

# Tribal Energy Loan Guarantee Program



U.S. DEPARTMENT OF ENERGY

**LOAN  
PROGRAMS  
OFFICE**

The Tribal Energy Loan Guarantee Program (TELGP) is a partial loan guarantee program that can guarantee up to \$2 billion in loans to support economic opportunities to tribes through energy development projects and activities. Under this solicitation, DOE can guarantee up to 90% of the unpaid principal and interest due on any loan made to a federally recognized Indian tribe for energy development. The tribal borrower will be required to invest equity in the project and all project debt will be provided by non-federal lenders.

## POTENTIAL PROJECTS

The Department's loan programs support an **all-of-the-above** energy strategy. Examples of potential projects include, but are not limited to:

- **Fossil energy**, which could include drilling, mining, refining
- **Renewable energy**, which could include solar, wind, geothermal, hydropower
- **Transmission infrastructure** and **energy storage**
- **Transportation** of fuels

TELGP is neither a grant program nor a direct federal loan program. It is limited to partial loan guarantees of up to 90% of total debt and requires non-federal lender participation. Commercial lenders provide the debt and the loan must be repaid with interest.

## 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.

## PROJECT REQUIREMENTS

- 1 The borrower must be a federally recognized tribe or a 100% tribally owned entity
- 2 The project may be located anywhere in the United States—on tribal land, traversing or connecting tribal land and non-tribal land, or outside tribal land, but otherwise benefiting the tribe
- 3 The project can involve a single site or distributed portfolio
- 4 Projects employing commercial technology preferred
- 5 Limited to partial loan guarantees only, requiring non-federal lenders

## STEPS FOR WORKING WITH LPO

- 1 Contact DOE for a no-fee, pre-application consultation
- 2 Tribe engages with commercial lender
- 3 Lender applies for loan guarantee on behalf of borrower and project
- 4 Tribe, lender, and DOE engage in due diligence and term sheet negotiation
- 5 Negotiate and execute loan documents
- 6 LPO monitors construction and operation throughout the life of the loan

Applicant required to pay various costs and fees.



## CASE STUDY

TELGP utilizes a structure similar to the Financial Institution Partnership Program (FIPP) administered by LPO between 2009 and 2011. In December 2010, the Department of Energy partially guaranteed \$1.3 billion of debt provided by 26 institutional investors and commercial banks to finance Shepherds Flat, an 845-MW wind power generation project located in eastern Oregon. Shepherds Flat was one of the first large wind deals in the U.S. and reached full commercial operations in November 2012.

*Front photo courtesy of LS Power Associates, NV Energy & John Hancock  
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