Tribal Energy
Loan Guarantee Program
Financing All-of-the-Above Tribal Energy Development Projects in the U.S.

Office of Indian Energy
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Agenda

Intro to LPO
• Value of LPO Financing
• LPO Portfolio
• LPO Programs

TELGP Overview
• Project & Technology Eligibility
• Flexible Financing
• Loan Transaction Process
Financing American Energy Infrastructure

The Department of Energy’s Loan Programs Office (LPO) was established for borrowers seeking access to debt financing for energy infrastructure projects.

With over $40 billion in available debt capital, LPO programs finance high-impact projects and first-time commercializations, partnering with borrowers to customize deal structures.

Access to Debt Capital that private lenders cannot or will not provide.

Flexible Financing customized for the specific needs of individual borrowers.

A Committed Partner offering expertise to borrowers for the lifetime of the project.
Over $35 Billion in Energy Deals Financed

More than 30 projects of broadly distributed technologies across the United States.

**Renewables Innovation**
*Financed* large-scale, innovative wind, geothermal, and transmission projects across the West.

**Utility-Scale Solar**
*Financed* 11 utility-scale solar projects across the Southwest, catalyzing the industry in the U.S.

**Advanced Auto Manufacturing**
*Financed* the upgrade of advanced auto manufacturing facilities across the Midwest, creating tens of thousands of jobs.

**Advanced Nuclear Energy**
*Financed* the construction of the first new nuclear reactor in the U.S. in 30 years.
A Diverse Portfolio of Innovative Technologies

LPO financed-projects have catalyzed new energy technologies and supported thousands of jobs.

Advanced Nuclear Energy
$12 Billion
First AP1000 reactor in the U.S. (Vogtle)

Advanced Fossil Energy
$2 Billion
CO₂ capture and sequestration conditional commitment. (Lake Charles Methanol)

Wind Energy
$1.7 Billion
Four onshore farms, including one of the world’s largest. (Shepherds Flat)

Transmission
$343 Million
Advanced transmission lines for improved grid reliability. (One Nevada Line)

Advanced Vehicles Manufacturing
$7.8 Billion
Accelerated domestic electric vehicles manufacturing. (Nissan, Tesla)

Concentrating Solar Power
$5.8 Billion
Five CSP plants utilizing diverse technologies.

Geothermal Energy
$546 Million
State-of-the-art thermal extraction, revitalizing the sector.

Photovoltaic Solar
$4.7 Billion
First five utility-scale PV solar projects larger than 100 MW in the U.S.
$40 Billion in Available Debt Capital

LPO offers project financing across energy sectors through three distinct loan programs.

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<tr>
<th>Program</th>
<th>Description</th>
<th>Available Capital</th>
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<tr>
<td>TELGP</td>
<td>Partial Loan Guarantees</td>
<td>Tribal Energy Projects</td>
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<td>Up to $2 Billion Available</td>
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<td>TITLE 17</td>
<td>Innovative Energy Loan Guarantees</td>
<td>Advanced Fossil Energy</td>
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<td>$8.5 Billion Available</td>
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<td>Advanced Nuclear Energy</td>
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<td>Renewable Energy &amp; Efficient Energy</td>
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<td>Up to $4.5 Billion Available</td>
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<td>ATVM</td>
<td>Direct Loans</td>
<td>Advanced Technology</td>
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<td></td>
<td>Vehicle Manufacturing</td>
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<td>$17.7 Billion Available</td>
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LPO supports all-of-the-above energy development projects and activities through its Tribal Energy Loan Guarantee Program (TELGP).

**Financing**

LPO provides access to debt capital for tribal ownership of energy projects and activities that support economic development and tribal sovereignty.

**Eligibility**

LPO can consider tribal energy projects that:

1. Are owned by a tribe or entity that is majority tribally owned and controlled.
2. Are located in the U.S. (project may be single site or distributed portfolio and on non-tribal land).
3. Are financially viable—TELGP is not a grant program and the borrower will be required to invest equity in the project.
4. No innovation requirement, though projects employing commercial technology are preferred.

**Technologies**

Technology areas of interest include, but are not limited to:

- Fossil Energy
- Renewable Energy
- Transmission Infrastructure & Energy Storage
- Transportation of Fuels
TELGP Tribal Borrower Eligibility

The following are additional eligibility requirements for TELGP Tribal Borrowers to consider.

- For the purposes of TELGP, an “Eligible Tribe” is an Indian tribe or Alaska Native corporation that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

- Tribal Energy Development Organizations are eligible if majority owned and controlled by an eligible tribe.

- Project ownership must be by the tribe itself or tribally owned joint venture, not individual members of the tribe.

- Tribe will be required to provide equity for a proposed project to be eligible.

- An eligible project is expected to have a credit rating from a nationally recognized rating agency of at least a credit rating equivalent of ‘BB’ from Standard & Poor’s or Fitch or ‘Ba2’ from Moody’s.
The Role of the Tribal Borrower

The Tribal Borrower takes an active role in the TELGP Loan Transaction Process.

- **Borrower coordinates** activities with Lender and its council/government to ensure decisions are made quickly and effectively.

- **Borrower is responsive** to Lender and LPO's requests for information.

- **Borrower identifies and develops** an energy development activity that benefits the tribe.

- **Borrower approaches** various lenders with proposal for energy development project.

- **Borrower identifies and selects a lender** and negotiates the loan terms for the energy development project.

- **Borrower schedules** a pre-application consultation(s) with LPO.
The Role of the Lender Applicant

The Lender plays an integral role in the TELGP Loan Transaction Process.

- **Lender applies** for the DOE guarantee of up to 90% of the loan.

- **DOE partners** with the Lender in the due diligence phase.

- **Lender runs traps** on the security package, confirming lack of conflicts vis-a-vis other debt on the project financing or corporate undertaking.

- **Lender’s credit committee** approves the financing.

- **Lender brings real value** to the transaction, especially in the case of a pre-existing credit relationship with the Borrower.
Offering Flexible Financing Solutions

LPO can provide affordable, custom financing to meet the specific needs of individual borrowers.

✓ **Loan Type** | Partial guarantee of up to 90% of commercial debt.

✓ **Competitive Pricing** | Pricing negotiated by lender and borrower; partial guarantee includes a risk-based fee.

✓ **Long Tenor** | Tenor of up to 30 years or 90% of projected useful life of assets financed.

✓ **Flexible Deal Structures** | Structures may include project finance, structured corporate, corporate or warehousing lines.

✓ **Debt Amount Determination** | Debt amount based on credit profile, business plan, technology, cash flows, project risk allocation and other relevant factors.

✓ **Acquisition Financing** | May be eligible if the substantial improvement or modification of existing facilities is involved.

✓ **Viability Standard** | Emphasis placed on certainty of cash flow to the project during initial financial viability review and during subsequent due diligence.
TELGP Loan Transaction Process

LPO engages early with applicants and remains a partner throughout the lifetime of the loan.

1. Pre-Application Consultations
   Meet with LPO for no-fee, pre-application consultations to review project 1) technical eligibility and 2) financial viability and bankability.

2. Formal Application Submission
   Borrower engages with commercial lender and Lender applies for loan guarantee on behalf of tribal borrower and project.
   TELGP requires a Part I application fee of $10,000 and if invited to Part II, a $25,000 fee. Monthly application deadlines are scheduled through January 2022.

3. Due Diligence & Term Sheet Negotiation
   Borrower, Lender, and DOE engage in confirmatory due diligence and negotiate term sheet.

4. Credit Approval Process
   Formal approval process of the term sheet, including interagency consultations.

5. Loan Closing & Project Monitoring
   Negotiate and execute loan documents using the approved term sheet. Loan closing and funding are subject to conditions precedent in the executed loan documents.
   After loan closing, LPO monitors the loan.

More Variable Timing  Length of these stages varies greatly, depending on project complexity and readiness.

Less Variable Timing  Timing for these stages is largely fixed, with targeted timelines.
Let's Talk About Your Project

Contact LPO to see what financing options may be available for your project:

Call or write to schedule a no-fee, pre-application consultation:

202-586-8336  |  lpo@hq.doe.gov

Learn more about LPO and all of its lending programs at:

energy.gov/LPO

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