

9/23/09



## Federal Incentives/Policies for Renewables & Efficiency

### U.S. Department of Energy - Loan Guarantee Program

*Last DSIRE Review: 07/30/2009*

**Incentive Type:** Federal Loan Program

**State:** Federal

**Eligible Efficiency**

**Technologies:** Yes; specific technologies not identified

**Eligible Renewable/Other Technologies:** Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Wind, Hydroelectric, Renewable Transportation Fuels, Geothermal Electric, Fuel Cells, Manufacturing Facilities, Daylighting, Tidal Energy, Wave Energy, Ocean Thermal, Biodiesel

**Applicable Sectors:** Commercial, Industrial, Nonprofit, Schools, Local Government, State Government, Agricultural, Institutional, Any non-federal entity

**Amount:** Varies. Program focuses on projects with total project costs over \$25 million.

**Max. Limit:** None stated

**Terms:** Full repayment is required over a period not to exceed the lesser of 30 years or 90% of the projected useful life of the physical asset to be financed

**Web Site:** <http://www.lgprogram.energy.gov>

**Authority 1:** [42 USC § 16511 et seq.](#)

**Authority 2:** [10 CFR 609](#)

#### Summary:

##### **Innovative Technology Loan Guarantee Program:**

Title XVII of the federal *Energy Policy Act of 2005* (EPAAct 2005) authorized the U.S. Department of Energy (DOE) to issue loan guarantees for projects that "avoid, reduce or sequester air pollutants or anthropogenic emissions of greenhouse gases; and employ new or significantly improved technologies as compared to commercial technologies in service in the United States at the time the guarantee is issued." The loan guarantee program has been authorized to offer more than \$10 billion in loan guarantees for energy efficiency, renewable energy and advanced transmission and distribution projects.

DOE actively promotes projects in three categories: (1) manufacturing projects, (2) stand-alone projects, and (3) large-scale integration projects that may combine multiple eligible renewable energy, energy efficiency and transmission technologies in accordance with a staged development scheme. Under the original authorization, loan guarantees were intended to encourage early commercial use of new or significantly improved technologies in energy projects. The loan guarantee program generally does not support research and development projects.

In July 2009, the U.S. DOE issued a new solicitation for projects that employ innovative energy efficiency, renewable energy, and advanced transmission and distribution technologies. Proposed projects must fit within the criteria for "New or Significantly Improved Technologies" as defined in 10 CFR 609. The solicitation provides for a total of \$8.5 billion in funding and is to remain open until that amount is fully obligated. The initial due date for applicants was September 16, 2009.

##### **Temporary Loan Guarantee Program:**

*The American Recovery and Reinvestment Act of 2009* (H.R. 1), enacted in February 2009, extended the authority of the DOE to issue loan guarantees and appropriated \$6 billion for this program. Under this act, the DOE may enter into guarantees until September 30, 2011. The act amended EPAAct 2005 by adding a new section defining eligible technologies for new loan guarantees. Eligible projects include renewable energy projects that generate electricity or thermal energy and facilities that manufacture related components, electric power transmission systems, and innovative biofuels projects. Funding for biofuels projects is limited to \$500 million. Davis-Bacon wage requirements apply to any project receiving a loan guarantee.

In July 2009, the U.S. DOE issued a solicitation for transmission infrastructure investment projects. The solicitation

is intended to provide loan guarantees for transmission infrastructure investment projects that are expected to commence construction no later than September 30, 2011.

---

**Contact:**

**Public Information - DOE**

U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington , DC 20585-0121

**Phone:** (202) 586-8336

**E-Mail:** [LGProgram@hq.doe.gov](mailto:LGProgram@hq.doe.gov)

**Web Site:** <http://www.lgprogram.energy.gov>