



STATE ENERGY FINANCING INSTITUTION (SEFI) FUNDING AUTHORITY

The US DOE Loan Programs Office (LPO) has large low-cost loans available to help states achieve their energy and economic development goals.

The State Energy Financing Institution (SEFI) program was established by the Bipartisan Infrastructure Law and funded through the Inflation Reduction Act to provide federal financing under the Title 17 Clean Energy Financing Program for projects that receive financial support or credit enhancements from an eligible State agency. Projects can include energy-related renovations to schools and other government buildings, commercial office buildings, or multifamily housing – such as HVAC systems, solar arrays and even EV charging infrastructure, among other projects. Eligible projects must reduce greenhouse gas emissions, use an eligible technology, and receive [meaningful support](#) from an eligible state agency, as well as meet other [program requirements](#).

States are leveraging the SEFI program to develop clean energy and create jobs.

Identifying SEFIs

A SEFI is a state entity (public or quasi-public) providing financing, credit enhancements, or other financial support for energy projects. There are several ways to identify SEFIs:

- **SEFIs as Existing Agencies:** SEFIs can be existing agencies that already finance energy projects, such as state Energy Offices, Finance Authorities, Green Banks, Economic Development Authorities, Housing Authorities, and others.
- **SEFIs as New Entities:** Some states have established a SEFI through statute or executive order, e.g.:



In 2023, the Minnesota legislature **established** the **Minnesota Climate Innovation Finance Authority** with an initial fund of \$45M to “mobilize millions of dollars in public-private investments for the state and deliver clean energy projects in disadvantaged communities that have historically faced the brunt of the climate crisis.”

In 2024, the New Jersey Economic Development Authority (NJEDA) established the **New Jersey Green Bank** in response to **Executive Order 316** from Gov. Phil Murphy that directs NJEDA to support building electrification programs and other projects that meet the state’s decarbonization goals.



State SEFI investment can potentially take the form of grants, loans, equity investments, and in-kind support, utilizing existing state financing programs or appropriating funds for new programs.



Investing in Clean Energy and Job-Creating Projects

SEFIs are actively exploring potential applicant interest in the program. For example, some SEFIs have begun issuing Requests for Information (RFIs) and Requests for Proposals (RFPs) that solicit general project interest from the private sector or include a specific technology focus. For example:

The **Arizona Finance Authority** released an **RFI** seeking “input and proposals about clean energy projects that can benefit from state coordination and financial support” from both state and federal SEFI funding sources.



The **California Strategic Growth Council (SGC)** released an **RFP** offering SEFI project support to “a virtual power plant Provider [considering or beginning an application to the DOE LPO] that will partner with SGC and collaborate with eligible sites to enhance the resilience of SGC-supported facilities while contributing to the overall reliability and sustainability of the grid.”



Potential SEFI Projects

The following is a non-exhaustive list of example project areas:

- Energy projects on affordable housing portfolios
- Energy efficiency projects for commercial buildings
- Fleet electrification (e.g., school buses, public transport, consumer vehicles)
- Solar and storage on schools (or other IRA tax credit eligible property)
- Industrial decarbonization
- On-bill financing by utilities for solar and storage or other distributed energy resource

A meaningful investment by a SEFI can leverage hundreds of millions of dollars in LPO financing and private capital.

Questions? Ready to engage the SEFI program in your state?



1. Scan the QR code to check out our SEFI Toolkit, which features SEFI-related activities from other states, and learn more about eligibility and financial assistance opportunities.
2. Read the Title 17 Program Guidance for more details and application requirements.
3. Reach out to sefi@hq.doe.gov to schedule a briefing with an LPO regional outreach specialist.