

**Loan Programs Office  
Overview**

**Appropriation Summary by Program  
\$K**

	<b>FY 2022 Enacted</b>	<b>FY 2023 Enacted</b>	<b>FY 2024 Request</b>	<b>FY 2024 Request vs FY 2023 Enacted (\$)</b>	<b>FY 2024 Request vs FY 2023 Enacted (%)</b>
<b>Advanced Technology Vehicles Manufacturing Loan Program</b>	5,000	9,800	13,000	+3,200	32.7%
<b>Title 17 Innovative Technology Loan Guarantee Program</b>					
Administrative Expenses	32,000	66,206	70,000	+3,794	5.7%
Title XVII Credit Subsidy	0	-150,000	0	+150,000	NM
Offsetting Collections	-6,288	-52,224	-196,524	-144,300	276.3%
<b>Total, Title 17 Innovative Technology Loan Guarantee Program</b>	<b>25,712</b>	<b>-136,018</b>	<b>-126,524</b>	<b>+9,494</b>	<b>-7.0%</b>
<b>Tribal Energy Loan Guarantee Program</b>	<b>2,000</b>	<b>4,000</b>	<b>6,300</b>	<b>+2,300</b>	<b>57.5%</b>
<b>Total, Loans Programs Office</b>	<b>32,712</b>	<b>-122,218</b>	<b>-107,224</b>	<b>+14,994</b>	<b>-12.3%</b>

The Loan Programs Office (LPO) FY 2024 Request is -\$107,224,000, an increase of \$14,994,000 above the FY 2023 Enacted Level, to catalyze innovation and investments across all industries in the U.S. energy sector, to promote technological advances, and increase energy affordability, performance, and efficiency. LPO’s FY 2024 Budget Request helps meet the Administration’s objectives of a carbon-pollution free electric sector by 2035 and net-zero emissions, economy-wide, by 2050, while helping to achieve the Administration’s objectives for placed-based initiatives and Justice40 investments.

**Overview**

LPO’s mission is to catalyze innovation and investments across all industries in the U.S. energy sector, to promote technological advances, and increase energy affordability, performance, and efficiency. LPO is helping the US to build the next generation of energy infrastructure by investing in new technologies to reduce carbon emissions and air pollution and meet the Administration’s goals of net-zero emissions, economy-wide, by 2050.

The programs administered by LPO have already accelerated the growth of utility wind and solar and revived nuclear construction in the U.S. and now are being applied to catalyze other new energy technologies that can transform existing energy infrastructure and expand domestic manufacturing of electric vehicles and components, improving the lives of all Americans and creating high quality jobs. LPO can provide access to debt not typically available in the commercial sector. Projects financed by LPO will build and upgrade American energy infrastructure and develop a clean energy economy that will spur well-paying, union jobs and equitable economic growth, accelerate clean technology innovation, commercialization, manufacturing, and deployment, bolster domestic supply chains, and promote globally competitive American clean energy exports.

**Title 17 Innovative Technology Loan Guarantee (Title 17) Program** – Authorized by Title XVII of the Energy Policy Act of 2005, the program supports the Title 17 Innovative Clean Energy Loan Guarantee Program (Title 17 ICE or Section 1703), and supports, but does not request new appropriations for, the Energy Infrastructure Reinvestment Program (Title 17 EIR or Section 1706).

Title 17 ICE provides loan guarantees for innovative energy projects that include energy efficient and renewable energy systems, advanced nuclear facilities, advanced fossil and carbon capture, sequestration, utilization and storage systems, energy storage, virtual power plants, and various other types of projects. Through Title 17 ICE, LPO provides access to debt capital for high-impact and large-scale energy infrastructure projects and first-time commercial deployments in the United States.

In FY 2024, LPO will support a range of eligible projects through the Title 17 ICE available loan guarantee authority of \$76.9 billion as of February 2023. The Department expects to obligate approximately \$6.2 billion of Title 17 ICE loan authority in FY 2023 and approximately \$20.5 billion in FY 2024. The FY 2024 Budget Request includes \$70 million, wholly offset by an estimated \$196.5 million in collected fees, for administrative expenses to continue originating loans for the Title 17 Loan Guarantee Program, as well as to effectively monitor the existing portfolio. In FY 2023, LPO will use approximately \$10 million in available balances carried forward from prior-year appropriations to cover anticipated loan origination and loan portfolio monitoring activity. An increase of 17 Federal FTEs is included in the request. Finally, the FY 2024 Request supports ongoing implementation of investments authorized under the IIJA and IRA, including projects to finance domestic critical minerals supply chain and state energy financing institution-backed projects through Title 17 ICE, as well as the Energy Infrastructure Reinvestment Program.

**Advanced Technology Vehicles Manufacturing Program (ATVM)** – Authorized by Section 136 of Energy Independence and Security Act of 2007, P.L. 110-140 as amended, the direct loan program supports reequipping, expanding, or establishing manufacturing facilities in the U.S. for fuel-efficient advanced technology vehicles or qualifying components, or for engineering integration performed in the U.S. for advanced technology vehicles or qualifying components.

The Infrastructure Investment and Jobs Act (IIJA) expanded the definition of advanced technology vehicle to include advanced medium- and heavy-duty vehicles, locomotives, maritime vessels, aircraft, and hyperloop technology. Prior to the passage of the IIJA, ATVM authorities were limited to supporting manufacturing of light-duty vehicles and components. The Inflation Reduction Act (IRA) provided appropriations of \$3 billion in credit subsidy to support new ATVM loans and unlocked the IIJA-expanded advanced technology vehicle modes. The Consolidated Appropriations Act, 2023, removed the prohibition on the use of existing authority and appropriated credit subsidy for the expanded eligibilities. LPO believes the expanded authorities provided through IIJA, which LPO provided initial implementing guidance for in FY 2022, can be leveraged by the ATVM program to reduce transportation emissions and create good paying jobs. In addition to providing appropriations, the IRA also removed the \$25 billion loan authority cap established under Section 136(d)(1) of the Energy Independence and Security Act of 2007.

To date, projects that have been financed in part by ATVM loans have produced vehicles that are estimated to have saved over 19 billion gallons of gasoline, equivalent to a cumulative 26 million metric tons of carbon dioxide emissions, and created more than 43,000 direct jobs across eight states, LPO's ATVM loan program has played a key role in helping the American auto industry propel the resurgence of manufacturing in the United States.

**Tribal Energy Loan Guarantee Program (TELGP)** – The LPO Tribal Energy Loan Guarantee Program (TELGP) is authorized by Section 2602 of the Energy Policy Act of 1992, as amended by the Energy Policy Act of 2005. The FY 2024 Budget requests \$6.3 million to continue origination and anticipated monitoring related activities for TELGP to provide economic development opportunities and access to lower-cost energy in tribal communities through the development of energy projects.

In the Consolidated Appropriations Act, 2022, Congress enacted a change for that Fiscal Year, which was subsequently made permanent by the Inflation Reduction Act of 2022 (IRA), to broaden TELGP authority to allow applicants to apply for direct loans financed by the United States (U.S.) Treasury Federal Financing Bank and guaranteed by the Department, in addition to partial loan guarantees of other eligible lenders. The IRA also increased the aggregate amount of loans available at any time under TELGP from \$2 billion to \$20 billion and provided \$75 million in appropriations to carry out the program. This change – in addition to other changes in FY 2022 to the TELGP solicitation to clarify ownership requirements, lending obligations, and fees – has increased interest in and accessibility to TELGP loans.

TELGP can provide loans to federally recognized Indian tribes and Alaska Native Corporations for a broad range of conventional and clean energy projects. The program is fully aligned with the Biden Administration's goal that at least 40% of the overall benefits of federal climate investments flow to disadvantaged communities.

#### **CIFIA**

Section 40304 of the Infrastructure Investment and Jobs Act of 2021 established the Carbon Dioxide Transportation Infrastructure Finance and Innovation Account (CIFIA) program, consisting of direct loans, loan guarantees, and/or grants to establish a regional network of large scale, common carrier carbon dioxide transportation infrastructure in the U.S. In FY 2022, the Loan Programs Office (LPO), in coordination with the Office of Fossil Energy and Carbon Management (FECM),

designed the implementation strategy for CIFIA, which is authorized to begin disbursing loans and grants beginning in FY 2023.

In FY 2022, FECM, in conjunction with LPO, released Guidance to applicants for how to apply for CIFIA loans, began accepting Letters of Interest for loans, and invited potential applicants to request a pre-application consultation. In the Spring of 2022, LPO and FECM participated in a series of Regional Carbon Management Applicant Education Workshops to engage stakeholders on design and implementation of the program. The insights gathered have been carefully considered and incorporated in detailed program Guidance.

### **Organization**

The Loan Programs Office (LPO) currently utilizes seven divisions to originate new loans and proactively monitor the portfolio: Outreach and Business Development Division, Origination Division, Portfolio Management Division, Risk Management Division, Technical and Project Management Division, Legal Division, and Management Operations Division.

The Outreach and Business Development Division is charged with identifying and establishing relationships with potential applicants and other external stakeholders deemed necessary to help meet LPO's strategic objectives.

The Origination Division is responsible for coordinating the assessments of applications and leads the credit underwriting of truncations and the negotiating, closing and first disbursements of loans or loan guarantees.

The Portfolio Management Division (PMD) leads LPO's monitoring functions by approving disbursements, repayments, operating budgets, and long-term forecasts. In the event of non-payment and/or default, PMD leads activities to maximize recoveries either through bankruptcy, note sale, or compromise of the claim.

The Risk Management Division conducts continuous risk assessments of potential new loans as well as the assets in the portfolio to comply with regulatory requirements such as OMB Circular No. A-129 of the Federal Credit Reform Action of 1990.

The Technical and Project Management Division (TPMD) evaluates the technical performance of assets and project management throughout the entire lifecycle of the loan to ensure that the technical requirements of the loan agreement are met. TPMD conducts site visits, provides expertise on project construction status and budget, and identifies potential technical risks that inhibit the borrower's ability to meet requirements and repay the loan. TPMD's Environmental Compliance (EC) team ensures that applicants' projects meet federal environmental regulatory standards by helping applicants navigate through required reviews and consultations prior to loan closing.

The Legal Division supports origination and underwriting of new transactions as well as all on-going monitoring activities, negotiations and documentations of waivers, consents, routine loan amendments, approvals and denials of transfer withdrawals, and legal aspects of any project developments. The division participates in business development and outreach activities and provides support to LPO on regulatory and administrative matters.

The Management and Operation Division is responsible for LPO employee resources, administrating and monitoring LPO administrative and working capital funds, providing enterprise architecture and information technology support, and providing contract administration to obtain services.

**INFLATION REDUCTION ACT (IRA/P.L. 117-169)**  
**Activities**

Loan Programs Office was appropriated funds through the Inflation Reduction Act of 2022 (IRA). Activities that Loan Programs Office will manage, including those appropriated to other organizations, are itemized below.

	<b>FY 2022 IRA Funding</b>	<b>Managing Organization</b>
<b>Title 17 Innovative Technology Loan Guarantee Program – Sec. 50141</b>		
Credit Subsidy	3,492,000,000	LPO
Administrative Expenses	108,000,000	LPO
<b>Total, Title 17 Innovative Technology Loan Guarantee Program – Sec. 5014</b>	<b>3,600,000,000</b>	
<b>Energy Infrastructure Reinvestment Loan Guarantee Program – Sec. 50144</b>		
Credit Subsidy	4,750,000,000	LPO
Administrative Expenses	250,000,000	LPO
<b>Total, Energy Infrastructure Reinvestment Loan Guarantee Program – Sec. 50144</b>	<b>5,000,000,000</b>	
<b>Advanced Technology Vehicles Manufacturing Loan Program – Sec. 50142</b>		
Credit Subsidy	2,975,000,000	LPO
Administrative Expenses	25,000,000	LPO
<b>Total, Advanced Technology Vehicles Manufacturing Loan Program – Sec. 50142</b>	<b>3,000,000,000</b>	
<b>Tribal Energy Loan Guarantee Program – Sec. 50145</b>		
Credit Subsidy	71,250,000	LPO
Administrative Expenses	3,750,000	LPO
<b>Total, Tribal Energy Loan Guarantee Program – Sec. 50145</b>	<b>75,000,000</b>	

**Summary of Investment Goals and Planned FY 2024 Activities**

- Title 17 Innovative Technology Loan Guarantee Program – Section 1703 Credit Subsidy: The goal of this investment is to support issuance of new loan guarantees to projects that either were eligible under section 1703 of the Energy Policy Act of 2005 or become eligible due to the Infrastructure Investment and Jobs Act (IIJA) that expanded eligible activities to support projects involving critical minerals processing, manufacturing, and recycling. The IRA provided an additional \$40 billion in loan guarantee authority and \$3.5 billion to cover the cost of loans. In FY 2023, LPO estimates \$322 million of the credit subsidy funding will be obligated in support of \$4.6 billion of loan guarantees. In FY 2024, LPO expects to issue seven loan guarantees totaling \$9.5 billion under this program, with an estimated combined credit subsidy cost of \$934 million.
- Title 17 Innovative Technology Loan Guarantee Program – Administrative Expenses: The goal of this investment is to fund personnel and mission support costs to originate, administer, and monitor loan guarantees under this program. In FY 2024, LPO plans to use \$27 million to support 20 federal FTEs and support costs including necessary outside consultants, contractors, information technology, and overhead expenses to continue to implement the Title 17 Innovative Technology Loan Guarantee Program.
- Title 17 Innovative Technology Loan Guarantee Program – Section 1706 Credit Subsidy: The goal of this investment is to support issuance of new loan guarantees under the Energy Infrastructure Reinvestment Program (section 1706) created by the IRA to help retool, repower, repurpose, or replace energy infrastructure that has ceased operations or to improve the efficiency of infrastructure that is currently operating. The IRA provided \$5 billion to carry out the new program and up to \$250 billion in loan guarantee authority. In FY 2024, LPO expects to issue two loan guarantees totaling \$5 billion under this program, with an estimated combined credit subsidy cost of \$405 million.

- Title 17 Innovative Technology Loan Guarantee Program – Section 1706 Administrative Expenses: The goal of this investment is to fund personnel and mission support costs to originate, administer, and monitor loan guarantees under this program. In FY 2024, LPO plans to use \$32 million to support 20 federal FTEs and support costs including necessary outside consultants, information technology, and overhead expenses to continue to implement investments authorized under the IRA.
- Advanced Technology Vehicles Manufacturing Loan Program Credit Subsidy: The goal of this investment is for the Secretary to issue loans for a range of advanced technology vehicles and their components, including newly authorized uses from the IIJA, which to date had not been funded. Expanded uses include medium- and heavy-duty vehicles, locomotives, maritime vessels including offshore wind vessels, aviation, and hyperloop. The IRA removed the statutory limitation on direct loan authority and provided \$3 billion of additional appropriations, including \$2.975 billion in credit subsidy. In FY 2023, LPO estimates use \$961 million of the credit subsidy funding will be obligated in support of nine loans totaling \$14.9 billion. In FY 2024, LPO expects to issue approximately 11 direct loans totaling approximately \$16 billion.
- Advanced Technology Vehicles Manufacturing Loan Program Administrative Expenses: The goal of this investment is to fund personnel and mission support costs to originate, administer, and monitor loans under this program. In FY 2024, LPO plans to use \$12 million to support 20 federal FTEs and support costs including necessary outside consultants, information technology, and overhead expenses to continue to implement investments authorized under the IRA and in previous legislation.
- Tribal Energy Loan Guarantee Program Credit Subsidy: The goal of this investment is to provide direct loans or partial loan guarantees to federally recognized tribes, including Alaska Native village or regional or village corporations; or a Tribal Energy Development Organization that is wholly or substantially owned by a federally recognized Indian tribe or Alaska Native Corporation. In addition to the access to existing partial loan guarantees, the IRA provided permanent access to eligible borrowers to direct loans through the U.S. Treasury’s Federal Financing Bank (FFB). In FY 2024, LPO expects to issue four loan guarantees totaling \$1.8 billion in direct loans with an estimated combined credit subsidy cost of \$2 million.
- Tribal Energy Loan Guarantee Program Administrative Expenses: The goal of this investment is to fund personnel and mission support costs to originate, administer, and monitor loans and loan guarantees under this program. In FY 2024, LPO plans to use \$750,000 to support 2 federal FTEs and support costs including necessary outside consultants, information technology, and overhead expenses to continue to implement investments authorized under the IRA and in previous legislation.

**Carbon Dioxide Transportation Infrastructure Finance and Innovation  
Infrastructure Investment and Jobs Act Investments**

Office of Fossil Energy Carbon Management (FECM) was appropriated funds through the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58). Not all IIJA activities will be managed by the organization to which funds were appropriated. The activity that Loan Programs Office will manage is itemized below.

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Appropriated Funding Organization	FY 2022 IIJA Funding	FY 2023 IIJA Funding	FY 2024 IIJA Funding	Managing Organization
<b>Fossil Energy Carbon Management</b>				
CIFIA – Sec. 40304	3,000	2,097,000	0	LPO
<b>Total, LPO IIJA Coordination</b>	<b>3,000</b>	<b>2,097,000</b>	<b>0</b>	

**Summary of Investment Goals and Planned FY 2024 Activities**

- Section 40304 of the IIJA established the Carbon Dioxide Transportation Infrastructure Finance and Innovation (CIFIA) program, consisting of direct loans, loan guarantees, and/or grants to establish a regional network of large scale, common carrier carbon dioxide transportation infrastructure in the U.S. In FY 2022, FECM, in conjunction with LPO, released guidance to applicants for how to apply for CIFIA loans, began accepting Letters of Interest for loans, and

invited potential applicants to request a pre-application consultation. The FY 2024 Budget does not request new appropriations for the CIFIA program.

- The CIFIA program can provide large scale, common carrier carbon dioxide transportation projects, including pipelines, rail, shipping, and trucking, with access to equity and debt capital that the private sector cannot or will not provide. The LPO, which has developed a credible expertise resulting from more than a decade of experience administering several financing programs to support the deployment of large-scale energy infrastructure projects, is a committed partner in the early stages of development and throughout the lifetime of the project while monitoring the funds provided. Carbon dioxide transportation projects supported by CIFIA will contribute to the reduction of carbon emissions by enhancing access to high-purity carbon dioxide for utilization or permanent sequestration and create new job opportunities with a free and fair choice to join a union.
- The CIFIA program is authorized to provide long-term, low-interest rate debt capital to companies for development of large scale, common carrier carbon dioxide transportation infrastructure, as well as Future Growth Grants to cover a portion of the cost differential between the base case and an expansion case associated with predicted future increase in demand for carbon dioxide transportation by a pipeline. Utilizing a combination of both loans or loan guarantees and grants will allow the Administration to future-proof pipeline capacity and drastically reduce land-use requirements, costs, and the environmental and societal impact of the buildout of carbon dioxide transportation infrastructure.