



Transmission Facilitation Program (TFP)

Funded through the Bipartisan Infrastructure Law, the Transmission Facilitation Program (TFP) is a \$2.5 billion opportunity to help build and expand high-capacity 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 financial barriers to developing new, large-scale transmission lines, upgrading existing transmission lines, and building new lines to connect microgrids in Alaska, Hawaii, and U.S. territories.

Under the TFP, an eligible applicant is any entity seeking to carry out a project that:

- ▶ Constructs a new transmission line that is capable of transmitting not less than 1,000 megawatts (MW)
- ▶ Constructs a new line or upgrades an existing line within an existing transmission, transportation, or telecommunications infrastructure corridor that is capable of transmitting not less than 500 MW
- ▶ Constructs a transmission line to connect an isolated microgrid to the grid in Alaska, Hawaii, or U.S. territories

To support these projects, DOE can utilize three facilitation tools:

- ▶ Capacity contracts, through which DOE serves as an “anchor tenant” and buys up to 50% of the planned line capacity for up to 40 years
- ▶ Public-private partnerships to develop transmission within a national interest electric transmission corridor or to accommodate an increase in electricity demand across more than one state or planning region
- ▶ Loans to transmission projects

Before entering an agreement, DOE must determine that it is reasonably likely to recover the costs of its investment.

Capacity Contracts: First Round Selections and Second Round Solicitation

On **October 30, 2023**, DOE announced that it is entering into capacity contract negotiations with a commitment of up to \$1.3 billion for three interregional transmission projects. These projects will cross six states, add 3.5 gigawatts of additional grid capacity, and create more than 8,000 high-quality jobs. By offering capacity contracts, DOE increases the confidence of additional investors, encourages additional customers to purchase transmission line capacity, and reduces the overall risk for project developers.

On **February 6, 2024**, DOE announced another round of TFP funding through a **second request for proposals (RFP)** for capacity contracts. It is anticipated another RFP for public-private partnerships to develop transmission projects that connect isolated microgrids in Alaska, Hawaii, and U.S. territories to the grid will follow shortly thereafter. Together, the total funding available for these two RFPs is up to \$1.2 billion.

Contact and helpful links:

- To read more on the selections or to find the current 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 FEBRUARY 6, 2024. SUBJECT TO CHANGE*****

