



Transmission Facilitation Program (TFP)

Funded through the Bipartisan Infrastructure Law, the U.S. Department of Energy (DOE) has developed a \$2.5 billion Transmission Facilitation Program (TFP) that will help build and expand interregional transmission lines across the country. The TFP, administered by the Grid Deployment Office as part of the Building a Better Grid Initiative, is a revolving fund program that will provide Federal support to overcome the financial hurdles in the development of large-scale new transmission lines and upgrading existing transmission as well as the connection of microgrids in select States and U.S. territories.

Under the TFP, an eligible applicant is any entity seeking to carry out a project that constructs, replaces, or upgrades a transmission line that is either not less than 1,000 megawatts (MW) for new lines or 500 MW for existing lines as well as a project that connects microgrids in select States and U.S. territories. To support these projects, DOE is authorized to borrow up to \$2.5 billion through three facilitation tools:

- ▶ Capacity contracts with eligible projects where DOE would serve as an “anchor tenant” to buy up to 50% of planned line rating for up to 40 years and to sell the contract to recover costs
- ▶ Loans from DOE
- ▶ DOE participation in public-private partnerships within a national interest electric transmission corridor (NIETC) and where necessary to accommodate an increase in electricity demand across more than one state or transmission planning region

On November 18, 2022, DOE issued a Request for Proposals (RFP). This first TFP solicitation is limited to applicants seeking capacity contracts for eligible projects that will be ready to commence construction no later than December 31, 2027. These proposals are due on February 1, 2023.

Through the capacity contracts under this program, DOE will commit to purchasing up to 50 percent of the maximum capacity of the transmission line. In doing so, DOE can reduce financial challenges by encouraging and de-risking additional investment. DOE will buy capacity until customer demand has increased enough to cover those costs; then DOE will remarket the capacity that DOE purchased and replenish the fund that can in turn be used to support other projects.

The best fit for this solicitation are projects that are nearly “shovel ready” and are in regions that rely on firm point-to-point transmission. TFP is designed for projects that would otherwise not be constructed without federal financial support. TFP capacity contracts will not include projects that are already fully subscribed or have a fully allocated source of revenue.

Contact and helpful links:

- To read the Request for Proposals and learn how to apply, please visit <https://www.energy.gov/gdo/transmission-facilitation-program>
- Visit the Grid and Transmission Program Conductor to see which DOE financing program is right for you at <https://www.energy.gov/gdo/grid-and-transmission-program-conductor>
- With questions or comments, please reach out to: transmission@hq.doe.gov

*****UPDATED AS OF NOVEMBER 22, 2022. SUBJECT TO CHANGE*****

