



Department of Energy

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U.S. DEPARTMENT OF
ENERGY

LOAN PROGRAMS OFFICE

LPO's Path Forward

- LPO's mission remains constant- provide debt to innovative energy and automotive projects that are not yet able to secure debt from private sector banks, the bond market, or other lenders.
- LPO catalyzes private market lenders by demonstrating new technologies and processes at large scale.
- LPO support is, and will continue to be, critical in deploying “first of its kind,” “utility-scale” energy and automotive projects that reduce greenhouse gas emissions and promote a stronger and cleaner American economy.
- Going forward, LPO has billions of dollars in remaining debt authorities to fund innovation at scale in the areas of advanced fossil including distributed generation and efficiency, nuclear, renewables, and transmission.



LPO Has a Strong Portfolio

- Estimated losses to date on a \$34.4 billion portfolio are about 2%
- More than 90% of the loan loss reserve Congress set aside remains intact

NUMBER OF PROJECTS	~30
TOTAL LOAN / LOAN GUARANTEE AMOUNT COMMITTED	\$34.4 BILLION
DISBURSED	\$18.5 BILLION
ESTIMATED LOSSES	UP TO \$799 MILLION <i>(may be less, pending additional recoveries*)</i>
LOAN LOSS RESERVE	\$10 BILLION
LOSSES AS % OF AMOUNT DISBURSED	4.3%
LOSSES AS % OF TOTAL LOAN AMOUNT	2.3%
TOTAL ECONOMIC INVESTMENT LEVERAGED	MORE THAN \$55 BILLION

**Estimated loss values are based on principal disbursed less any repayments. Actual losses will likely be lower, however, as the government may have additional recoveries on the disbursed loan amounts.*



Case Study: LPO's Impact on Energy Industry - Utility Scale PV Solar Example

LPO was instrumental in creation of utility-scale solar PV market

- In 2010, no utility-scale (>100MW) PV projects were financed in the US
- LPO financed the first six utility-scale solar projects in the US in 2011
 - Agua Caliente
 - Antelope Valley Solar Ranch
 - Project Amp
 - California Valley Solar Ranch
 - Desert Sunlight – largest PV solar plant in the world
 - Sempra Mesquite
- Since that time, 10 additional utility-scale projects have been financed without DOE support
 - Many of the private sector lenders in these transactions first provided debt to utility-scale PV projects in the U.S. as lenders in our Section 1705 program



DOE Loan Programs Project Eligibility Requirements & Commitments

Energy Programs

Title XVII Capacity: ~\$51 billion in authority – \$35 billion in 1703; \$16 billion in 1705 (ARRA)

Eligible projects must:

- Avoid, reduce, or sequester air pollutants or anthropogenic emissions of greenhouse gases;
- Employ new or significantly improved technologies or processes as compared to commercial technologies in service in the United States; and
- Assure a reasonable prospect of repayment of principal and interest.

Transmission Infrastructure Program (TIP) Capacity: \$3.25 billion in authority (ARRA)

- LPO partnered with DOE's Western Area Power Administration, who works with commercial entities for development.
- New or upgraded electric transmission lines and related facility projects (i.e. storage) that have a terminus in WAPA territory and help deliver renewable sources to market.

Auto Program

Advanced Technology Vehicles Manufacturing (ATVM) Capacity: \$25 billion in authority

Eligible projects must:

- Be an automotive manufacturer satisfying specified fuel economy requirements or a manufacturer of qualifying components;
- Be financially viable without the receipt of additional federal funding for the proposed project; and
- Demonstrate a reasonable prospect that the applicant will be able to make payments of principal and interest.

