

Renewable Energy and Efficient Energy Loan Guarantees



U.S. DEPARTMENT OF ENERGY

**LOAN
PROGRAMS
OFFICE**

Under the Title 17 Innovative Energy Loan Guarantee Program, LPO has vast experience financing large-scale renewable energy and efficient energy projects, including photovoltaic solar, onshore wind, concentrating solar power, and geothermal. A number of new renewable and efficient energy technologies are currently poised to reach commercial scale. **With up to \$4.5 billion in remaining lending authority under this solicitation, LPO is ready to support innovative energy projects that are catalytic, replicable, and market-ready.**

TECHNOLOGY AREAS

Technology areas of interest include, but are not limited to:

- **Advanced Grid Integration and Storage:** Renewable energy generation including distributed generation incorporating storage, and smart grid systems incorporating demand response.
- **Drop-in Biofuels:** New bio-refineries or bio-crude refining processes, and/or modifications to existing ethanol facilities to produce drop-in molecules.
- **Waste-to-Energy:** Methane from landfills or ranches via biodigesters, as well as use of municipal solid waste, crop waste, or forestry waste.
- **Enhancement of Existing Facilities:** Powering non-powered dams or upgrading existing hydro facilities, or retrofitting existing renewable facilities with innovative technology.
- **Efficiency Improvements:** Improve or reduce energy usage in residential, institutional, and commercial facilities, buildings, and/or processes; and recover, store, or dispatch waste energy or underused renewable energy sources.

LPO has issued guidance on the kinds of Distributed Energy Projects and Electric Vehicle and Alternative Fuel Vehicle Charging Infrastructure projects it can support.

ABOUT LPO:

The Department of Energy's Loan Programs Office (LPO) finances large-scale, all-of-the-above energy infrastructure projects in the United States. LPO's in-house team has decades of financial, technical, legal, and environmental experience and works closely with industry to bridge gaps in the commercial debt market when innovative technologies or unfamiliar borrowers may not be well understood by the private sector.

With more than \$40 billion of loans and loan guarantees available, LPO can provide access to debt not typically available in the commercial sector. To date, LPO has approved more than \$30 billion of loans and loan guarantees for more than 30 projects and has a proven track record that includes transforming existing energy infrastructure, reviving nuclear construction, accelerating growth of utility-scale solar and wind, expanding domestic manufacturing of electric vehicles, and improving the lives of all Americans by catalyzing new energy technology and creating jobs.

TEAM OF EXPERTS

LPO's in-house team of financial, technical, legal and environmental experts has the specialized experience with innovative technologies and first-of-a-kind projects that enables LPO to finance projects where other lenders may be deterred.

Over the past decade, LPO financing has helped companies overcome hurdles to obtaining debt for projects that bring technology from demonstration to commercialization. These deals have included a variety of structures, including corporate loans, project finance, and co-lending, with loan sizes from tens of millions to multi-billions. LPO's loan guarantees have helped catalyze commercial debt provider's entry and expansion into new areas.

ELIGIBILITY REQUIREMENTS

Under this solicitation, a project must meet four requirements to be eligible to be considered for a loan guarantee:

- 1 Innovative Technology
- 2 Greenhouse Gas Benefits
- 3 Located in the U.S.
- 4 Reasonable Prospect of Repayment

STEPS FOR WORKING WITH LPO

- 1 Contact LPO for a no-fee, pre-application consultation
- 2 Submit a Part I application to LPO to determine basic eligibility
- 3 Submit a more thorough Part II application to determine viability
- 4 Enter due diligence and negotiate term sheet
- 5 Receive a conditional commitment offer
- 6 Negotiate and execute loan documents
- 7 LPO monitors construction and operation throughout the life of the loan

The applicant is required to pay various fees and costs during this process, including application fees and additional fees assessed at conditional commitment and closing, as well as DOE's third-party costs, including the fees of DOE's outside advisors.



CASE STUDY

In 2011, at a time when the largest photovoltaic solar power project in the U.S. was 20 megawatts (MW), LPO financed the nation's first five photovoltaic solar power projects larger than 100 MW. Leveraging the lessons learned in the financing of those first projects, the private sector has since financed dozens of projects larger than 100 MW across the U.S.

*Front photo courtesy of Caithness Energy LLC
Back photo courtesy of KEPCO & COPA Fund*