

Building a Bridge to Bankability

How LPO helps finance innovative clean energy, advanced transportation, and tribal energy projects in the United States, moving technologies along the final milestones to full market acceptance.

Americans for a Clean Energy Grid Transmission Time: Opportunities for Transmission Funding

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What LPO Does

A Bridge to Bankability



There are many areas that are mature from a technology standpoint but not mature from an access to capital standpoint — that's a nexus where there's a clear mandate for LPO to participate.

LPO Director Jigar Shah



The U.S. Department of Energy Loan Programs
Office (LPO) finances innovative clean energy, advanced
transportation, and tribal energy projects, serving as a
bridge to bankability for breakthrough projects
and technologies, derisking them at early stages of
commercialization so they can reach full market acceptance.



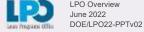


The Bridge to Bankability

Providing financing for technologies to go the last mile to reach full market acceptance







What LPO Offers

Value-Added Financing

The unique value of working with LPO for clean energy technology financing

LPO loans and loan guarantees are differentiated in the clean energy debt capital marketplace in **three primary ways:**



Access to Patient Capital

that private lenders cannot or will not provide.



Flexible Financing

customized for the specific needs of individual borrowers.



Committed DOE Partnership

offering specialized expertise to borrowers for the lifetime of the project.







LPO Financing

How We Build the Bridge

LPO provides **loans and loan guarantees** to projects that have demonstrated potential to **accelerate the decarbonization** of the U.S. economy, focusing on those that combine **clean energy technology** with **effective financial models**.

Innovative Clean Energy

Loan Guarantees

Title 17 Program

- Innovative Clean Energy | \$2.5 Billion
- Innovative Fossil Energy | \$8.5 Billion
- Innovative Nuclear Energy | \$10.9 Billion

Advanced Transportation

Loans & Loan Guarantees

ATVM & Title 17 Programs

- Manufacturing | \$17.7 Billion in ATVM loans
- **Deployment** | Eligible for the same **\$2.5 Billion** in Innovative Clean Energy loan guarantees as above

Tribal Energy

Loans & Loan Guarantees

TELGP Program

Tribal Energy Projects | Up to \$2.0 Billion



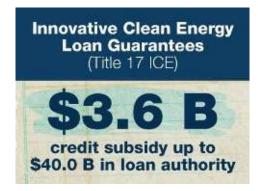




Inflation Reduction Act Appropriations

\$11.7 billion to support issuing new loans

Existing Loan Programs







New Loan Program



To guarantee loans to projects that retool, repower, repurpose, or replace energy infrastructure that has ceased operations, or enable operating energy infrastructure to avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases.





Innovative Clean Energy

Title 17

Loan guarantees for the deployment of innovative energy projects at commercial scale

Eligibility

The Title 17 program can consider innovative clean energy projects that:

- 1. Use innovative technology.
- 2. Reduce, avoid, or sequester greenhouse gas emissions or air pollutants.
- 3. Are located in the U.S.
- 4. Provide reasonable prospect of repayment.

Loan Guarantee Features

- LPO can offer 100% guarantee of U.S.
 Treasury's Federal Finance Bank (FFB) loans or partial guarantees of commercial loans.
- Senior secured debt priced competitively with commercial rates.
- DOE can serve as sole lender or as a co-lender.
- Structures may include project finance, structured corporate, corporate or warehousing lines.





Energy development projects via the Tribal Energy Loan Guarantee Program (TELGP)

Eligibility

TELGP can consider tribal energy projects that:

- 1. Are owned by a tribe or entity that is majority tribally owned and controlled.
- 2. Are seeking direct loans (through FY 2022) or partial guarantees of commercial loans.
- 3. Are located in the U.S. (Tribal or non-tribal land, single site or distributed).
- 4. Are financially viable. TELGP is not a grant program and the borrower will be required to invest equity in the project.
- 5. No innovation requirement.

Technologies

Projects employing commercial technology are preferred.
Technology areas of interest include, but are not limited to:

- Renewable Energy
- Transmission Infrastructure & Energy Storage
- Fossil Energy
- Transportation of Fuels







The LPO Loan Transaction Process

LPO engages early with applicants and remains a partner throughout the lifetime of the loan



Pre-Application Consultations

Meet with LPO for no-fee, preapplication consultations, including discussions on the application process and the proposed project.



More Variable Timing

Lengths of these stages vary greatly, depending on project complexity and readiness.



Less Variable Timing

Timing for these stages is largely fixed, with targeted timelines.

Formal Application Submission

Title 17: Submit Part I application to determine technical eligibility (innovation and greenhouse gas emissions calculation). There is no review of business plan or financial structure in Part I. If invited, submit more thorough Part II application to determine project viability and ability to move into due diligence.

ATVM: Submit single application to determine basic eligibility and project viability.

TELGP: Tribal borrower engages with a commercial lender. Lender applies for a loan guarantee on behalf of Borrower and project.

Due Diligence & Term Sheet Negotiation

Title 17 & ATVM: Enter confirmatory due diligence and negotiate term sheet.

TELGP: Borrower, Lender, and DOE engage in confirmatory due diligence and term sheet negotiation.

All Programs: Any third-party advisor costs are paid for by the applicant.

Credit Approval Process

Formal approval process of the term sheet, including interagency consultations.

Conditional Commitment

An offer by DOE of a term sheet to the borrower for a loan or loan guarantee subject to the satisfaction of certain conditions.

Loan Closing & Project Monitoring

Negotiate and execute loan documents using the approved term sheet. Loan closing and funding are subject to conditions precedent in the executed loan documents.

Applicant pays applicable costs and fees. After loan closing, LPO monitors the loan.





LPO Overview
June 2022
DOE/LPO22-PPTv02



Let's Talk About Your Project

Contact LPO to see what financing options may be available for your project



Call or write to schedule a no-fee, pre-application consultation: 202-287-5900 | LPO@hq.doe.gov



Learn more about LPO and all of its financing programs at: **Energy.gov/LPO**

Energy.gov/LPO





