



Transmission Facilitation Program Solicitation Informational Webinar

November 30, 2022



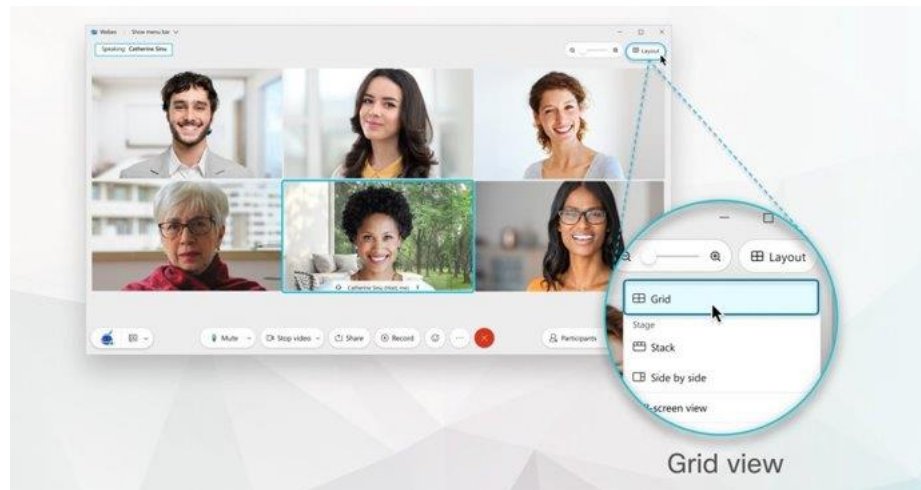
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Questions?

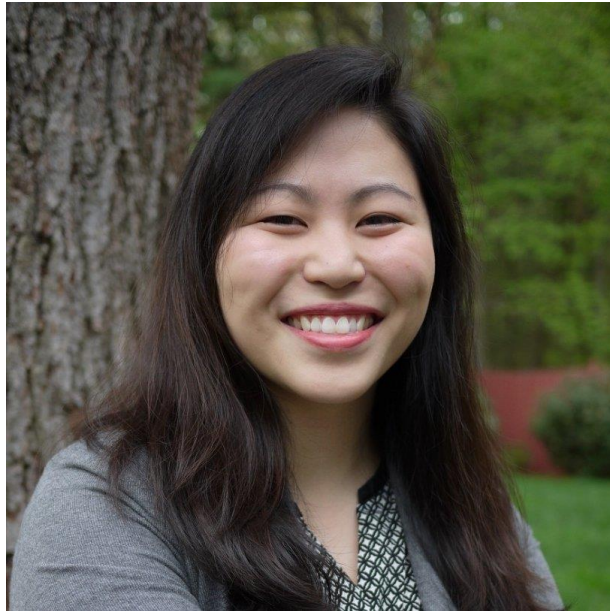
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Optimal Viewing



Transmission Facilitation Program Solicitation Informational Webinar



Maria Robinson

Director, Grid Deployment Office,
U.S. Department of Energy



Grid Deployment Office

Mission Statement: The Grid Deployment Office (GDO) works to provide electricity to everyone, everywhere by maintaining and investing in critical generation facilities to ensure resource adequacy and improving and expanding transmission and distribution systems to ensure all communities have access to reliable, affordable electricity.

Power Generation Assistance Office

- The Power Generation Assistance Division works with existing generation facilities to ensure resilience and reliability.

Transmission Development Office

- The Transmission Development Division supports innovative efforts in transmission reliability and clean energy analysis and programs, and energy infrastructure and risk analysis in support of the Administration's priorities to enhance grid resilience.

Grid Modernization Deployment Office

- The Grid Modernization Deployment Division oversees activities that prevent outages and enhance the resilience of the electric grid.



Transmission Facilitation Program Solicitation Informational Webinar



Jeffery Dennis

Deputy Director, Transmission Development, Grid Deployment Office,
U.S. Department of Energy





Transmission Facilitation Program

Capacity Contracts – Request for Proposals

Public Webinar: November 30, 2022



Webinar Notice

- ▶ None of the information presented herein is legally binding.
- ▶ The content included in this presentation is intended for informational purposes only relating to the Request for Proposal (RFP) announcement: GDO-TFPFY23CAP
- ▶ Any content within this presentation that appears discrepant from the RFP language is superseded by the RFP language.
- ▶ All applicants are strongly encouraged to carefully read the RFP guidelines and adhere to them.



Presentation Overview

1. Transmission Facilitation Program Overview
2. Evaluation Criteria and Review Process
3. Proposal Submission Requirements
4. Next Steps





Transmission Facilitation Program Overview

Transmission Facilitation Program (TFP)

(Sec. 40106 of the Bipartisan Infrastructure Law)

TFP is \$2.5 Billion in revolving fund borrowing authority.

Submission deadline for the first phase is February 1, 2023

- ▶ The TFP is a revolving fund program that will provide Federal support to overcome commercial hurdles in the development of large-scale new transmission lines, upgrading of existing transmission, and the connection of microgrids in select States and U.S. territories.
- ▶ First RFP will focus on “shovel ready” transmission projects that can begin construction by year-end 2027
- ▶ TFP designed for projects that would otherwise not be constructed, or be constructed with less capacity, without Federal support
- ▶ NOT designed for projects that already are fully subscribed or have a fully allocated source of revenue

Facilitation Tools:

1. Capacity Contracts

- Buy up to 50% of planned line rating for up to 40 years
- Sell capacity contract to recover costs

2. Public Private Partnerships

- Within a national interest electric transmission corridor (NIETC)
- Necessary to accommodate an increase in electricity demand across more than one state or transmission planning region

3. Loans



Transmission Facilitation Program (40106): Scope and Priorities

► **Eligible project:**

- *Construction of a new or replacement transmission line* of at least 1000 megawatts;
- *Upgrade of an existing transmission line* or construction of a new transmission line in an existing transmission, transportation, or telecommunication infrastructure corridor of at least 500 megawatts; or
- *Connection of an isolated microgrid* to an existing transmission, transportation, or telecommunications infrastructure corridor located in Alaska, Hawaii, or a U.S. territory.

► **Project prioritization:**

- Use *technology that enhances* the capacity, efficiency, resilience, or reliability of an electric power transmission system, including the use of advanced technology;
- Improve the *resilience and reliability* of an electric power transmission system;
- Facilitate *interregional transfer capacity* that supports strong and equitable economic growth; and
- Contribute to national or subnational goals to *lower electricity sector greenhouse gas emissions*.

► **DOE must also have a reasonable expectation that proceeds from the eligible project will be adequate to recoup its support.**

To move forward with an eligible project, Section 40106 requires DOE to certify that...

1

The Eligible Project is in the public interest.

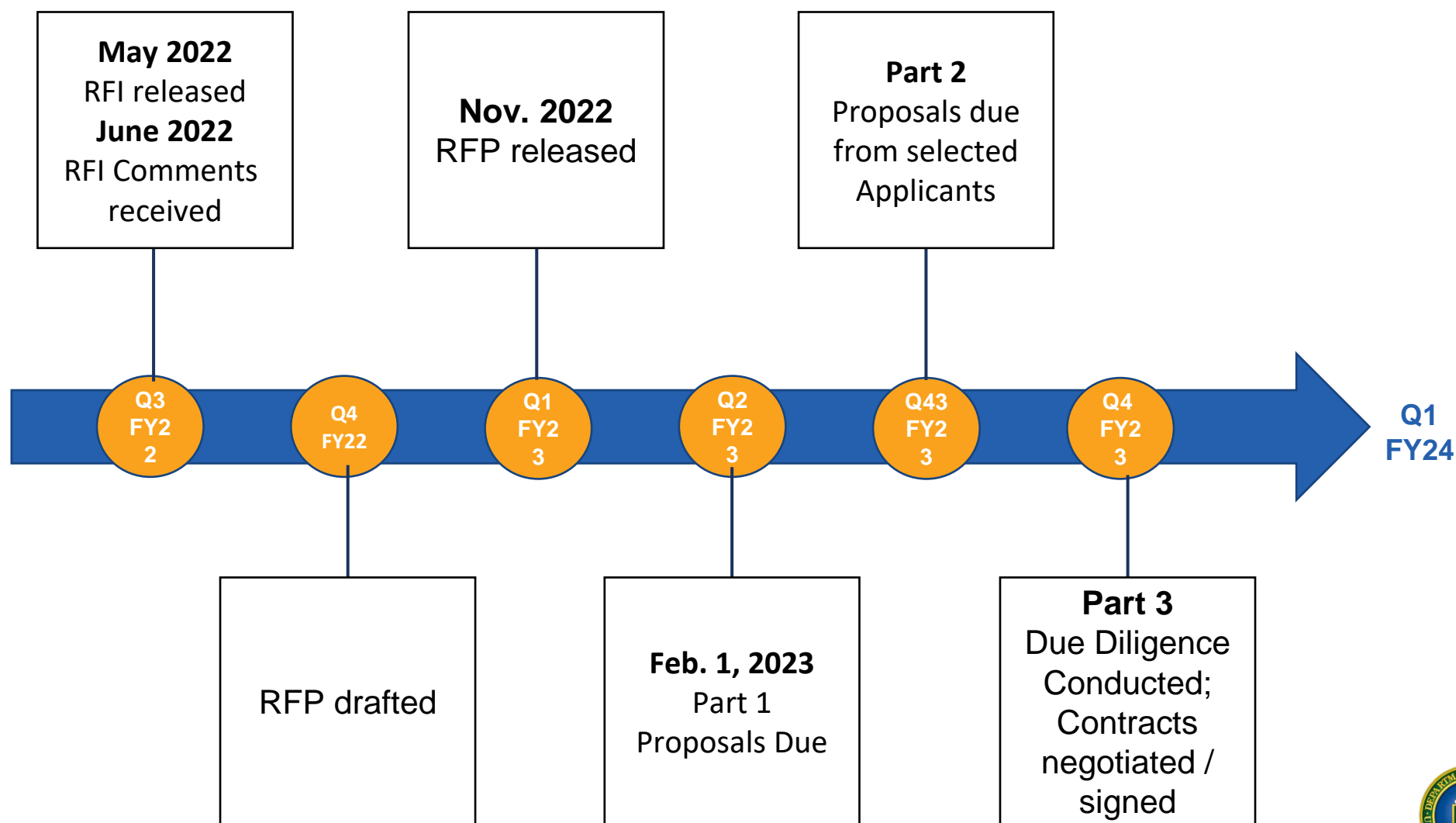
2

The Eligible Project is unlikely to be constructed in a timely manner or with as much transmission capacity in the absence of facilitation provided by the TFP.

3

There is a reasonable expectation that the proceeds from the Eligible Project will be adequate to recover the cost.

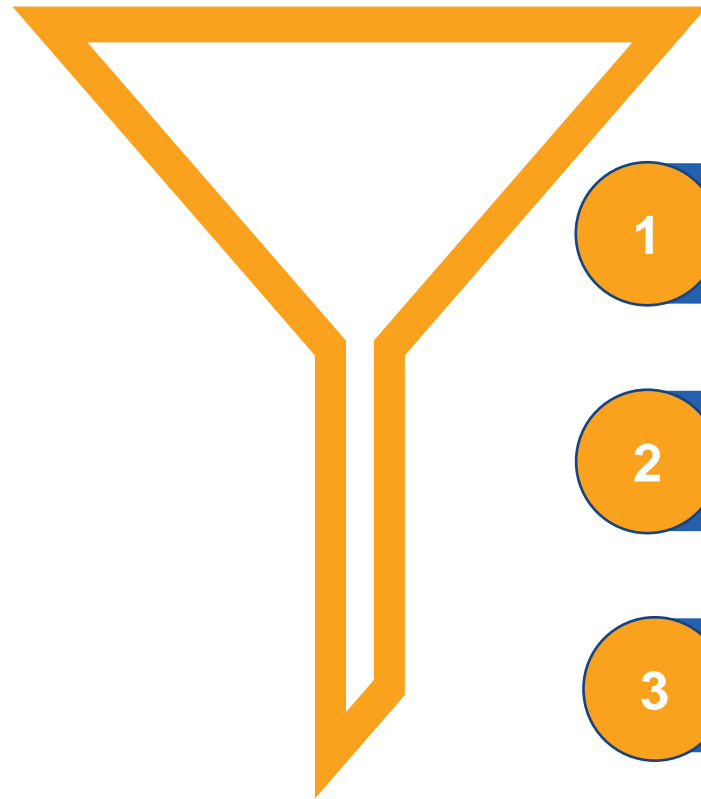
Capacity Contract RFP Timeline





Evaluation Criteria and Review Process

Three Step Evaluation and Review Process



1

Receive Applications, Screen for Project Eligibility and Readiness, and Evaluate for Need and Likelihood of Repayment

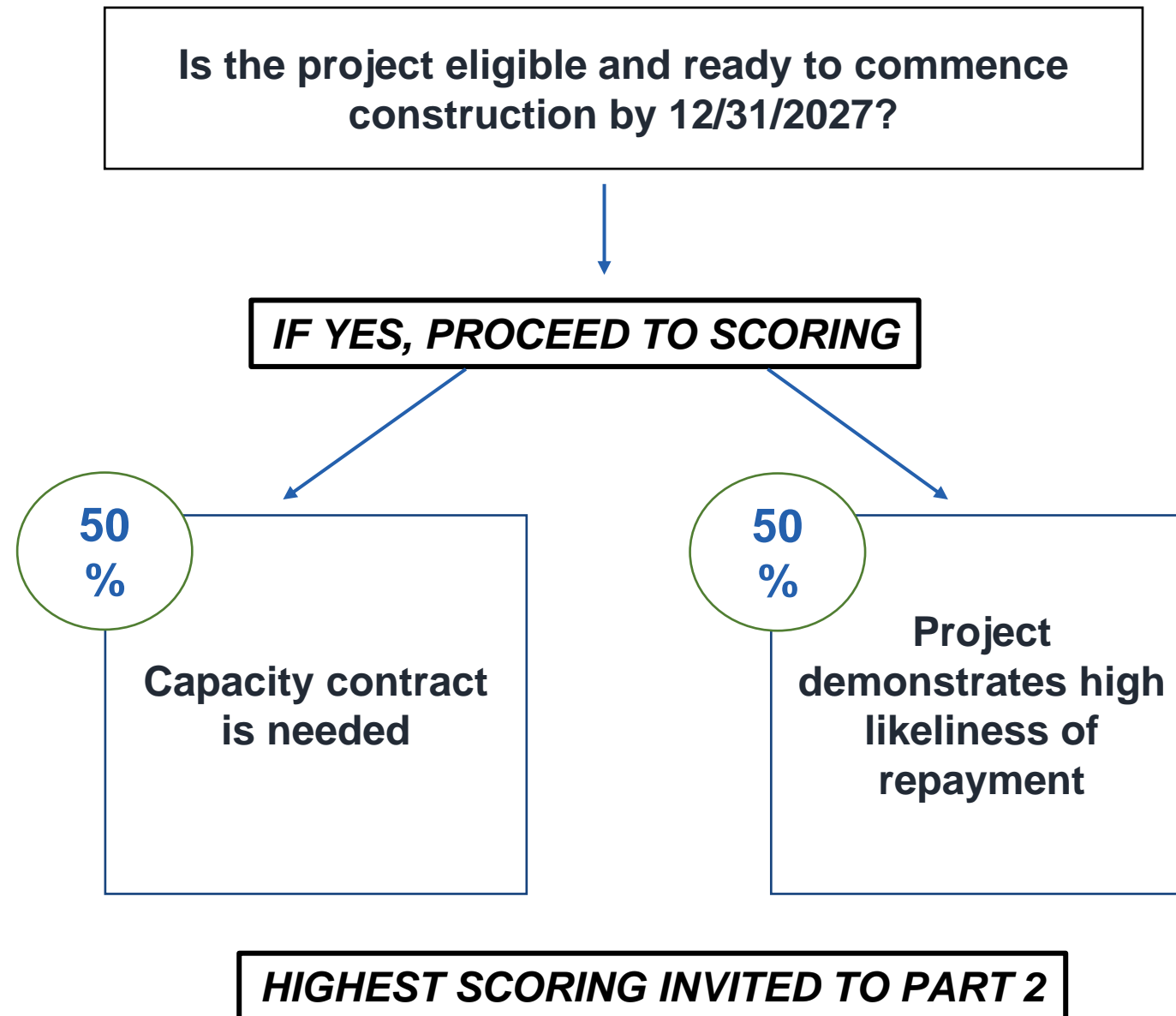
2

Subset of Applicants Are Invited to Move Forward to Part 2 to Continue Application

3

Finalists Invited to Move Forward to Due Diligence Phase and Possible Contract Negotiation

Part 1: Evaluation Criteria



Part 2: Evaluation Criteria

All applications will be evaluated against three main criteria

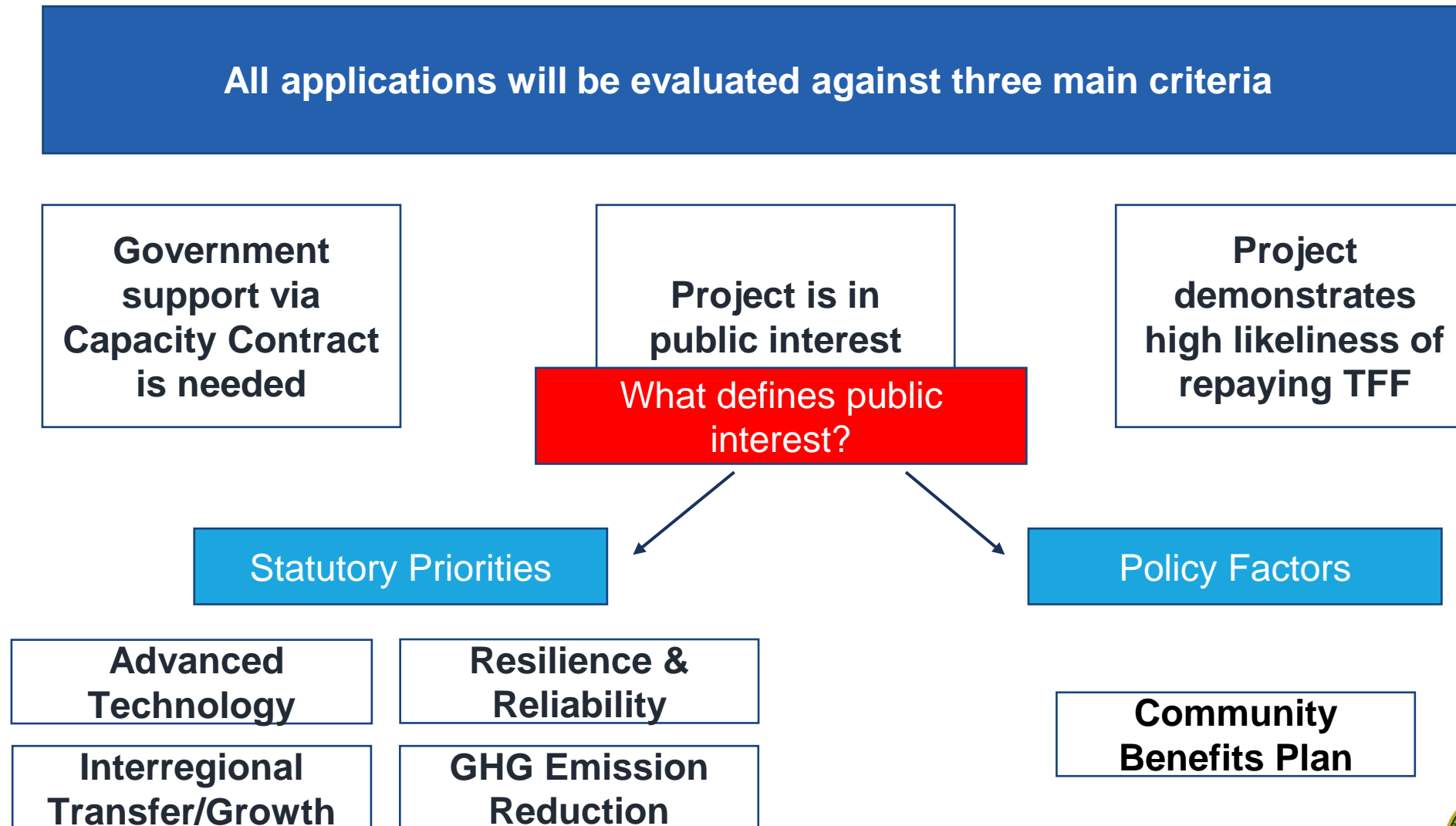
**Government
support via
Capacity Contract
is needed**

**Project is in
public interest**

**Project
demonstrates
high likelihood of
repaying DOE**



Part 2: Public Interest Evaluation Criteria



Part 3: Due Diligence and Potential Contract Negotiations

- Utilize third party resources to assist in validation and verification of Part 2 application responses with associated risk analysis.
- DOE may enter into negotiations with one or more applicants with an intent to award a capacity contract.





Proposal Submission Requirements

Suggestions for Proposal Submission

1

Follow the procedures in the RFP and use Appendix A as both a guide and checklist for relevant appendices and the specific information to submit

2

Label the responses indicating the corresponding Appendix section

3

Ensure that information is supported by robust and transparent data and responds to the specific requirements of the RFP and appendix

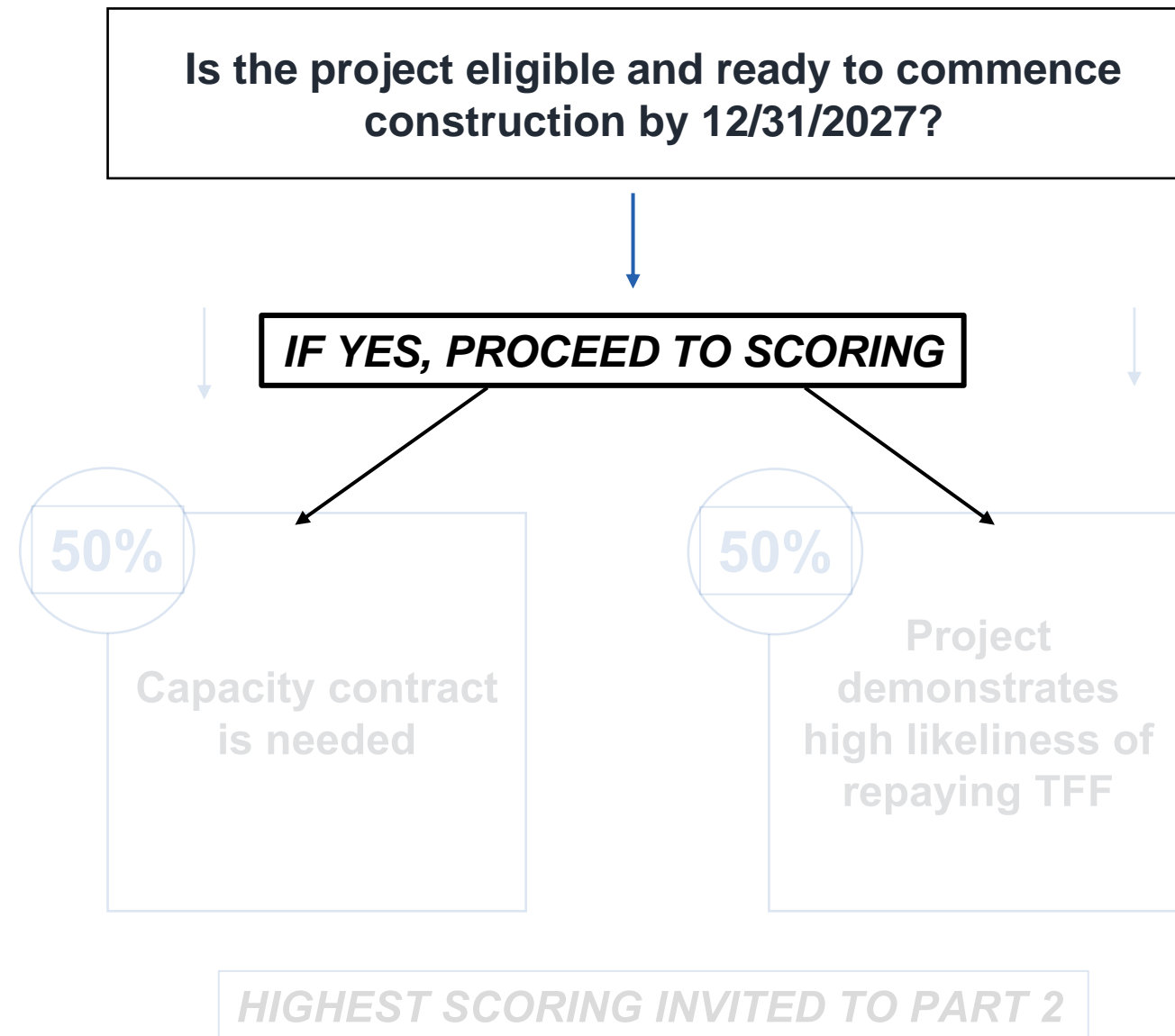
4

Check that data is up to date and consistent across questions

5

Ensure your application materials are complete and specific to the criteria being assessed

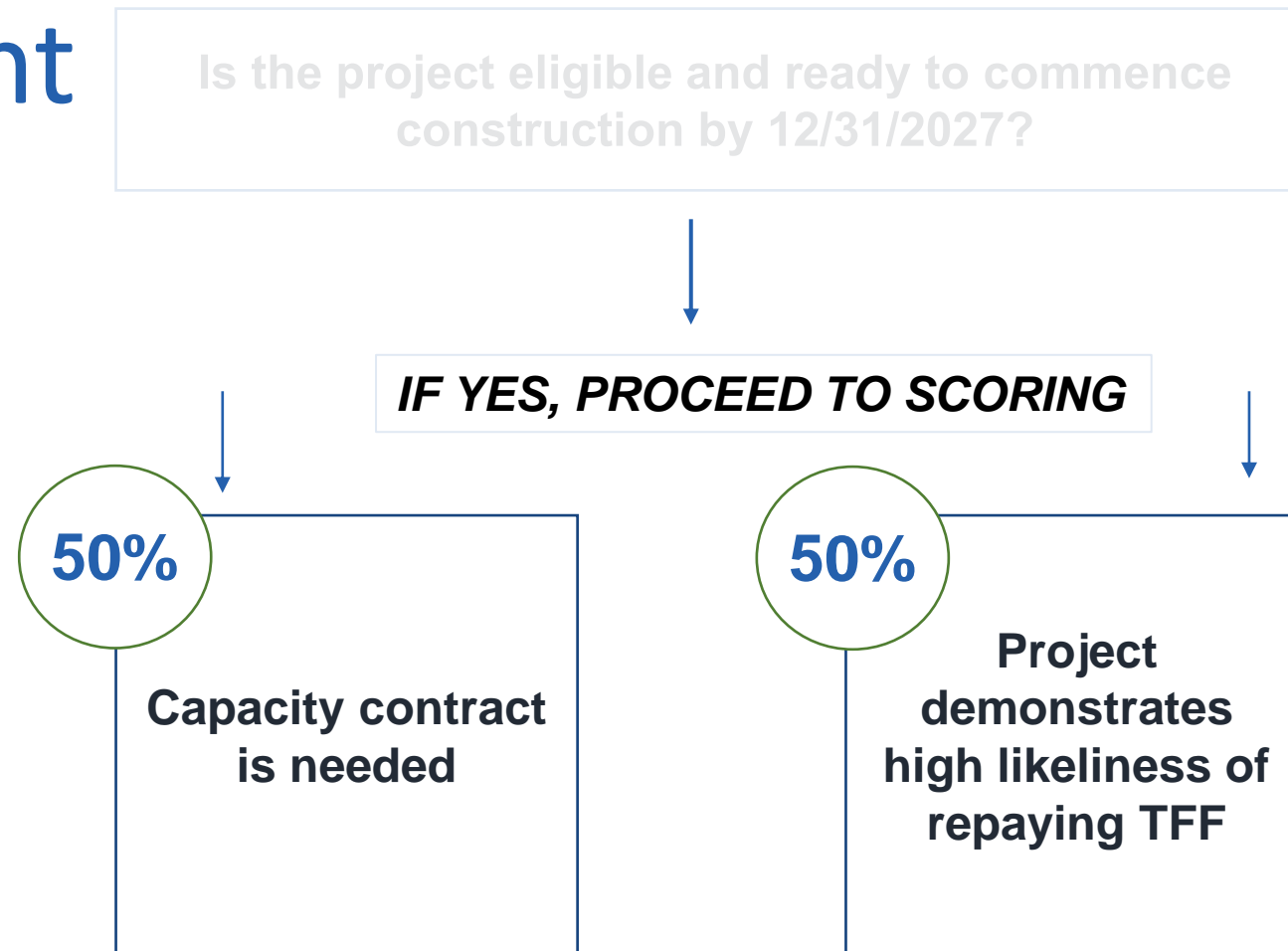
Part 1 Evaluation of Project Eligibility and Readiness



Key Proposal Requirements: Project Eligibility and Readiness

Criteria Category	Criteria Details	RFP Page Number
Project Eligibility	<ul style="list-style-type: none">• New corridor: is it 1000MW or more?• Existing corridor: is it 500MW or more?	Appendix A, Page 26
Project Readiness	<ul style="list-style-type: none">• Ownership and equity structure,• Organizational chart,• Key staff, and• Any other entities that the Applicant expects to have a material role in the Proposed Project.	Appendix A, Page 26
Project Readiness	<ul style="list-style-type: none">• Components and equipment delivery schedule,• Interconnection agreements,• Land rights, permits, and environmental clearance,• Financing and customer risks and mitigation,• Schedule of milestones and conditions,• Pending litigation	Appendix A, Page 27-28

Part 1 Evaluation of Need and Likelihood of Repayment



HIGHEST SCORING INVITED TO PART 2

Key Proposal Requirements: Capacity Contract Need | Repayment | Terms

Criteria Category	Criteria Details	RFP Page Number
Need	<p>An explanation of why the Proposed Project is unlikely to be built, or unlikely to be built with as much transmission capacity or in as timely a manner, absent the DOE capacity contract.</p> <p>Please note: The Applicant should demonstrate how a TFP capacity contract accelerates construction or increases capacity.</p>	Appendix A, Page 28-29
Repayment	<p>Applicants should provide modeling demonstrating that there is a reasonable expectation that (a) demand for transmission capacity will be sufficient to support the financial viability of the Proposed Project and (b) DOE will be able to market, transfer, or relinquish its capacity from the Proposed Project on terms sufficient for DOE to recover its costs under the capacity contract.</p>	Appendix A, Page 29-30
Terms	<p>The term sheet should specify the capacity, contract term, rate, and other material conditions proposed for the DOE capacity contract.</p>	Appendix A, Page 30

Invitation to Part 2

- ▶ A subset of projects that score the highest in evaluation of capacity contract need and likelihood of repayment are invited to submit a Part 2 application.
- ▶ Selected projects and projects not selected will all receive an email to the contact email they provide when applying
- ▶ Applicants invited to submit for Part 2 will have 45 business days to submit additional materials.





What to Expect: Part 2 and Due Diligence

Part 2: Submittal Requirements

Appendix C: Pages 35-41

- **Public Interest – Statutory Priorities**
 - Enhance the performance of the project
 - Improve resiliency and reliability
 - Facilitate interregional transfer capacity that supports strong and equitable growth
 - Contribute to reduction of greenhouse gas emissions
- **Public Interest – Policy Factor: Community Benefits Plan**
 - Engage communities and labor
 - Provide for well-trained and skilled workforce
 - Incorporate diversity, equity, inclusion and accessibility into project
 - Identify benefits to disadvantaged communities
- **Independent Market Report**
- **Updates to information provided in Part 1**

Required Consultation with Transmission Planning Regions

- DOE is required to consult with relevant transmission planning regions before entering into a capacity contract.
- Purpose of consultation is to compare needs identified by the planning region and minimize, to the extent possible, duplication or conflict in selection of projects.
- DOE will engage in such consultation before selection of finalists to move to due diligence; may consult earlier in the evaluation process as needed.



Due Diligence Activities

- Validation of data
- Stress testing of modeling scenarios
- Verification of permitting and stakeholder engagement activity
- Risk identification and mitigation
- Negotiation of participation agreement, including rates, terms, and conditions



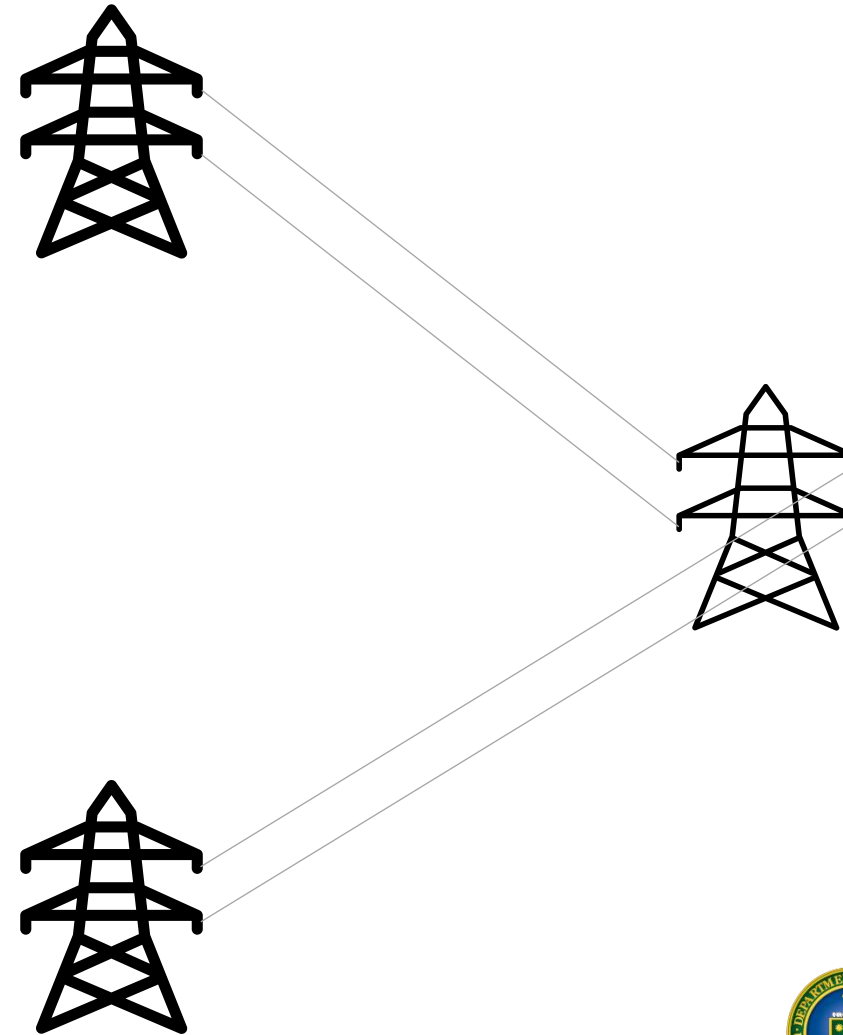


Questions and Future Program Work

What are the next stages of the TFP?

Future RFPs

- The first RFP for the Transmission Facilitation Program focuses on capacity contracts
- The Bipartisan Infrastructure Law also authorizes public-private partnerships, loans, and capacity contracts
- Future RFPs may include a combination of these facilitation tools



Additional Resources on the TFP

DOE Website Links

- [TFP Homepage](#)
- [TFP Frequently Asked Questions](#)
- [TFP Fact Sheet](#)
- [GDO Grid and Transmission Programs Conductor](#): clearinghouse for transmission and grid resilience financing programs made available through President Biden's Bipartisan Infrastructure Act and Inflation Reduction Act, as well as other existing DOE transmission and grid programs.



Questions?

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Contact Us



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