

**Title 17 Innovative Technology Loan Guarantee Program
Proposed Appropriation Language**

Such sums as are derived from amounts received from borrowers pursuant to section 1702(b) of the Energy Policy Act of 2005 under this heading in prior Acts, shall be collected in accordance with section 502(7) of the Congressional Budget Act of 1974: Provided, That, for necessary administrative expenses to carry out this Loan Guarantee program, [\$42,000,000] \$42,000,000 is appropriated, to remain available until September 30, [2015] 2016: Provided further, That [\$22,000,000] \$35,000,000 of the fees collected pursuant to section 1702(h) of the Energy Policy Act of 2005 shall be credited as offsetting collections to this account to cover administrative expenses and shall remain available until expended, so as to result in a final fiscal year [2014] 2015 appropriation from the general fund estimated at not more than [\$20,000,000] \$7,000,000: Provided further, That fees collected under section 1702(h) in excess of the amount appropriated for administrative expenses shall not be available until appropriated[: Provided further, That the Department of Energy shall not subordinate any loan obligation to other financing in violation of section 1702 of the Energy Policy Act of 2005 (42 U.S.C. 16512) or subordinate any Guaranteed Obligation to any loan or other debt obligations in violation of section 609.10 of title 10, Code of Federal Regulations].

Explanation of Changes

\$42,000,000 is requested for administrative expenses in FY 2015. These administrative expenses are expected to be offset by an estimated \$35,000,000 in collections from borrowers for a net appropriation of \$7,000,000. This represents no change in gross funding and a decrease in net authority of \$13,000,000 from the FY 2014 enacted budget.

Public Law Authorizations

- P.L. 109-58, Energy Policy Act of 2005
- P.L. 110-5, Revised Continuing Appropriations Resolution, 2007
- P.L. 110-161, Consolidated Appropriations Act, 2008
- P.L. 111-5, American Recovery and Reinvestment Act of 2009
- P.L. 111-8, Omnibus Appropriations Act, 2009
- P.L. 112-10, Department of Defense and Full-Year Continuing Appropriations Act, 2011

Title 17 Innovative Technology Loan Guarantee Program

(\$K)			
FY 2013 Current	FY 2014 Enacted	FY 2014 Current	FY 2015 Request
\$0	\$20,000	-\$6,000	\$7,000

Overview

The Loan Guarantee Program (LGP), as authorized under Title XVII of the Energy Policy Act of 2005 and executed by the Department of Energy's (DOE) Loan Programs Office (LPO), encourages early commercial use of new or significantly improved technologies in energy projects. Projects supported by DOE loan guarantees must avoid, reduce, or sequester air pollutants or anthropogenic emissions of greenhouse gases; employ new or significantly improved technologies compared to commercial technologies in service in the United States at the time the guarantee is issued; and offer a reasonable prospect of repayment of the principal and interest on the guaranteed obligation.

Section 1703 of the Act authorizes DOE to provide loan guarantees for innovative energy projects in categories including renewable energy systems, advanced nuclear facilities, coal gasification, carbon sequestration, energy efficiency, and various other types of projects. Section 406 of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 (Recovery Act) amended the Loan Guarantee Program's authorizing legislation, by establishing Section 1705 as a temporary program for the rapid deployment of renewable energy and electric power transmission projects, as well as leading edge biofuels projects. The authority to enter into new loan guarantees under Section 1705 expired on September 30, 2011, but LPO continues to administer and monitor these loan guarantees.

Highlights and Major Changes in the FY 2015 Budget Request

The LGP has closed over \$16 billion in loan guarantees and issued over \$10 billion in conditional commitments. As part of the President's Climate Action Plan, LGP issued the Advanced Fossil Energy Projects Solicitation in FY 2014. Over the course of FY 2015 and 2016, LGP will review applications under the new solicitation and work to obligate the remaining \$8 billion in loan guarantee authority to support advanced fossil energy technologies that reduce greenhouse gas emissions. In addition, to support the Climate Action Plan's objective to support the deployment of all-of-the-above energy resources, LGP plans to issue new solicitations making available loan guarantee authority for innovative nuclear, renewable, and energy efficient end-use technologies.

**Title 17 Innovative Technology Loan Guarantee Program
Funding by Congressional Control (\$K)**

	FY 2013 Current	FY 2014 Enacted	FY 2014 Adjustments¹	FY 2014 Current	FY 2015 Request	FY 2015 vs FY 2014 Enacted
Title 17 Innovative Technology Loan Guarantee Program						
Administrative Operations	36,088	42,000	0	42,000	42,000	0
Offsetting Receipts	-36,088	-22,000	-26,000	-48,000	-35,000	+13,000
Total, Title 17 Innovative Technology Loan Guarantee Program	0	20,000	-26,000	-6,000	7,000	+13,000
Federal FTEs	78	93	0	93	100	+7

¹ Change in Offsetting Receipts reflects updated fee collection forecast due to recent loan closings, as well as anticipated collections from applicants under new Advanced Fossil Solicitation.

**Administrative Operations
Funding (\$K)**

	FY 2013 Current	FY 2014 Enacted	FY 2014 Current	FY 2015 Request	FY 2015 vs FY 2014 Enacted
Administrative Operations					
Salary & Benefits	13,088	13,000	13,000	15,250	+2,250
Travel	500	500	500	500	0
Support Services	18,400	24,500	24,500	21,850	-2,650
Other Related Expenses	4,100	4,000	4,000	4,400	+400
Total, Administrative Operations	36,088	42,000	42,000	42,000	0

Title 17 Innovative Technology Loan Guarantee Program

Activities and Explanation of Changes

FY 2014 Enacted	FY 2015 Request	Explanation of Changes FY 2015 vs FY 2014 Enacted
Loan Guarantee Program Operations		
<p><i>Salaries and Benefits</i></p> <ul style="list-style-type: none"> • Provide salaries and benefits to 93 full time equivalent employees to administer the following functions to the office: Director, Legal, Loan Origination, Management Operations, NEPA Compliance, Portfolio Management, Risk Management, and Technical and Project Management. 	<p><i>Salaries and Benefits</i></p> <ul style="list-style-type: none"> • Provide salaries and benefits to 100 full time equivalent employees to administer the following functions to the office: Director, Legal, Loan Origination, Management Operations, NEPA Compliance, Portfolio Management, Risk Management, and Technical and Project Management. 	<p><i>Salaries and Benefits</i></p> <ul style="list-style-type: none"> • Additional federal staff hiring to fill current vacancies and reduce reliance on contractors.
<p><i>Travel</i></p> <ul style="list-style-type: none"> • Supports the travel of staff members for site visits, training, and attending meetings and conferences. 	<p><i>Travel</i></p> <ul style="list-style-type: none"> • Continuation of FY 2014 activities. 	<p><i>Travel</i></p> <ul style="list-style-type: none"> • No changes.
<p><i>Support Services</i></p> <ul style="list-style-type: none"> • Funds outside expertise in finance, legal, engineering, technology, credit analysis, and market assessments. 	<p><i>Support Services</i></p> <ul style="list-style-type: none"> • Continuation of FY 2014 activities. The decrease in funding is due to the reduced need for contractor support of underwriting and loan monitoring activities. 	<p><i>Support Services</i></p> <ul style="list-style-type: none"> • Hiring of additional federal staff reduces need for contractor support.
<p><i>Other Related Expenses</i></p> <ul style="list-style-type: none"> • Supports DOE Working Capital Fund, DOE COE expenses, and LGP federal staff training. 	<p><i>Other Related Expenses</i></p> <ul style="list-style-type: none"> • Continuation of FY 2014 activities. The increase is due to additional spending on Working Capital Fund, DOE COE, and training as more federal staff is hired over time. 	<p><i>Other Related Expenses</i></p> <ul style="list-style-type: none"> • Hiring of additional federal staff requires increased spending on office space, Enterprise IT services, and training.

**Title 17 Innovative Technology Loan Guarantee Program
Performance Measures**

In accordance with the GPRA Modernization Act of 2010, the Department sets targets for, and tracks progress toward, achieving performance goals for each program. For more information, refer to the Department's FY 2013 Annual Performance Report.

	FY 2013	FY 2014	FY 2015
Performance Goal (Measure)	CO₂ Reductions of Projects Receiving Loan Guarantees - Estimated annual CO₂ emissions reductions of projects receiving loan guarantees that have achieved commercial operations compared to "business as usual" energy generation		
Target	≥ 5,000,000 mt CO ₂	≥ 5,000,000 mt CO ₂	≥ 5,750,000mt CO ₂
Result	3,150,000 mt CO ₂		
Endpoint Target	Achieve 5,750,000 mt of avoided CO ₂ emissions per year by the end of FY 2015.		
Performance Goal (Measure)	Generation Capacity of Projects Receiving Loan Guarantees - Annual generation capacity from projects receiving DOE loan guarantees that have achieved commercial operations		
Target	≥ 2.8 GW	≥ 3.8 GW	≥ 4.0GW
Result	1.9 GW		
Endpoint Target	Achieve 4.0 GW of annual electricity generation capacity by FY 2015.		

Department Of Energy
FY 2015 Congressional Budget
Funding By Appropriation By Site
 (\$K)

Innovative Tech Loan Guarantee Prog	FY 2013 Current	FY 2014 Enacted	FY 2015 Request
Washington Headquarters			
Administrative Operations			
Administrative Operations	36,088	42,000	42,000
Total, Washington Headquarters	36,088	42,000	42,000
Total, Innovative Tech Loan Guarantee Prog	36,088	42,000	42,000