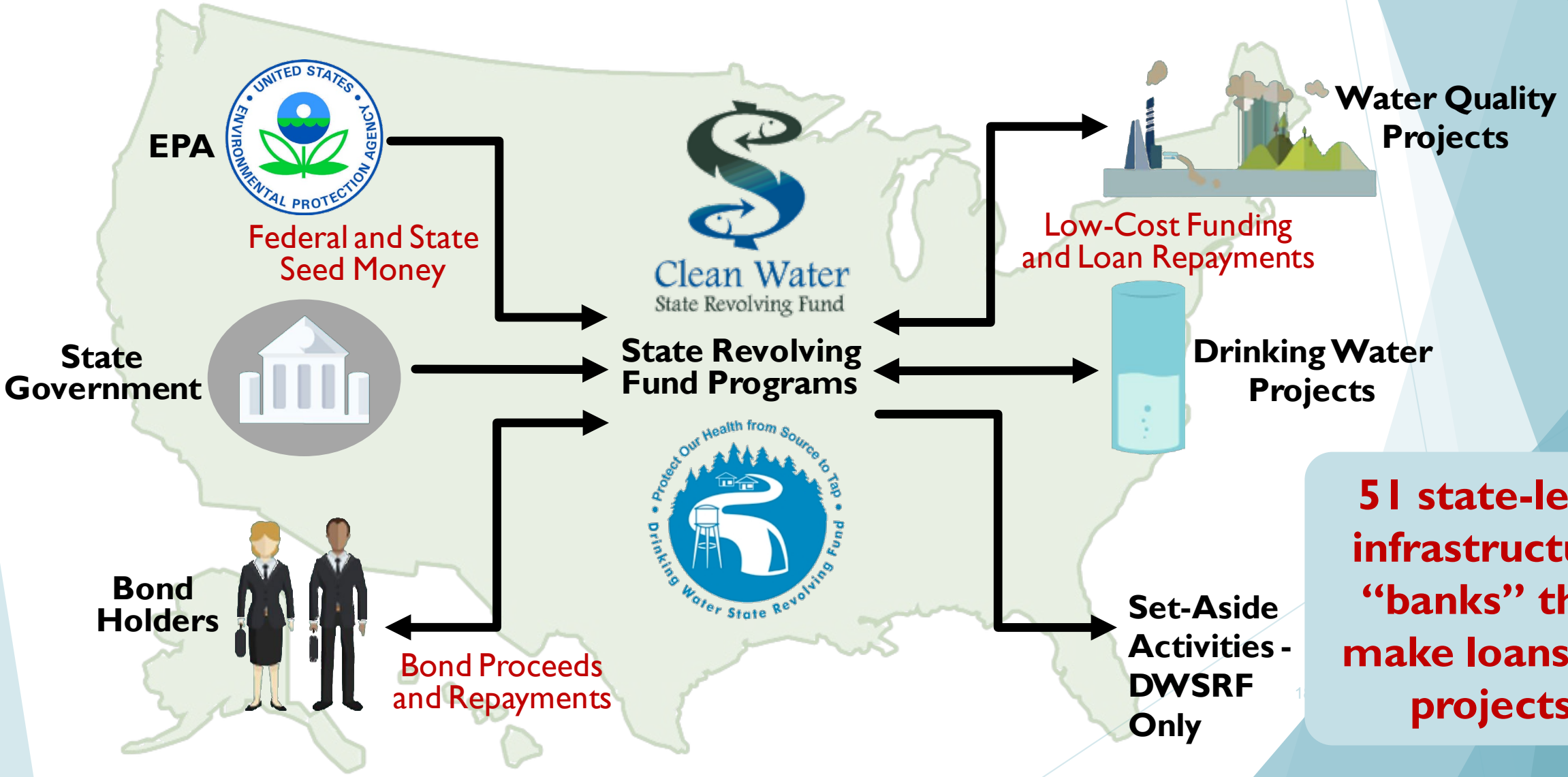
Water Security Grand Challenge: Support from EPA's State Revolving Fund Programs

June 10, 2020

Justin Mattingly
Howard Rubin

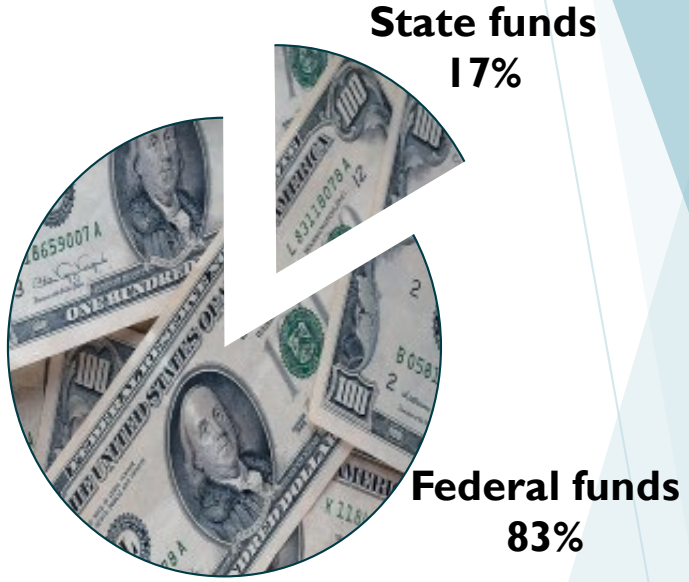
SRFs: Infrastructure Banks



51 state-level infrastructure "banks" that make loans for projects

How are the SRFs Structured?

- Federally and state funded (20% state match)
- State implemented and operated
- Flexibility in assistance provided
  - Different types of assistance (e.g., loans, refinancing, guarantees)
  - Loan terms (e.g., interest rate, repayment period)
  - Wide variety in eligible projects



Assistance Options for Projects

- At or below market interest rate loans that may not exceed 30 years or the useful life of the project
- Extended-term financing available in some cases
- Buy or refinance local debt
- Guarantee or purchase of insurance for local debt obligations
- Guarantee loans of "sub-state revolving funds"
- Additional subsidization can also be available

Repayment starts 12 months after project completion for the CWSRF and 18 months for the DWSRF

Additional Subsidization

- Since 2009, the **CWSRF** has been able to provide principal forgiveness, negative interest loans, or grants
- Primarily to help address affordability issues or to implement a project that addresses water or energy efficiency goals; mitigates stormwater runoff; or encourages sustainable project planning, design, and construction
- Historically, the **DWSRF** has been able to provide additional subsidization to disadvantaged borrowers. Since 2009, additional overlapping subsidy authorities have been added to the program.

Cost Savings of Below-Market Interest Rates

		SRF Rate				
		0.0%	**1.0%**	**2.0%**	**3.0%**	**4.0%**
Market Rate	**4.0%**	32%	25%	17%	9%	0%
	5.0%	37%	31%	24%	16%	8%
	6.0%	43%	36%	30%	23%	16%
	7.0%	47%	41%	35%	29%	22%

When the market rate is 7.0%, a 3.0% SRF loan for a $100,000 project is equal in savings to a $29,000 grant and a $71,000 loan at market rates.

Application Process

- The SRF programs are all operated by the States with oversight from EPA
- States set their own priorities for projects as well as loan terms
- In some cases applications are accepted on a rolling basis, but this may vary from state to state
- All projects are ranked according to a State's project priority ranking system based on unique state criteria
- Precise interest rates and fees will vary by State

Contact your State SRF program for more information

CWSRF at a Glance

- Cumulative funding through 2019 over **$138 billion**
- Average loan size of just over **$3 million**
- Annual funding has averaged nearly $**7 billion** over the past 3 years
- Nearly **$60 billion** for projects serving populations greater than 100,000
- Nearly **$133 billion** for centralized wastewater treatment and conveyance projects
- National average interest rate for a CWSRF loan in 2019 was 1.5%
- Over **$5.1 billion** in additional subsidization to address affordability and fund innovative projects

Who is Eligible for the CWSRF?

Exact eligibility varies by state and project type

Communities

Private Entities

Nonprofit Organizations

Citizen Groups

CWSRF Program Eligibilities

- Centralized Wastewater Treatment
- Planning/Assessments and Monitoring
- Energy Generation and Conservation
- Landfills
- Water Reuse
- Water Conservation
- Habitat Protection and Restoration
- Stormwater
- Desalination
- Agricultural Best Management Practices
- Decentralized Wastewater Systems
- Groundwater Protection and Restoration
- Surface Water Protection and Restoration
- Resource Recovery
- Contaminated Sites

CWSRF Support for Water Reuse

- Wide variety of water reuse projects are eligible for funding covering many different source waters and end uses
  - Landscape Irrigation
  - Agricultural Irrigation
  - Potable Reuse
  - Stormwater Capture and Use
  - Onsite Non-Potable Reuse
  - Environmental Restoration
  - Industrial Reuse
  - Produced Water Reuse
- Decrease demand for traditional potable water sources
- Drought resilient source of water
- Reduction or elimination of wastewater discharges

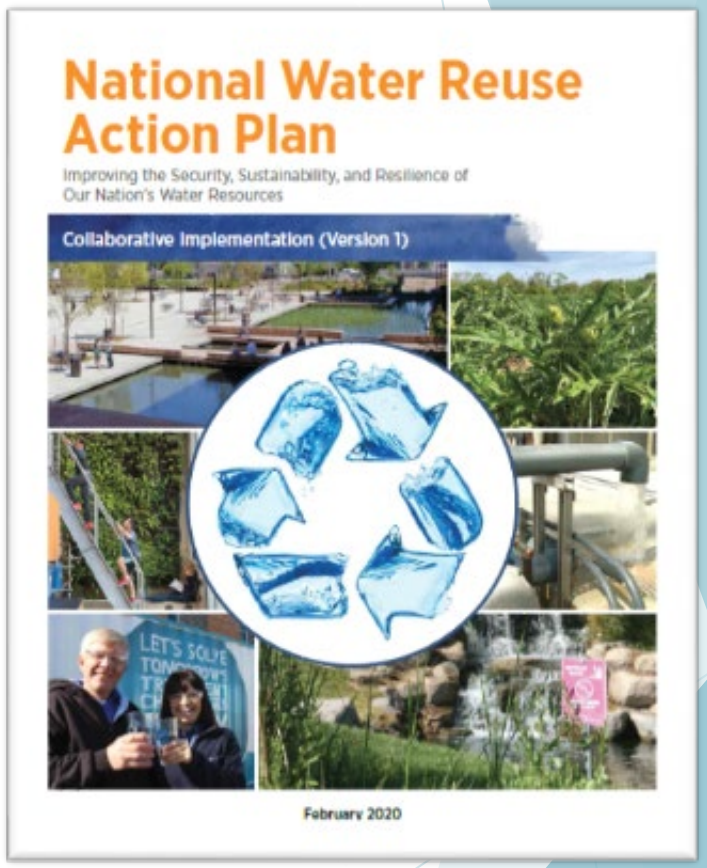
Case Study: Pure Water Monterey

- 20 MGD potable reuse facility for groundwater injection
- Utilizes municipal wastewater, stormwater, agricultural drainage, and wash water from agricultural processing
- Increases local water supplies, prevents seawater intrusion, and reduces stormwater runoff
- **$88 million CWSRF loan at 1% interest**
- **$15 million grant from California**

Pure Water Monterey
A Groundwater Replenishment Project

Water Reuse Action Plan

> "Our goal is to issue a[n]...Action Plan that includes clear commitments and accountability for actions that will further water reuse and help [ensure] the sustainability, security, and resilience of the nation's water resources. Water quantity, supply, and quality decision-makers have historically worked through independent management regimes. Addressing future water resource challenges will require more holistic thinking that embraces the 'convergence of water' through more integrated action.[1]"
>
> –David Ross, Assistant Administrator for Water, U.S. EPA



EPA is developing a Best Practices Guide for State CWSRF programs identifying success policies and practices to support water reuse

CWSRF Support for Renewable Energy and Energy Efficiency

- Renewable energy and energy efficiency projects can reduce energy costs and improve air and water quality
  - Installation of energy efficient equipment and components (e.g., lighting, HVAC, process equipment, and electronic systems at a POTW)
  - Onsite renewable energy (e.g., wind and solar)
  - Methane capture and energy conversion equipment

City of Fruitland (ID) Wastewater System Consolidation
$300,000 in annual savings from energy efficiency improvements

DWSRF at a Glance

- Cumulative funding through 2019 over **$41 billion**
- Average loan size of about **$2.6 million**
- Annual funding has averaged approximately $**2.8 billion** over the past 3 years
- Approximately **$11.8 billion** for projects serving populations greater than 100,000
- Approximately **$32 billion** for treatment and transmission & distribution
- National average interest rate for a DWSRF loan in 2019 was 1.6%
- The DWSRF has provided almost **$3.5 billion** is set-asides to support the "knowledge infrastructure" of the drinking water sector. This supports training, capacity development and other non-infrastructure support.

Who is Eligible for the DWSRF?

Exact eligibility varies by state and project type

Water Utilities

DWSRF Program Eligibilities

- Treatment
- Transmission & Distribution
- Source Water Protection
- Finished Water Storage
- System Consolidation
- Creation of New Systems
- Security Measures
- Desalination
- Water Meters
- Water Reuse
- Water Efficiency
- Energy Efficiency
- Lead Service Line Replacement
- Aquifer Storage and Recovery
- Backup Power Generators
- Water Rights*

DWSRF Program Ineligibilities

- Growth – A project can not be primarily for growth. A project can be sized for anticipated growth over its' useful life. Inadequate supply is eligible.
- Dams and Reservoirs – This is a regulatory prohibition. Project specific deviations have been approved where there is a compelling public health threat.
- Water Rights – This is a regulatory prohibition. A class deviation has been approved for specific circumstances.
- Fire Protection as the primary purpose – A public health driven project can also improve fire protection.

DWSRF Support for Renewable Energy and Energy Efficiency

- Renewable energy and energy efficiency projects can reduce energy costs and improve air and water quality
  - Installation of energy efficient equipment and components (e.g., variable frequency drives on pumps, remote meter reading)
  - Energy audits
  - Pressure optimization studies
  - Onsite renewable energy (e.g., wind, solar, solar mixers, microhydro turbines)

City of Wilmington (DE) Porter Treatment Plant
$180,000 in annual savings from 2,288 ground-mounted solar panels that generate 650,000 kWh/year

DWSRF Support for Water Efficiency

- Water efficiency projects promote energy savings through reducing water use and pumping required
  - Leaking pipe replacement
  - Leak detection studies and equipment
  - Water loss audits
  - Installing water meters in previously unmetered areas
  - Conservation plans
  - Reclaimed water systems
  - Internal plant reuse (e.g., filter backwash recycling)

Thank You!

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Rural Utilities Service
Water and Environmental Programs
Federal Water Finance Webinar
June 10, 2020

USDA United States Department of Agriculture

Rural Development

Water and Environmental Programs (WEP) Overview

- The purpose of our program:

§1780.2 Purpose.

Provide loan and grant funds for water and waste projects serving the most financially needy communities. Financial assistance should result in reasonable user costs for rural residents, rural businesses, and other rural users.

Water and Environmental Programs (WEP) Overview

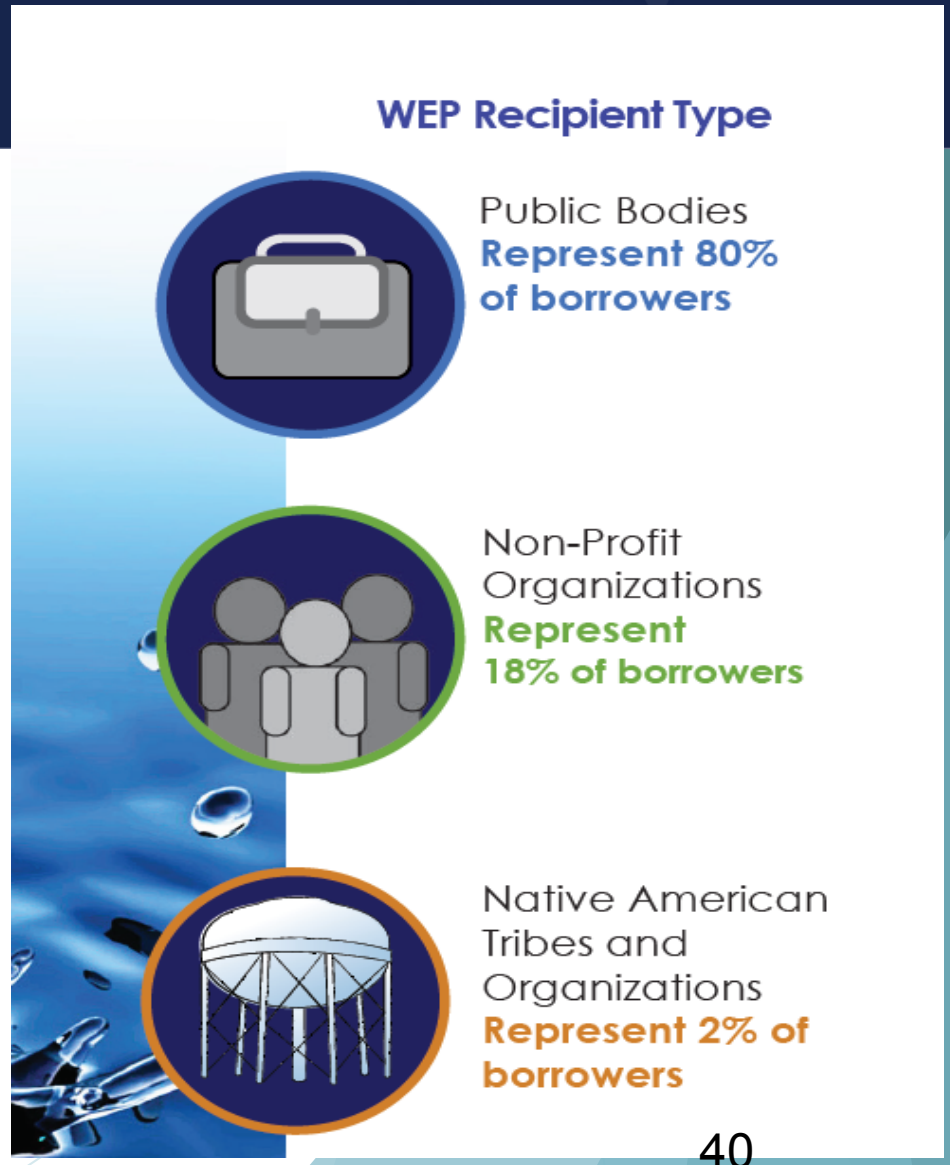
Water and Waste Disposal Programs

- WEP finances water, sewer and solid waste utilities to provide affordable services to rural communities with populations of 10,000 or less. **WEP invested $1.79 billion in rural communities in FY 2019 to impact 2.3 million rural residents**.

- WEP can finance the acquisition, construction or improvement of:
  - Drinking water sourcing, treatment, storage and distribution
  - Sewer collection, transmission, treatment and disposal
  - Solid waste collection, disposal and closure
  - Storm water collection, conveyance and disposal

- WEP is administered in partnership with 47 State Offices and hundreds of field offices throughout rural America.

- WEP's portfolio of loan and grant programs include direct loans and grants, loan guarantees, set aside grants and national grants that provide technical assistance.



Congressional and Other Set-Aside Funds for Special Programs and Populations

- Native American/Colonias
- Rural and Native Alaskan Villages
- Technical Assistance and Training Programs
- Solid Waste Management
- Household Water Well Systems
- Revolving Loan Funds
- Emergency Community Water Assistance Grants (ECWAG)
- Regional Economic Development (SECD and REAP)
- Special Evaluation Assistance for Rural Communities & Households (SEARCH)
- Predevelopment Planning Grants (PPG)

FY 2020 Program Appropriated Budget

WEP Programs	FY19 Approps	FY19 Obligations	FY20 Approps
Regular WEP Loans*	$1.45 billion	$1.10 billion	$1.45 billion
Regular WEP Grants	$460.9 million**	$525 million	$394.78 million
Other Grants***	$8.4 million	$8.3 million	$38.22 million
Technical Assistance****	$55.5 million	$56.8 million	$59.57 million
Special Initiatives*****	$68 million	$79.2 million	$68 million
Emergencies- ECWAG	$20.7 million	$13.7 million	$35 million
TOTAL WEP PROGRAMS	$2.06 billion	$1.79 billion	$2.046 billion

* Includes both Direct ($1.375b), SECD ($70mm direct; $5mm guaranteed) and Guaranteed Loans ($45mm).
** Includes the $75mm in FY19 General Provisions under Regular WEP Grants.
*** Includes PPG/SEARCH ($4mm), REAP ($4.436mm), SECD ($19.78mm) and High-Energy Cost Grants transfer to Electric ($10mm).
**** Includes HWWS ($5mm), RLP ($1mm), SWMG ($4mm), TAT ($30mm), and Circuit Rider ($19.57mm).
***** Includes Colonia ($25mm), Native American ($25mm), and RAVG ($18mm).

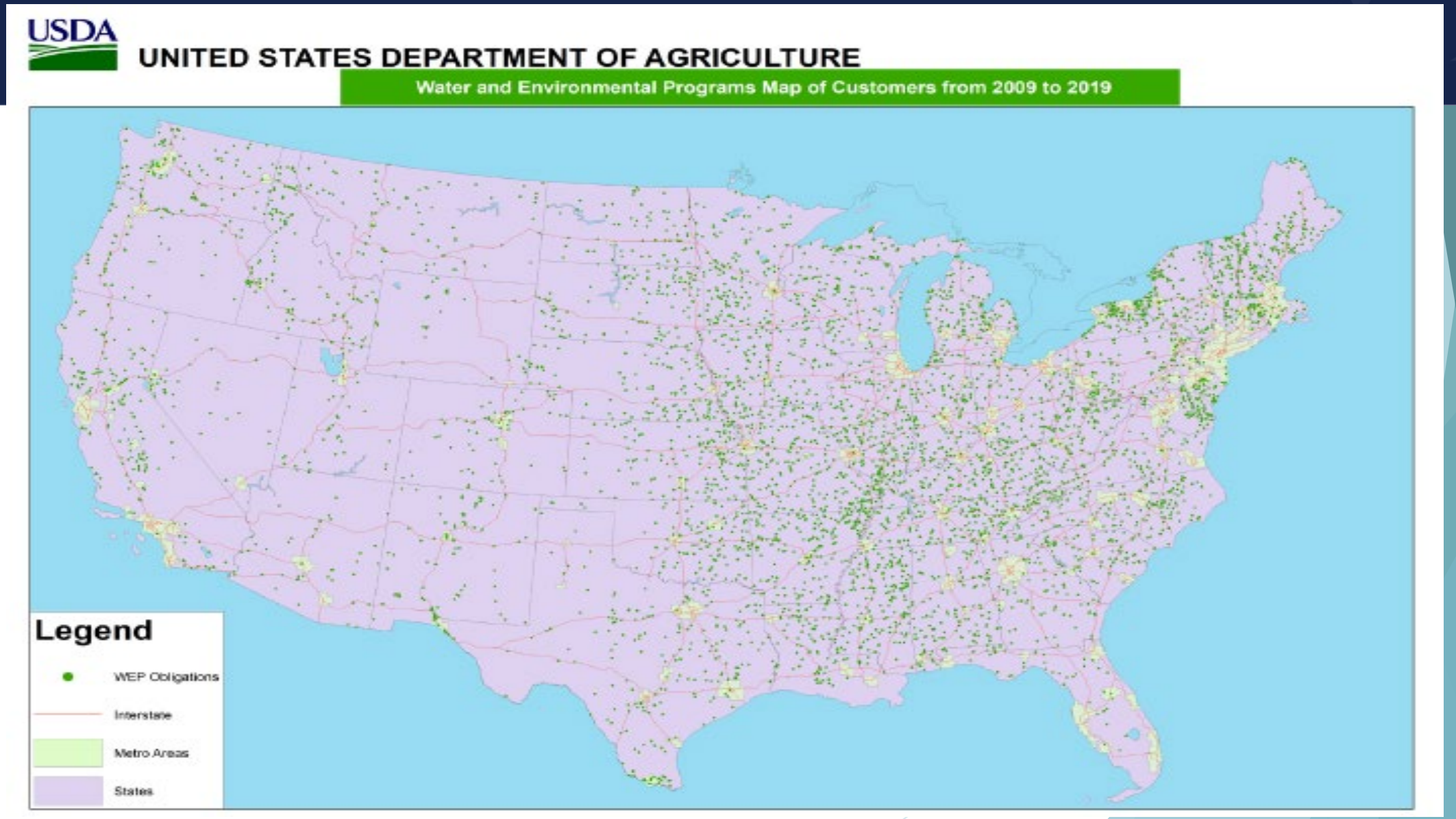
Water and Environmental Programs (WEP) Overview

Competitive Interest Rates and Terms

- Direct Loans (Adjusted Quarterly)
  - Tiered Interest Rate: 1.375 – 2.375%
  - Term: Up to 40 years or maximum of state law

- Guaranteed Loans
  - Interest Rate: Negotiated between lender and borrower
  - Term: Negotiated between lender and borrower

USDA WEP Borrowers
FY 2009 – FY 2019



WEP Water and Waste Disposal Programs' Impact FY 2009 – FY 2019

- **2,187** counties served in all 50 states and 4 territories
- **26,100,883** rural residents received new or improved water and waste disposal service
- **9,666,994 h**ouseholds and businesses benefited by improved service
- **Average** annual household income of population served = **$37,067**
- Rural communities served:
  - 83% 5,000 or less population
  - 69% 2,500 or less population
  - 54% 1,500 or less population
  - 44% 1,000 or less population
- **19.9 billion invested to build new or improved infrastructure**
  - 66% loan; 34% grant -- 24% leveraged with other funding sources ($4.8 billion)
- **$134 Million in Guaranteed Loans with private lenders**
- **$288 million in technical assistance funds provided to rural communities**
  - 941,599 technical assistance visits

Fiscal Year 2019 Program Performance Indicators & Other Results

Population Served	2.312 million
New Connections Only	17,282
Miles of Line Repaired, Replaced, Installed	18,713
Projects Alleviating Health or Sanitary Issues	372 of 500 (74%)
Leveraged Non-Federal Dollars (16.8%)	$291,479,351
Leveraging Federal Funds (3.91%)	$67,828,014
Total Federal and Non-Federal Leveraged Funds (20.72%)	$359,307,365

NOTE: WEP has no restrictions on whether WEP grants can be used as match for other Federal Grant Programs. However, WEP grants are limited to statutory authority or a determination of financial need, whichever is less.

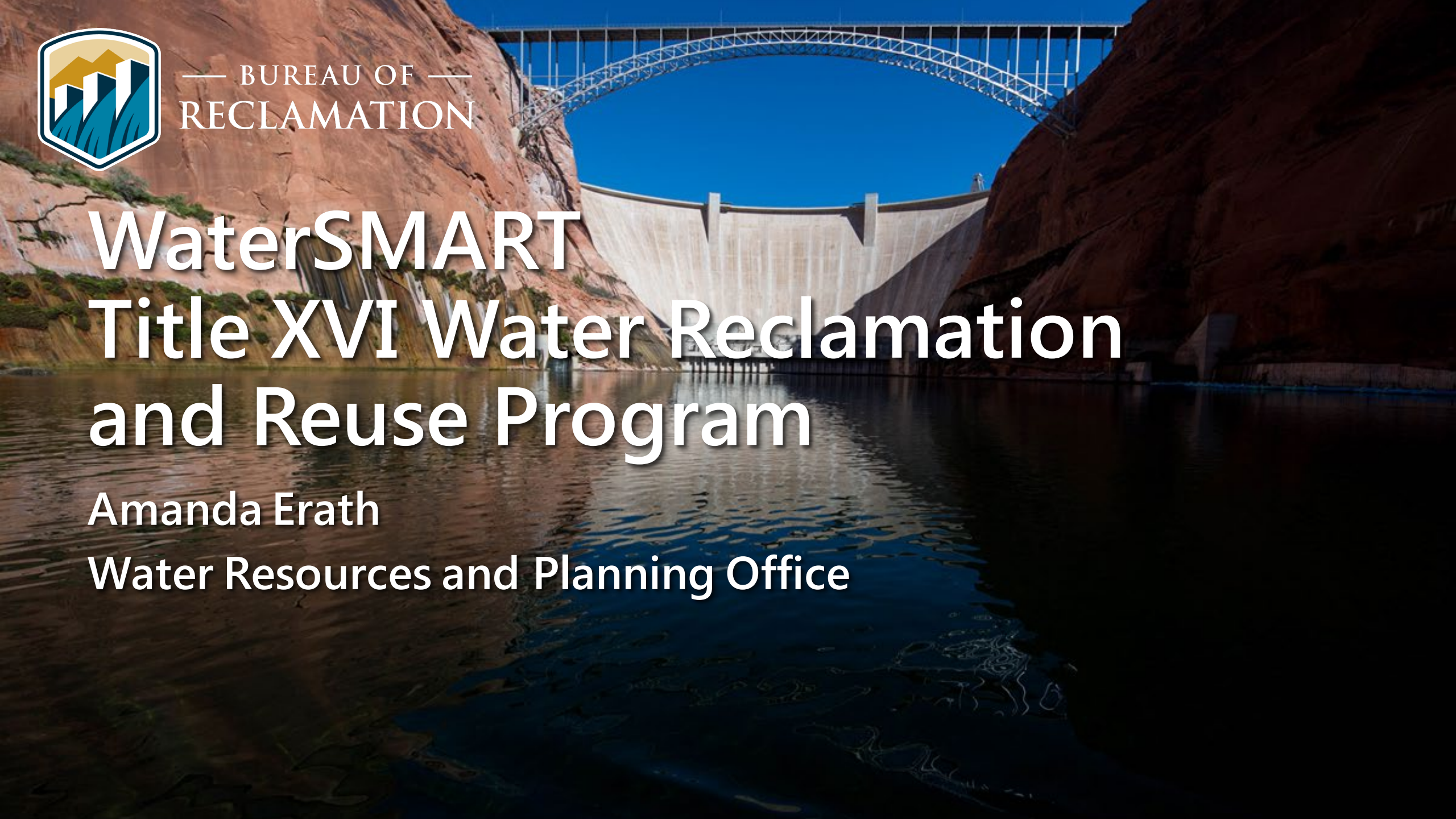
CONACT, Section 306 (16) states: Grants under paragraph (2) of this subsection may be used to pay the local share requirements of another Federal grant-in-aid program to the extent permitted under law providing for such grant-in-aid program. Federal funds include EPA, HUD, IHS, etc.

Water and Environmental Programs (WEP) Overview

- Questions?

- Contact Information

Hal Nielson
Program Operations Branch Chief
Email: hal.nielson@usda.gov
Telephone: 202-604-1664



BUREAU OF RECLAMATION

WaterSMART Title XVI Water Reclamation and Reuse Program

Amanda Erath

Water Resources and Planning Office

WaterSMART Program

Provides a framework for Interior to support water supply reliability for multiple water users.

Title XVI

Water Reclamation and Reuse Projects

- Grant funding for projects that reclaim and reuse:
  - municipal, industrial, and/or agricultural wastewater; or
  - impaired ground and surface waters

- Example Projects
  - Municipal wastewater reuse for agricultural, industrial, environmental, or landscape use
  - Indirect potable reuse through aquifer recharge
  - Treatment of impaired groundwater for potable use
  - Direct potable reuse of municipal wastewater

- FY 2020 appropriations for the program are $63.6 million

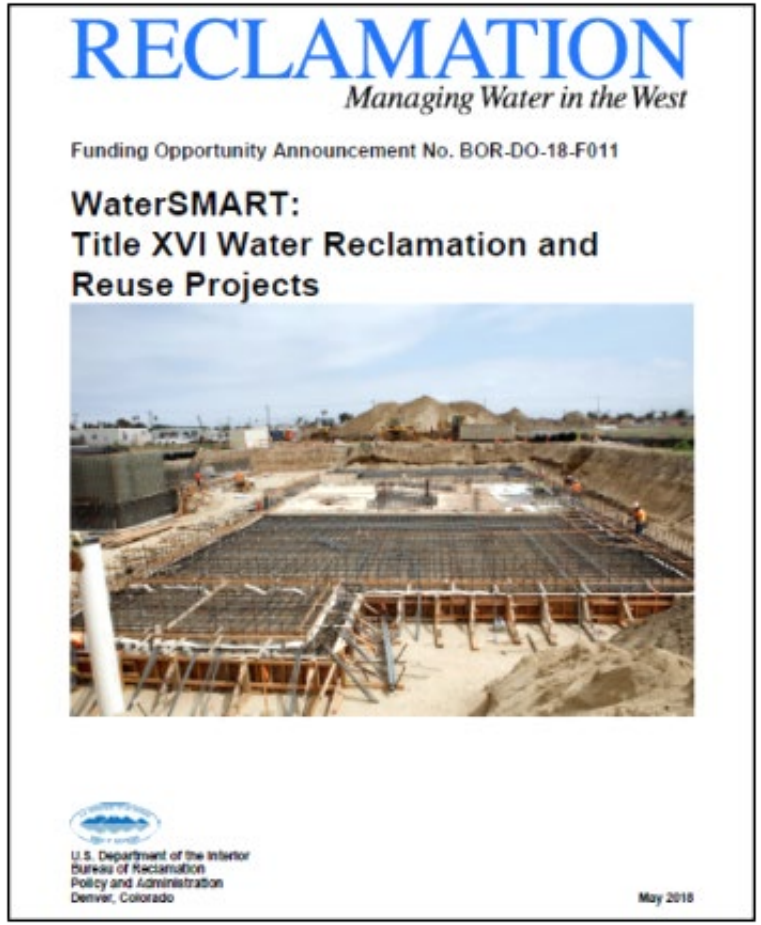
Two Types of Eligible Projects

1. Congressionally Authorized Projects
   - Specifically authorized by Congress

2. WIIN Act Projects
   - WIIN Act included amendments to the Title XVI Program to allow new projects to compete for funding

Competitive Process

- Funding Opportunity Announcements posted to www.grants.gov
- Funding available for planning, design, and/or construction
- Proposals reviewed by an Application Review Committee and scored against evaluation criteria



Title XVI Program Requirements

- Maximum federal cost share – 25%
  - Can request up to 25% of the cost of work that will be completed over the next two years under the annual FOA
  - Can reapply each year until federal share reaches 25% of total project cost, up to $20 million
- Must be located in Reclamation states/territories or in Hawaii
- Pre-award costs are allowed
- NEPA must be complete prior to the commencement of ground disturbing activities

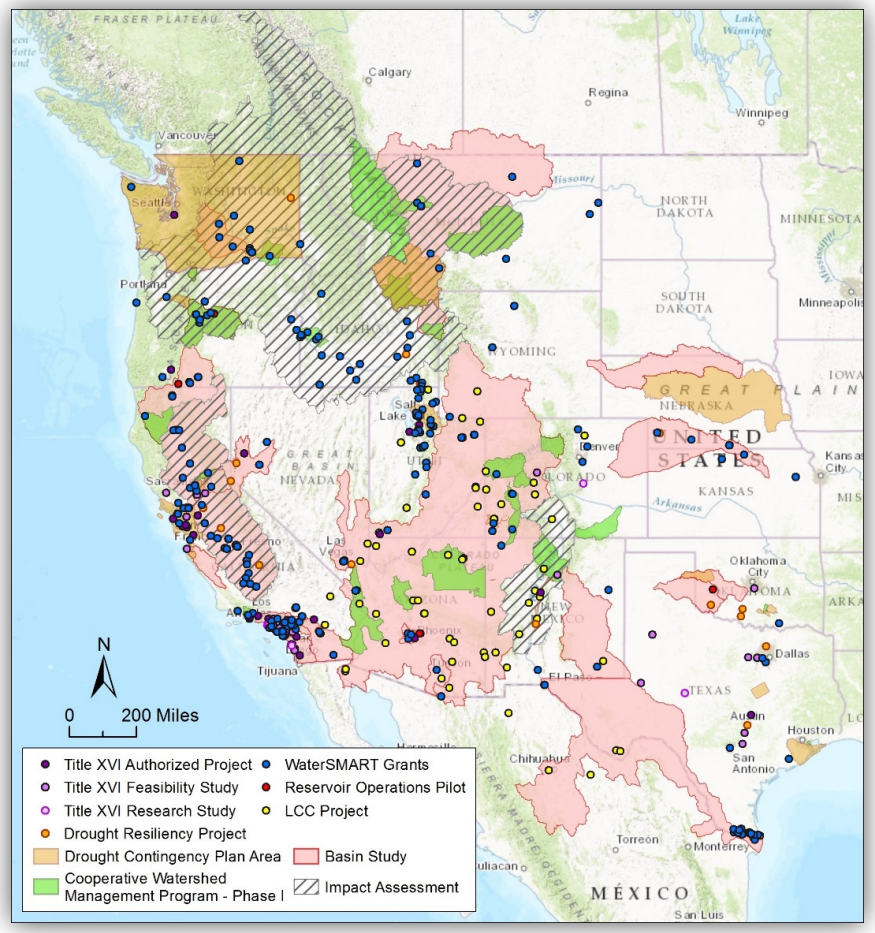
WIIN Act Desalination Projects

- Annual funding for planning, design, and construction of ocean or brackish water desalination projects
- Maximum federal cost share – 25% up to $20 million
- Must be located in Reclamation states or territories
- Pre-award costs are allowed back to the enactment of the WIIN Act (December 2016)
- NEPA must be complete prior to the commencement of ground disturbing activities

WaterSMART Data Visualization Tool

- Data Visualization Tool is an interactive website with program information including:
  - Interactive maps
  - Featured project tours
  - Program growth over time

https://www.usbr.gov/watersmart/




BUREAU OF
RECLAMATION
Thank you.
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Loan Programs Office Overview

Partnering with borrowers to provide access to capital, flexible financing, and project expertise

Presenter: Michael C. Reed
Chief Engineer
Loan Programs Office
June 10, 2020

Our Mission:

FINANCING A CLEAN ENERGY ECONOMY

- To accelerate the domestic commercial deployment of innovative and advanced clean energy technologies at a scale sufficient to contribute meaningfully to the achievement of our national clean energy objectives – including job creation; reducing dependency on foreign oil; improving our environmental legacy; and enhancing American competitiveness in the global economy of the 21st century.
- LPO executes this mission by guaranteeing loans to eligible clean energy projects

ECONOMIC GROWTH, JOB CREATION & MORE CLEAN ENERGY SOURCES

- Specifically, LPO endeavors to:
  - Encourage commercial- and utility-scale development and adoption of new or significantly improved energy technologies;
  - Fund innovative technologies that reduce greenhouse gas emissions;
  - Create jobs by financing the growth of commercial clean energy technologies;
  - Protect U.S. taxpayers by only making loans or issuing loan guarantees if we believe there is a reasonable prospect of repayment.

Experience Catalyzing New Markets

OVER 30 PROJECTS IN 18 STATES & OVER $30 BILLION INVESTED

Project Portfolio Technologies Include:

- Advanced Technology Vehicles Manufacturing
- Advanced Nuclear Energy
- Bioenergy & Biofuels
- Concentrating Solar Power
- Geothermal Power
- Photovoltaic Solar
- Storage & Transmission
- Wind Energy

Project portfolio details at:
ENERGY.GOV/LPO/PORTFOLIO

Loan Programs History of Success

A TRACK RECORD OF CATALYZING NEW MARKET DEVELOPMENT

- First 5 U.S. **photovoltaic solar** power projects larger than 100 MW.
- First new **advanced nuclear** reactors to begin construction in U.S. in 30 years.
- 4 onshore **wind energy** farms, including one of the world's largest.
- World's largest **concentrating solar power** (CSP) plant.
- Revitalized **geothermal power** with projects in Nevada & Oregon.
- Conditional commitment for world's first **methanol production** facility to employ carbon capture technology in Louisiana. The **captured carbon** would be utilized for **enhanced oil recovery** (EOR) in Texas.
- Domestic advanced **auto manufacturing** facilities in 8 states.

LPO: A Valued Strategic Partner

THREE DISTINCT LOAN PROGRAMS, SAME VALUE FOR BORROWERS

- LPO can provide first-of-a-kind projects and other high-impact energy-related ventures with **access to debt capital** that private lenders cannot or will not provide.
- LPO can provide **flexible, custom financing** that helps to meet the specific needs of individual borrowers.
- LPO encourages early engagement and is a **valuable partner** to applicants throughout the entire lifetime of a project.

Financing Energy Infrastructure

NOW AVAILABLE: MORE THAN $40 BILLION IN LOAN & LOAN GUARANTEE AUTHORITY

TITLE 17 INNOVATIVE ENERGY LOAN GUARANTEE PROGRAM

ADVANCED FOSSIL ENERGY

$8.5 Billion

($2 Billion conditionally committed to Lake Charles Methanol)

ADVANCED NUCLEAR ENERGY

$8.8 Billion

($2 Billion specifically for Front End)

RENEWABLE ENERGY & EFFICIENT ENERGY

Up to $4.5 Billion

TRIBAL ENERGY LOAN GUARANTEE PROGRAM

Up to $2 Billion
In Partial Loan Guarantees

All-of-the-above energy projects benefiting tribal economies

ADVANCED TECHNOLOGY VEHICLES MANUFACTURING LOAN PROGRAM

$17.7 Billion

Domestic manufacturing of light-duty vehicles & eligible components

Title 17 Innovative Energy Loan Guarantee Program

ELIGIBILITY REQUIREMENTS

Innovative Technology

Eligible projects must utilize new or significantly improved technology or systems.

Greenhouse Gas Benefits

Eligible projects must reduce, avoid, or sequester greenhouse gases.

Located in the U.S.

Eligible projects must be located in the United States but may be foreign-owned.

Reasonable Prospect of Repayment

Eligible projects must be able to repay loan principal and interest. LPO conducts due diligence and underwrites each loan similar to a commercial lender.

The source of repayment can not be another federal entity.

Opportunities for Financing Water Infrastructure Projects Include
(but not limited to):

- New Hydropower Development
  - Traditional Hydropower
  - Powering Non-powered dams, locks and canals
  - Pumped Storage Hydropower
  - Hydrokinetics

- Hydropower/PSH Relicensing, upgrades and uprates
  - These represent critical energy infrastructure assets
  - Relicensing costs can run upwards of $50M and can take a decade to realize
  - FERC oversees licensing of 1,600 nonfederal hydropower projects.

- Desalination Projects
  - Large-scale desal projects (50 MGPD) require investments of up to $1B
  - Eligible project components include the desalination plant, pumping station, product water storage and water conveyance pipeline.

- Water Treatment Facilities
  - Projects that conserve/recover/generate energy

Tribal Energy Loan Guarantee Program

Key Eligibility Requirement

- Tribe or 100% tribally-owned entity is the borrower.

No Restriction on Type of Project/Technology

- Provide or expand electricity or other energy services such as generation, transmission, energy storage projects, or enhance energy resource extraction or processing (e.g. mining, oil & gas, biofuels, chemicals).

No Requirement for Innovation

- Projects employing commercial technology preferred & may use renewable or fossil energy sources.

No Specific Location Requirement

- On tribal land, traversing or connecting tribal land and nontribal land, or outside of tribal land, but otherwise benefiting the tribe. Can involve a single site or distributed portfolio.

Program details at:
ENERGY.GOV/LPO/TELGP

• Qualifying projects are not limited to these technologies •

LPO Application Process

Pre-Application Consultation

- Begin conversation directly with LPO staff about the project and LPO's process

Application Part I ($50k Fee)

- Determine basic eligibility
- Pay application fee (not applicable to ATVM)
- DOE aims to complete Part I review within 30 days
- Eligible applicants invited to submit Part II application

Part I Deadlines

- Deadlines for Title 17 & TELGP have been extended to January 2022
- ATVM applications accepted on a rolling basis

Application Part II ($100k / $350k Fee based on Loan Amount)

- Evaluate creditworthiness, technical relevance & merit, technical approach, work plan, and construction plan, and legal, environmental & regulatory factors
- Balance of application fee
- Eligible applicants are invited into due diligence…other Diligence fees to be borne by the Applicant

Title 17 Innovative Energy Loan Guarantee Program

FINANCIAL TERMS

Loan Guarantee

A loan guarantee can support debt from a commercial lender or the U.S. Treasury.

Loan Tenor

Long-term financing is available based on the useful life of the asset – up to 30 years.

Interest Rates

Interest rates set based on equivalent U.S. Treasury rate plus a credit-based spread (-0.5% to -1.5%)

Equity

LPO can only guarantee up to 80% of the total project cost. Most projects have at least 35% equity.

Co-Lending

Co-lending with commercial lenders is encouraged but not required.

Fees

LPO is required to collect several fees from Title XVII loan program applicants. Please note that the exact amount of fees will vary with each solicitation. To obtain more detailed information about fees, please refer to the solicitations. In addition, each applicant is responsible for paying the fees and expenses incurred by the Department's independent consultants and outside legal counsel in connection with such applicant's project.

APPLICATION FEE: The application fee must be paid at the time an application is submitted. This fee covers the costs associated with the Department's financial and technical reviews to determine which projects will be selected for due diligence.

FACILITY FEE: The facility fee covers the Department's administrative costs incurred in connection with considering whether to issue a loan guarantee and to issue such loan guarantee, including expenses such as those incurred in connection with due diligence, negotiation and documentation. This fee is typically paid in part at conditional commitment, with the balance due upon issuance of the loan guarantee.

MAINTENANCE FEE: The annual maintenance fee covers the Department's administrative expenses, other than extraordinary expenses, in servicing and monitoring the loan guarantee during the lift of the loan. The fee is paid each year in advance, commencing with payment of a pro-rated annual payment on the closing date of the loan guarantee.

CREDIT SUBSIDY COST

- The credit subsidy cost is the net present value of the estimated long-term cost to the U.S. government of a loan guarantee as determined under the applicable provisions of the Federal Credit Reform Act of 1990, as amended (FCRA). Section 1702(b) of Title XVII provides that no guarantee shall be made unless:
- (1) An appropriation for the cost of the guarantee has been made,
- (2) The Secretary has received from the applicant a payment in full for the cost of the guarantee and deposited the payment into the Treasury, or
- (3) A combination of one or more appropriations under (1) and one or more payments from the applicant under (2) has been made that is sufficient to cover the cost of the guarantee.

Learn more about the credit-based interest rate spread for Title XVII.

Working With LPO

Potential Applicants

- Potential applicants are encouraged to contact DOE staff to request a pre-application consultation to learn more about our process and requirements.

For Questions or to Request a Pre-Application Consultation

- **lpo@hq.doe.gov** or **202-586-8336**

Learn More

- Visit our website: **energy.gov/lpo**

- **Renewable Energy and Efficient Energy Projects:**
  https://www.energy.gov/lpo/services/solicitations/renewable-energy-efficient-energy-projects-solicitation

LPO
Loan Programs Office

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https://www.energy.gov/eere/water-security-grand-challenge

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