LPO: The Financing Force for a Clean Energy Economy

**Mission:** Accelerate the U.S. commercial deployment of innovative clean energy and advanced vehicle manufacturing.

**What We Do:** Provide project debt for clean energy projects. We also encourage co-lending with commercial lenders.

**Who We Are:** LPO is a world class clean energy financing institution based within DOE - one of the largest project finance and clean energy lenders in the U.S.

*The current portfolio includes loans, loan guarantees, and commitments.*
LPO is one of the largest project finance teams in the world supporting a variety of projects in support of the President's "all of the above" energy strategy:

• Several of the world’s largest solar generation facilities and nighttime solar storage systems:
  ▪ Photovoltaic generation: Agua Caliente, Desert Sunlight, CVSR
  ▪ Large concentrating solar power plants with innovative thermal energy storage: Solana, Solar Reserve Tonopah
  ▪ Largest solar thermal plant: Ivanpah

• Retrooled three electric vehicle manufacturing facilities: Tesla, Nissan & Ford

• One of the world’s largest wind farms: Shepherds Flat

• One of the country’s first commercial-scale cellulosic ethanol plants: Abengoa Biomass

• First nuclear power plant to begin construction in the US in the last 30 years: Vogtle
Draft Renewable Energy & Efficient Energy Projects Solicitation

LOAN GUARANTEE
SOLICITATION ANNOUNCEMENT

U.S. Department of Energy
Loan Programs Office

FEDERAL LOAN GUARANTEES FOR RENEWABLE ENERGY PROJECTS AND EFFICIENT ENERGY PROJECTS

Solicitation Number: DE-SOL-000
OMB Control Number: 1910-5134; OMB Expiration Date 11/30/2016
Announcement Type: Initial
Draft Solicitation Can Provide Long-Term Project Financing

Loan Guarantee Authority

- $2.5 billion in loan guarantee authority.
- $169 million in credit subsidy.
- If issued, solicitation could support approximately $4 billion in loan guarantees.

Loan Guarantee Terms

- Requirements for equity investment.
- Co-lending is encouraged but not required.
- Each loan guarantee is based on individual terms.
LPO Will Consider All Eligible Projects Under Title XVII

Renewable Energy Projects

- **Innovative Technology**
  Eligible projects must utilize an innovative technology or system.

- **Greenhouse Gas Benefits**
  Eligible projects must reduce, avoid, or sequester greenhouse gases. Supports the President’s Climate Action Plan.

- **Located in the U.S.**
  Eligible projects must be located in the U.S. but may be foreign-owned.

- **Reasonable Prospect of Repayment**
  Eligible projects must be able to repay loan principal and interest.

Energy Efficiency Projects
The Solicitation Identifies Five Key Technology Areas

LPO is seeking to finance areas that are catalytic, replicable, and market ready.

- Advanced Grid Integration & Storage
- Drop-In Biofuels
- Waste-to-Energy
- Enhancement of Existing Facilities
- Efficiency Improvements
Technology Area 1: Advanced Grid Integration & Storage

Why Now?

- Expanding renewable energy production has exacerbated grid integration and management issues.
- The lack of energy storage has limited the dispatchability of renewable energy.
- Increasing policy and regulatory debates at the state level.

What Can We Accomplish?

- Increase the technical potential for renewable generation through enhanced grid integration and storage.
- Demonstrate that energy storage and grid compatibility can improve the dispatchability of renewable energy and increase its market value.
LPO Application and Underwriting Process

Part I
Application

Basic Project Details

Initial Greenhouse Gas Analysis

Project Readiness to Proceed

$50,000 Fee

Part II
Application

All Documents Required to Continue Due Diligence

Initiate Loan Guarantee Underwriting

Hire Independent Engineer and Legal Counsel

$350,000 or $100,000 fee (Loan Guarantee < $150 million)

Conditional Commitment

Negotiation of Conditional Commitment

Issue Conditional Commitment

25% Facility Fee

Loan Guarantee

Negotiate Final Loan Agreements

Initial Funding

Remaining Facility Fee, Credit Subsidy Cost, Annual Maintenance Fee

Ongoing Project Management
LPO: Accelerating U.S. Clean Energy Deployment

For further information on LPO, please visit: www.energy.gov/lpo