U.S. DEPARTMENT of ENERGY | Loan Programs Office

TITLE 17 CLEAN ENERGY FINANCING PROGRAM

Project financing to catalyze American energy investments

About the office: The U.S. Department of Energy Loan Programs Office (LPO) offers debt financing for large-scale (typically $100 million+) energy-related projects in the United States.

Under the Title 17 Clean Energy Financing Program, LPO can provide federal financing for projects located in the United States that support clean energy deployment and energy infrastructure reinvestment to reduce greenhouse gas (GHG) emissions and air pollution. Title 17 was created by the Energy Policy Act of 2005 and has since been amended, most recently by the Infrastructure Investment and Jobs Act in 2021 and the Inflation Reduction Act in 2022.

Project Categories

Innovative Energy: Financing for projects that deploy innovative clean energy technologies at commercial scale

Innovative Supply Chain: Financing for projects that employ innovative manufacturing processes or manufacture innovative technologies at commercial scale

State Energy Financing Institution (SEFI)-Supported: Financing for projects that deploy clean energy and receive meaningful financial support from a state agency or financing authority

Energy Infrastructure Reinvestment (EIR): Financing for projects that reinvest in existing U.S. energy infrastructure for the clean energy future

Loan Products

Through the Title 17 Clean Energy Financing Program, borrowers can access:

1. A direct loan from U.S. Treasury's Federal Financing Bank (FFB) backed by a 100% "full faith and credit" DOE guarantee
2. A DOE partial (up to 90%) guarantee of commercial debt

LPO-guaranteed loans are secured financings. In DOE's discretion, LPO-guaranteed loans can share a first lien position with other debt on a pari passu basis. Most guarantees are for loans over $100 million.

Why LPO?

LPO offers:

- ✓ **Detailed due diligence** to accurately assess technical risk and project creditworthiness
- ✓ **Access to patient capital** that private lenders cannot or will not provide
- ✓ **Flexible, custom financing,** including project finance, secured corporate lending, and transactions involving tax equity
- ✓ **Committed partnership** and specialized expertise for the lifetime of the loan

Energy.gov/LPO | LPO@hq.doe.gov

U.S. DEPARTMENT of ENERGY | Loan Programs Office

Application Process

1 Pre-Application

LPO meets with potential applicant to discuss project eligibility, application process, and applicant questions.

2 Application & Review

Part I | LPO establishes project eligibility and readiness to proceed.

Part II | LPO conducts programmatic, technical, and financial evaluation.

3 Due Diligence

LPO and applicant engage third-party advisors and negotiate term sheet.

4 Conditional Commitment

LPO offers term sheet for loan guarantee. The offer is contingent on borrower satisfying certain conditions.

5 Financial Close

LPO and borrower execute definitive financing documents, subject to additional conditions precedent to loan disbursements.

6 Monitoring

LPO monitors project and acts as trusted partner for the life of the loan, acting in the best interest of the U.S. government and taxpayers.

Eligiblity Requirements

All Title 17 projects must:

✓ Be located in the United States
✓ Be an energy-related project
✓ Achieve significant and credible GHG or air pollution reductions
✓ Have a reasonable prospect of repayment
✓ Involve technically viable and commercially ready technology
✓ Not benefit from prohibited federal support
✓ Meet additional project category-specific requirements

Repayment Terms

- Flexible/sculpted amortization based on predictable cash flows
- Up to the shorter of 30 years all-in tenor or, for all projects other than EIR projects, 90% of the projected useful life of the major physical assets

Interest Rate

For loans issued by FFB and backed by a DOE 100% loan guarantee, the interest rate is:

U.S. Treasury rate + a liquidity spread equal to "three-eighths" (0.375%) + a risk-based charge set by LPO

- The Treasury rate is fixed at the day or days the funds are drawn, according to loan tenor

Costs and Fees

- No application fees
- Lender external advisor costs: Payable directly to advisors starting at diligence; costs of advisors constitute an eligible project cost financeable by LPO
- Facility fee: Due at financial close; 0.6% on first $2B, 0.1% for excess of $2B
- Maintenance fees: Due annually after financial close; fee varies based on project and deal complexity

Interested in the Title 17 Clean Energy Financing Program?

1. Review information about relevant project categories: Innovative Energy; Innovative Supply Chain; SEFI; EIR
2. Read the Program Guidance for more information, including about requirements related to federal support, cargo preference, Davis-Bacon, and Build America, Buy America
3. Speak to an LPO expert: Request a no-cost pre-application consultation at: Energy.gov/LPO/Pre-App

Energy.gov/LPO | LPO@hq.doe.gov