

What the Inflation Reduction Act Means for Energy Communities

We will begin shortly!



EnergyCommunities.gov



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What the Inflation Reduction Act Means for Energy Communities



Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization

Brian J. Anderson, Ph.D.

Executive Director, Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization



March 2023

Funding Opportunities in the Clearinghouse



\$256B+

Value of Open/Planned
Competitive Funding

We are delivering federal resources to help
revitalize America's energy communities

[EXPLORE FUNDING CLEARINGHOUSE](#)

[Learn about new Inflation Reduction Act funding and tax credits](#)

\$256B+

Open/Planned Competitive
Funding

(Last updated: 3/16/23)

\$329B+

Open/Planned Funding to
States

(Last updated: 3/16/23)

140

Open/Planned
Opportunities Currently
Available

(Last updated: 3/16/23)

35

Opportunities That Don't
Require Matching Funds

(Last updated: 3/16/23)

22

Inflation Reduction Act Tax
Credits

(Last updated: 3/16/23)

\$329B+

Value of Open/Planned
Funding to States

140

Open/Planned
Opportunities

35

Opportunities w/
no cost share

22

IRA tax credits

IRA grants, loans and tax credits included in the clearinghouse

The Inflation Reduction Act (IRA)



Tax Credits & Loan Guarantees

IRA provides **targeted investments** in energy communities.



\$250 Billion in Authority for Redeveloping & Repurposing



Bonus Tax Credits for Clean Energy Projects in Energy Communities



\$4 Billion in Clean Energy Manufacturing Tax Credits for Energy Communities

Workers/Community/EJ

IRA supports **energy workers, and their families**, who built this country.



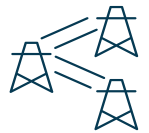
Black Lung Disability Trust Fund Reinstated



\$27 Billion Green House Gas Reduction Fund



\$3 Billion for Environment and Climate Justice



\$145 Million Tribal Electrification

Agenda



2:00 – 2:05 p.m.

Welcome & Overview

Brian Anderson, Executive Director, Energy Communities IWG



2:05 – 2:15 p.m.

Keynote Remarks

Kristina Costa, Deputy Assistant to the President for Clean Energy Innovation and Implementation



2:15 – 2:45 p.m.

Inflation Reduction Act Program Spotlights

Energy Programs at U.S. Department of Agriculture Rural Development

Clare Sierawski, Senior Energy Counselor

John McAuliff, Senior Advisor

Energy Infrastructure Reinvestment Program

Jigar Shah, Director, U.S. Department of Energy Loan Program Office



2:45 – 2:55 p.m.

Q&A



2:55 – 3:00 p.m.

Closing Remarks

Brian Anderson, Executive Director, Energy Communities IWG

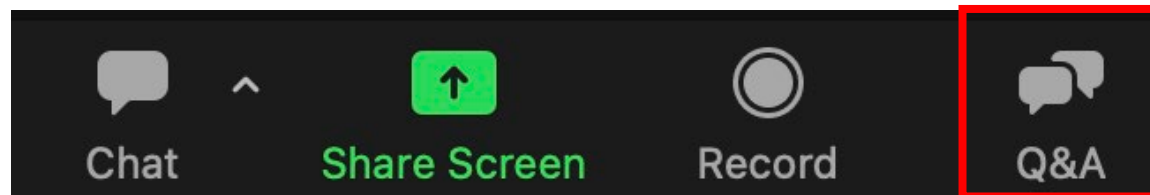
Submit Questions in Q&A



All attendees muted.



Send topic questions to the **Q&A** by clicking the Q&A icon on the bottom of screen.



*Slides, webinar recording, and resources will be posted to **EnergyCommunities.gov** and sent by email.

Send **technical assistance** questions in Chat to **Host**.

Keynote Remarks

The White House

*Kristina Costa, Deputy Assistant to the President for Clean Energy
Innovation and Implementation*





THE WHITE HOUSE
WASHINGTON

Investing In America

The Inflation Reduction Act

March 2023

This briefing is off the record & not intended for press purposes

What the Inflation Reduction Act Is

\$369 billion in economy-wide clean energy and climate investments delivered through a combination of tax incentives, grant programs, and loan guarantees.



***Clean Energy
Generation***



***Building
Electrification***



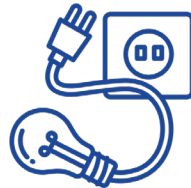
***Electric
Vehicles***



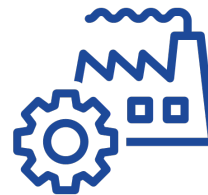
***Climate-smart
Agriculture***



***Conservation
and Resilience***



***Energy
Efficiency***



***Clean Energy
Manufacturing***



***And much,
much more***



What the Inflation Reduction Act Does

- **Builds the clean energy economy of the future.** IRA designates billions of dollars to spur financing and deployment of new clean energy projects, with a focus on projects in disadvantaged communities, energy communities, and other communities in need.
- **Creates good-paying jobs.** The IRA will create millions of good-paying jobs across the country making solar panels, wind turbines, and electric vehicles. Throughout the law, programs incentivize the use of prevailing wages and registered apprentices.
- **Cuts energy costs.** The IRA will bring down energy costs and makes it more affordable to purchase energy efficient and electric appliances, make home improvements, and more - saving American families an average of \$500 per year on their energy costs.
- **Tackles the climate crisis.** The IRA will eliminate about a billion tons of greenhouse gas emissions in 2030 and position America to meet President Biden's climate goals of cutting emissions 50-52 percent by 2030 and reaching net-zero emissions by no later than 2050.
- **Advances environmental justice.** Climate change disproportionately impacts low-income communities and communities of color. The IRA will work to alleviate legacy pollution and to ensure that clean energy opportunities reach all Americans.



Clean Energy Tax Credits

Of the Inflation Reduction Act's \$369 billion investment towards building America's clean energy future over the next decade, ~**\$270 billion** will be delivered through over **20 new and modified tax incentives**.

Clean Energy Generation Incentives

- 45** Renewable Energy Production Credit
- 48** Energy Investment Credit
- 45U** Zero-Emission Nuclear Power Production Credit
- 45Y** Clean Electricity Production Credit
- 48E** Clean Electricity Investment Credit
- 45V** Clean Hydrogen Production Tax Credit
- 45Q** Carbon Capture Credit

Manufacturing Credits

- 48C** Extension of The Advanced Energy Project Credit
- 45X** Advanced Manufacturing Production Credit

Homes & Buildings Incentives

- 25C** Ext. & Mod. of Non-business Energy Property Credit
- 25D** Residential Clean Energy Credit
- 179D** Energy Efficient Commercial Buildings Deduction
- 45L** Ext., Inc., and Mod. of New Energy Efficient Home Credit

Clean Vehicles Credits

- 30D** Clean Vehicle Credit
- 25E** Previously Owned Clean Vehicle Credit
- 45W** Qualified Commercial Clean Vehicles
- 30C** Alternative Fuel Refueling Property Credit

Clean Fuels Production Credits

- 45Z** Clean Fuel Production Credit
- 40B** Sustainable Aviation Fuel

Credit Enhancements

- 45(b)** Prevailing Wage & Apprenticeship Requirement
- 45(b)** Domestic Content Requirement
- 45(b)** Energy Communities Requirement
- 48(e)** LMI Adder

Credit Monetization

- 6417** Elective Pay of Applicable Credits
- 6418** Transfer of Certain Credits



Clean Energy Grants and Loans

Beyond the tax code, the Inflation Reduction Act contains **over \$100 billion** in grants and loans to accelerate investments in clean energy, manufacturing and supply chains, climate resilience, and environmental justice.

Greenhouse Gas Reduction Fund

\$27B The EPA’s Greenhouse Gas Reduction Fund will mobilize financing and leverage private capital for clean energy and climate projects, with an emphasis on projects for low-income and disadvantaged communities.

Climate-Smart Ag and Forestry

\$24B Funding at USDA, including through the Forest Service, to promote climate-smart agriculture, address wildfire risks, and advance nature-based climate solutions in ag and forest sectors.

Environmental Justice Grants

\$6.4B Although a number of programs target disadvantaged communities and advance EJ, this set of programs through EPA and the Department of Transportation are aimed explicitly at EJ concerns.

Rural Co-operatives Financing

\$9.7B Through a combination of updated or existing loan and grant programs, these funds would turbocharge the shift to clean energy for rural electric co-ops, which serve 42 million Americans.

Home Efficiency Rebates

\$9B Two new DOE programs will offer low- and middle-income Americans rebates on efficient consumer appliances, like heat pumps, and home energy efficiency retrofits.

“Buy Clean” Procurement

\$5.7B Under the President’s Dec. 2021 federal sustainability executive order, the US already had a lot of work underway on “buy clean” government procurement – IRA brings more resources to that work.

DOE Loans

\$12B New and expanded DOE Loan Program subsidies for repurposing/retooling legacy energy infrastructure, advanced vehicle manufacturing, and innovative clean energy projects

Resilience

\$10B These funds build on the historic resilience funding included in the BIL (over \$50B), through significant increases in areas like coastal, drought, and Tribal resilience.

Industrial Sector Decarbonization

\$5B This funding for a new program at the DOE would provide complementary loans and grants aimed at reducing emissions from the industrial sector (e.g., steel, cement).

Clean Energy Manufacturing

\$500M This provides funding for uses of the Defense Production Act for heat pumps and critical materials.



Impacts: Ensuring Growth from the Bottom Up and Middle Out

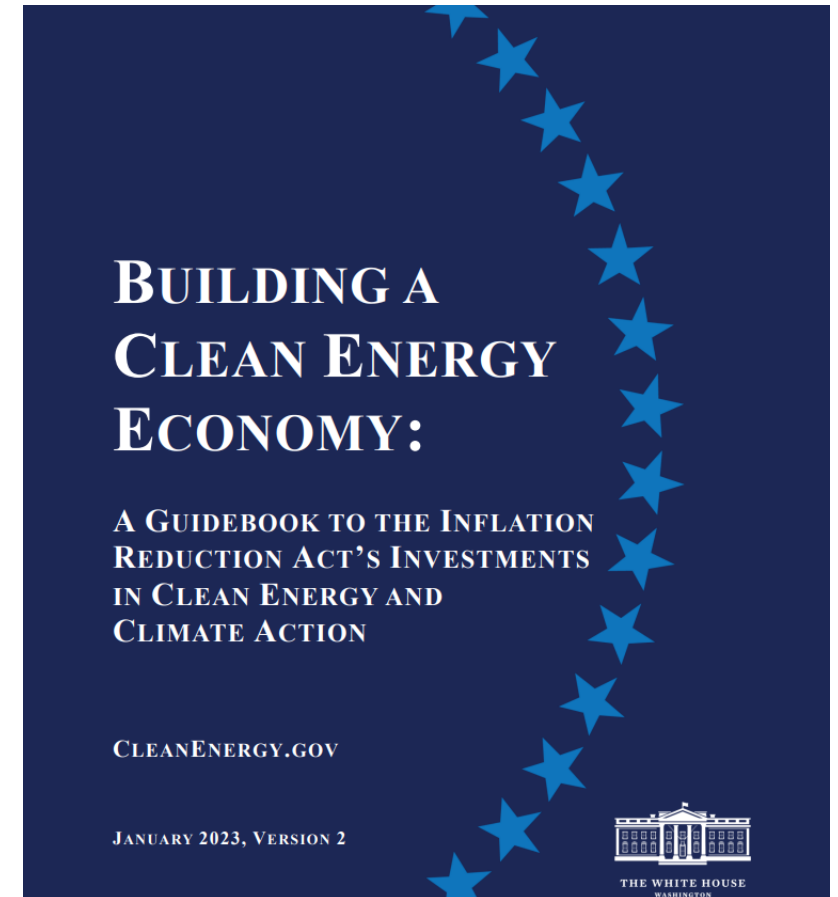
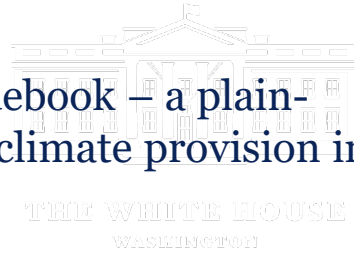
The IRA's tax incentives are designed to unlock investments that build our clean energy future with American-made technology and create good-paying jobs—with special provisions to drive investment to energy communities.

IRA Provision	Relevant Component and Description
Credit Enhancements for Clean Energy Generation	<p>Prevailing Wage & Apprenticeship Requirement 45, 48, 45Y, 48E, 45U: Credit is increased by 5 times for projects meeting prevailing wage and registered apprenticeship requirements. [*prevailing wage <i>only</i> for 45U] 48C, 30C: 30% credit for projects meeting prevailing wage and registered apprenticeship requirements.</p> <p>Domestic Content Requirement 45, 48, 45Y, 48E: Credit is increased by 10% if the project meets certain domestic content requirements for steel, iron, and manufactured products.</p> <p>Energy Communities Requirement 45, 48, 45Y, 48E: Credit is increased by 10% if located in an energy community</p>
Allocated Credit Programs	<p>LMI Adder 48(e), 48E (h): Provides an additional ITC for small-scale solar and wind facilities in low-income communities; allocated credit capped at 1.8 GW per year, with unused capacity rolling over to next year</p> <ul style="list-style-type: none">• Credit is increased by 10 percentage points for facilities located in low income communities or on Tribal land.• Credit is increased by 20 percentage points for facilities that are part of certain federally subsidized housing programs or that offer at least 50 percent of the financial benefits of the electricity produced to low-income households <p>Extension of The Advanced Energy Project Credit 48C: Provides \$10B of allocations, at least \$4 billion of which must be allocated in energy communities.</p>
Grant and loan programs	<p>USDA: Nearly \$10 billion in grants, loans, and loan modifications for rural electric co-operatives; nearly \$2 billion for Rural Energy for America grants and loans to fund clean energy and energy efficiency for rural landowners and rural small business.</p> <p>DOE: \$5 billion in credit subsidy to support \$250 billion in loan authority under new 1706 Loan Program Office program. Available for 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</p>



Public Resources on the Inflation Reduction Act

- **CleanEnergy.gov**
 - Home of the Inflation Reduction Act Guidebook – a plain-language guide to every clean energy and climate provision in the law.
 - Updates available on Inflation Reduction Act clean energy tax provisions, with more resources to come on grants, loans, and other opportunities.
- **Official IRS guidance and related materials**
 - <https://www.irs.gov/inflation-reduction-act-of-2022>





THE WHITE HOUSE
WASHINGTON

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Spotlight on Funding Opportunities

- **Energy Programs at U.S. Department of Agriculture Rural Development**

Clare Sierawski, Senior Energy Counselor

- *John McAuliff, Senior Advisor*

- **Energy Infrastructure Reinvestment Program**

Jigar Shah, Director, U.S. Department of Energy Loan Program Office





Rural Utilities Service (RUS) Inflation Reduction Act Overview

Inflation Reduction Act (IRA)

Two Provisions/Programs:

1. Section 22001 –
Affordable Clean Energy (ACE)
2. Section 22004 –
Empowering Rural America
(New ERA)

Electric Programs, Rural Utilities Service
USDA Rural Development





A New Deal Agency With a 21st Century Mission

- 1933 Tennessee Valley Authority Act
- 1935 Rural Electrification Administration
Created by Executive Order
- 1936 Rural Electrification Act
- 1949 Telephone Amendments
- 1993 REA + FmHA become RUS
- 2002 Broadband Amendments

Stakeholder Engagement

Completed to date:

- ✓ Listening sessions (Nov 3, Nov 4)
- ✓ Tribal Consultation (Dec 15)
- ✓ 13 RUS Roundtables (Jan 17-26) - 1,355 attendees
- ✓ On-going meetings with stakeholders (February-March) – We have an open door policy – please reach out if you'd like to meet!



Affordable Clean Energy (ACE) Program Forgivable Loans for Clean Energy Projects

ACE – ADDITIONAL FUNDING FOR ELECTRIC LOANS FOR RENEWABLE ENERGY. (partially forgivable 317 Loans)

- Amount -- \$1 Billion in Budget Authority
- Purpose -- for cost of loans under Sec 317 (which finances **wind, solar, hydropower, biomass, or geothermal** projects) including **energy storage projects**.
- Eligibility – Renewable generation for resale to rural *and* nonrural residents.
- Forgiveness – Up to 50% of the loan may be forgiven.
- Loan Interest Rate – Municipal Rate.
- Waiver – Secretary shall establish criteria for going above 50% forgiveness

Municipal Interest Rates

For the 1st Quarter of 2023

Interest Rate Term Ends in (year)	RUS Rate (0.000 percent)
2024	2.750
2025	2.750
2026	2.875
2027	2.875
2028	2.875
2029	3.000
2030	3.000
2031	3.000
2032	3.000
2033	3.125
2034	3.125

Interest Rate Term Ends in (year)	RUS Rate (0.000 percent)
2035	3.250
2036	3.375
2037	3.500
2038	3.625
2039	3.625
2040	3.625
2041	3.625
2042	3.625
2043	3.625
2044 or later	3.625

Empowering Rural America (New ERA) Program Funding

\$9.7 billion dollars in Budget Authority for the long-term resiliency, reliability, and affordability of rural electric systems to achieve the **greatest reduction** in CO2, methane and nitrous oxide emissions.

Eligibility – Electric Cooperatives that are or have been RUS borrowers or electric cooperatives serving a predominantly rural area or a wholly or jointly owned subsidiaries of such cooperatives.

Activities Supported (per the statute)

- the purchase of renewable energy,
- renewable energy systems,
- zero-emission systems,
- carbon capture and storage systems to deploy such systems, or
- energy efficiency improvements to generation & transmission systems of eligible entities.

Permitted Use of Funds (per the statute)

- loans and modifications of loans,
- the cost of loans and modifications,
- grants, or
- other financial assistance.

Limitations (per the statute)

- no entity may receive more than 10 percent of the total amount of the budget authority
- grants not to exceed 25% of total project costs

Coop, Developer and Consumer Tax Credits

- The IRA includes a host of clean energy tax incentives for developers, consumer-based energy efficiency, EV purchases, charging stations and CCUS.
- The IRA provides for “direct pay” tax incentives for coops and other. Direct Pay could cover 30-50 percent of project costs. We expect this to be stackable with RUS support.

Timeline

- IRA includes time limitations on the disbursement of IRA funds:
 - (5) DISBURSEMENTS.—The Secretary shall not enter into, pursuant to this subsection—
 - (A) any loan agreement that may result in a disbursement after September 30, 2031; or
 - (B) any grant agreement that may result in any outlay after September 30, 2031
- Projects will need to be completed with all funds advanced by the last day of FY 2031.
- Speed, simplicity and familiarity are keys to crafting a successful program.
- Hope to release a Notice of Funding Opportunity (NOFO) this Spring and begin obligating in FY 2023. We need potential applicants to start thinking about potential applications now.

Bottom Line

Now is the time to prepare to apply for these exciting programs.

Notice of Funding Opportunities will be published **this Spring**. We are available to answer to your questions now and when we publish our notices.

Wrap up/ Key Resources

- USDA Rural Development IRA Web Page:
<https://www.rd.usda.gov/inflation-reduction-act>
- Sign Up for Updates:
https://public.govdelivery.com/accounts/USDARD/subscriber/new?topic_id=USDARD_1475
- Sam.gov: <https://sam.gov/content/home>
- USDA Rural Utilities Service Electric program Web Page:
<https://www.rd.usda.gov/programs-services/electric-programs>

Contact

RUS Electric Programs GFR Link:

<https://www.rd.usda.gov/contact-us/electric-gfr>



Thank you!





Energy Opportunities in the Inflation Reduction Act

Rural Development, Rural Business-Cooperative Service
John McAuliff, Senior Climate Advisor

Rural Energy For America Program (REAP)

RBCS REAP | Systems, Equipment, Improvements

Provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements. Agricultural producers may also apply for new energy efficient equipment and new system loans for agricultural production and processing.

Available Funding

- Grants can cover up to 40% of total eligible project costs (from 25% pre-IRA)
- Loan Guarantees on loans can cover up to 75% of total eligible project costs
- **Combined** grant and loan guarantee funding can cover up to 75% of total eligible project costs

Applicant Eligibility

Agricultural Producer



Individual or entity that receives 50 percent or more of their gross income from agricultural products – crops, livestock, aquaculture, forestry operations, nurseries, dairies

Rural Small Business



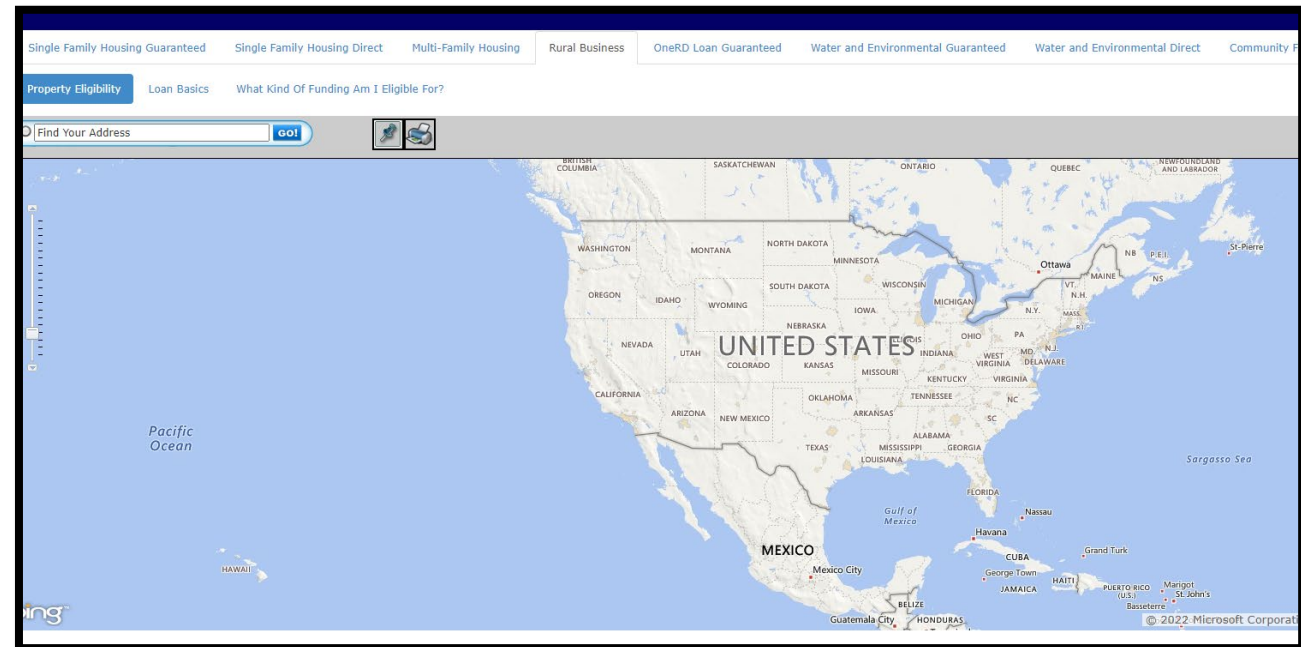
- **For-profit small business** - as defined by the Small Business Administration (SBA)
- **Rural area or non-metro community of \leq 50,000**
- **Website:** www.rd.usda.gov/reap (use rural area link)

RBCS REAP | Eligibility

REAP accepts applications from agricultural producers and rural small businesses as defined by the Small Business Administration in municipalities of 50,000 or fewer residents.

How to determine geographic eligibility

1. Visit eligibility.sc.egov.usda.gov/
2. Click “Rural Business”
3. Click the first category of programs.
4. Search the map for your address





Renewable Energy Eligible Projects



Solar



Wind



Small Hydroelectric



Anaerobic Digesters



Biomass



Geothermal



Wave/Ocean Power

Energy Efficiency Eligible Projects



Lighting



Heating



Cooling



Ventilation



Fans



Automated Controls





Insulation



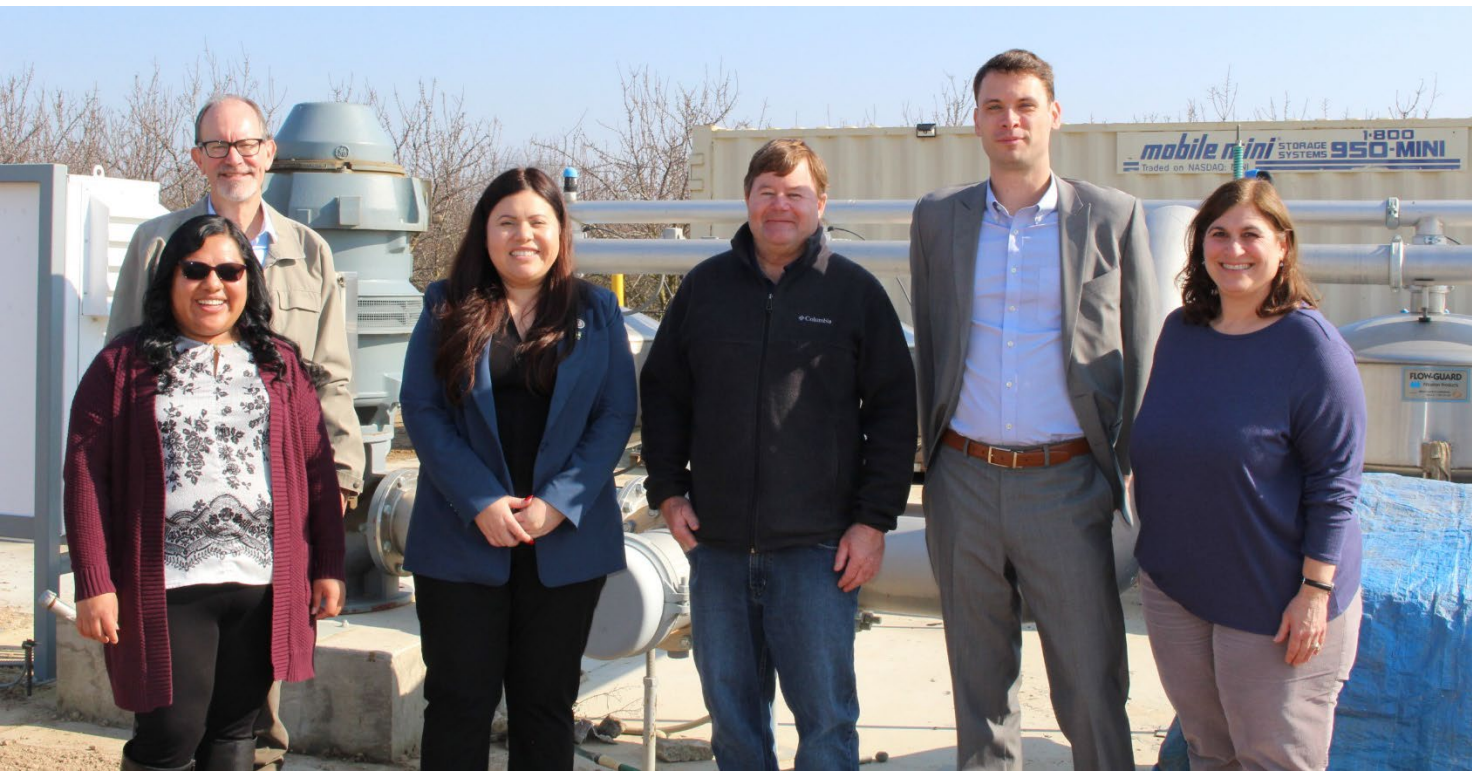
Funding Requirements

Up to 40%**
of Eligible Project Costs

 Renewable Energy Systems		 Energy Efficiency Improvements	
Minimum Grant Request	\$2,500 Total eligible project costs \geq \$6,250	Minimum Grant Request	\$1,500 Total eligible project costs \geq \$3,750
Maximum Grant Request	\$1,000,000 Total eligible project costs \geq \$2.5 million	Maximum Grant Request	\$500,000 Total eligible project costs \geq \$2.5 million

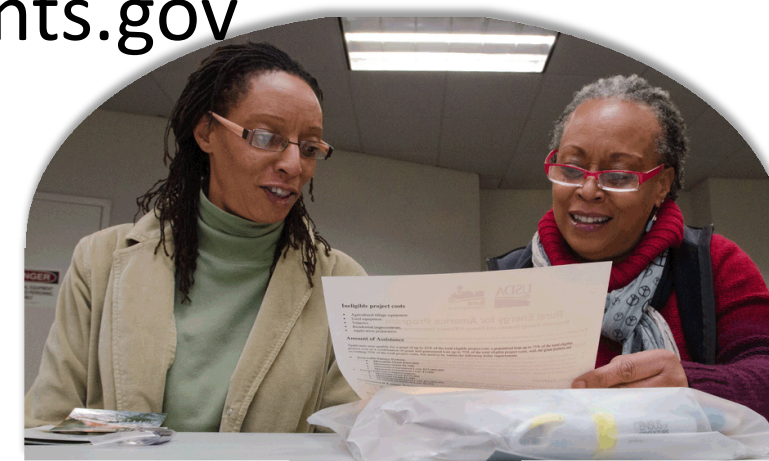
MAX = \$1.5MM (1 EE & 1 RES in any 1 year)

REAP Impact



How to Apply

- Contact the USDA Rural Development Energy Coordinator in your state with questions: [State Energy Coordinators](#)
- Application packages can be found under the 'To Apply' tab on the program website.
- Applications can be posted, emailed or at [grants.gov](https://www.grants.gov)



FY 2023 REAP IRA Funding

RBCS REAP | IRA Funding

The Rural Energy for America Program was funded with an additional \$2.02 billion dollars over the next decade to invest in over 45,000 farms and small businesses.

Investment

- \$1.7 Billion for REAP
- \$304 M for underutilized technologies and technical assistance

Universities, state and local governments, tribal entities, and rural electric cooperatives can apply for the grant to provide energy audits and technical assistance to rural small businesses and agricultural producers.

Upcoming Program Announcements

- New 2023 funding competitions and more funds!
- Increase in federal share for many projects from 40% to 50%
- Underutilized technology fund launch
- Online application
- Energy Community benefits
- Applicant assistance programs
- Scoring updates...and more!

REAP IRA | FY 2023 Timeline

- December 15, 2022:** FY 23 Notice was published in the Federal Register and announcing \$250 Million
- March 31, 2023:** Deadline for first 2023 funding round.
- March 2023:** Second Notice is published in the Federal Register announcing new rounds.
- April 2023:** Next REAP funding round opens

USDA- Rural Development

Together, America Prospers

Who is your Point of Contact at USDA?

Rural Development State Directors:

<https://www.rd.usda.gov/contact-us/state-offices>

Electric Program Contact Information:

<https://www.rd.usda.gov/programs-services/all-programs/electric-programs>

Electric Program General Field Representatives (GFR's):

<https://www.rd.usda.gov/contact-us/electric-gfr>

Any
Questions





USDA is an equal opportunity provider, employer, and lender.



The Energy Infrastructure Reinvestment ("EIR") Program

LPO and the Title 17 EIR (or "1706") Program

What the Inflation Reduction Act Means for
Energy Communities Webinar Series
[Interagency Working Group on Coal & Power Plant
Communities & Economic Revitalization](#)

March 20, 2023

Agenda

- **LPO's Mission** | Building a Bridge to Bankability
- **The Inflation Reduction Act & LPO** | A Historic Opportunity • IRA Appropriations
- **LPO Financing** | LPO Loan Programs: **ICE** • **SEFI** • **ATVM** • **TELGP** • **CIFIA** • **EIR**
- **EIR Financing Program** | Key Provisions • Examples of Potential Use Cases
- **Working with LPO** | EIR Program Preliminary Application Guidance • General Loan Terms • The Loan Transaction Process



LPO's Mission



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, tribal energy, energy infrastructure reinvestment, and CO₂ transportation infrastructure projects, **servicing 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



A Historic Opportunity

- **The passage of the Bipartisan Infrastructure Law (BIL) and the Inflation Reduction Act**
 - Expanded LPO's existing authorities and mandate.
 - Created new project eligibility categories.
 - Together with the CHIPS and Science Act (CHIPS), this new legislation will create jobs and wealth, address environmental justice and equity priorities, and strengthen our energy security and supply chains.
- **LPO provides unique value for energy technology project financing**
 - 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 Programs

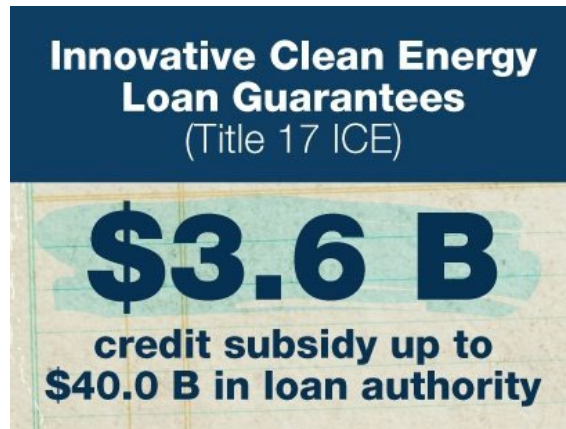
Project Types	Loan Program	Loan Types
Innovative Energy and Supply Chain	Title 17 (1703)	Loan Guarantees
State Energy Financing Institutions	Title 17 (1703)	Loan Guarantees
Energy Infrastructure Reinvestment	Title 17 (1706)	Loan Guarantees
Advanced Transportation	Title 17 & ATVM	Loan Guarantees (Deployment) Direct Loans (Manufacturing)
Tribal Energy	TELGP	Direct Loans & Partial Loan Guarantees
CO₂ Transportation Infrastructure	CIFIA	Direct Loans



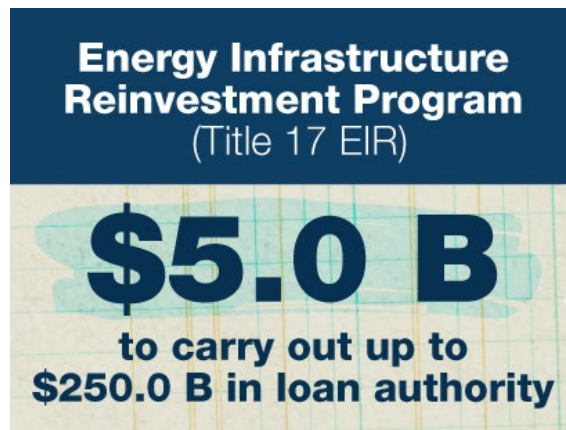
Inflation Reduction Act Appropriations

\$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

To enable operating energy infrastructure to avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases.

Energy Infrastructure Reinvestment 1706 EIR

A new Inflation Reduction Act (IRA) program that leverages existing energy infrastructure

Eligibility

EIR guarantees loans to energy infrastructure reinvestment projects that:

1. Retool, repower, repurpose, or replace energy infrastructure that has ceased operations *

or

2. Enable operating energy infrastructure to avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases.

* Projects replacing energy infrastructure with fossil electricity generation require controls or technologies to avoid, reduce, utilize, or sequester air pollutants and anthropogenic emissions of greenhouse gases.

- No innovation requirement
- Environmental remediation costs can be eligible for EIR financing as part of a large reinvestment project.

*** NOTE:** IRA appropriates \$5 billion through Sep 30, 2026 to carry out EIR, with a total cap on loans of up to \$250 billion.



1706 EIR financing has the potential to support many transformative projects

Example Projects

- Power plant (or associated infrastructure) retooled, repowered, repurposed or replaced with
 - Renewable energy (and storage)
 - Distributed energy (e.g., VPPs)
 - Transmission interconnection to off-site clean energy
 - New manufacturing facilities for clean energy products or services
 - Nuclear generation
- Transmission line reconductoring and voltage upgrades
- New charging infrastructure to convert gasoline or oil-powered fleet to electric
- Emissions control technologies, including carbon capture, utilization, and storage (CCUS)
- Pipeline conversion (e.g., H₂, CO₂)
- Upgrade refineries for biofuels or hydrogen
- Upgrade or uprate existing generation facilities (with inclusion of emissions control technologies in the case of projects on fossil generation)

1706 EIR financing can support an equitable energy transition

Customer and community benefits

- **Community benefits:** EIR applicants must demonstrate how they will engage with and how their project will benefit communities where the investment is taking place.
- **Financial benefits.** Electric utilities that apply for an EIR loan guarantee must provide assurances that financial benefits received from the guarantee will be passed on to the customers of, or associated communities served by, that utility.
- **Stackable tax credits.** LPO's loan guarantees can be combined with tax credits available for renewables, storage, offshore wind, and nuclear. Repurposing fossil infrastructure with cleaner generation enables a 10% bump to the tax credit for location in an energy community.

Energy Infrastructure Reinvestment Continued

1706 EIR financing has the potential to support many transformative projects

How to Apply

- Rules and implementing guidance are forthcoming.
- In the interim, preliminary guidance regarding the EIR Program application process is available here: <https://www.energy.gov/lpo/energy-infrastructure-reinvestment>
- Potential applicants with projects that could be eligible for the EIR program and are currently further along in development should become familiar with certain requirements applicable to all loans and loan guarantees issued under Title 17 Innovative Clean Energy solicitation: <https://www.energy.gov/lpo/articles/innovative-clean-energy-loan-guarantee-solicitation-current>
- Specifically, we encourage potential applicants to review Sections III-VIII of the solicitation related to: Application Requirements; Evaluation Process; Fees and Expenses; Applications Instructions; Additional Provisions, and Requirement Certification.
- Potential applicants should also review the specific application details required in in Attachment A including what new information related to EIR projects is required and what is not required under existing Title 17 solicitation.



Title 17 General Loan Terms

Interest Rate and Costs

Interest rate

- Treasury + 3/8ths (0.375%) + risk-based charge
- Treasury rate is fixed according to loan tenor (maximum thirty years)

Third-party expenses

- Advisor fees for costs of outside experts during due diligence

Other fees

- Facility fee · Maintenance fee
- No upfront application fees

Loan Structure

- LPO loan must be senior secured debt or *pari passu* with existing obligations

Eligible Costs and Other Terms

Loan size

- No minimum or maximum, but loans smaller than \$100 million are uncommon
- Eligible project costs detailed in new Guidance (forthcoming)
- Loan guarantee can be up to 80% of project costs (commonly less), while significant financial interests required of project sponsor

Eligible lenders

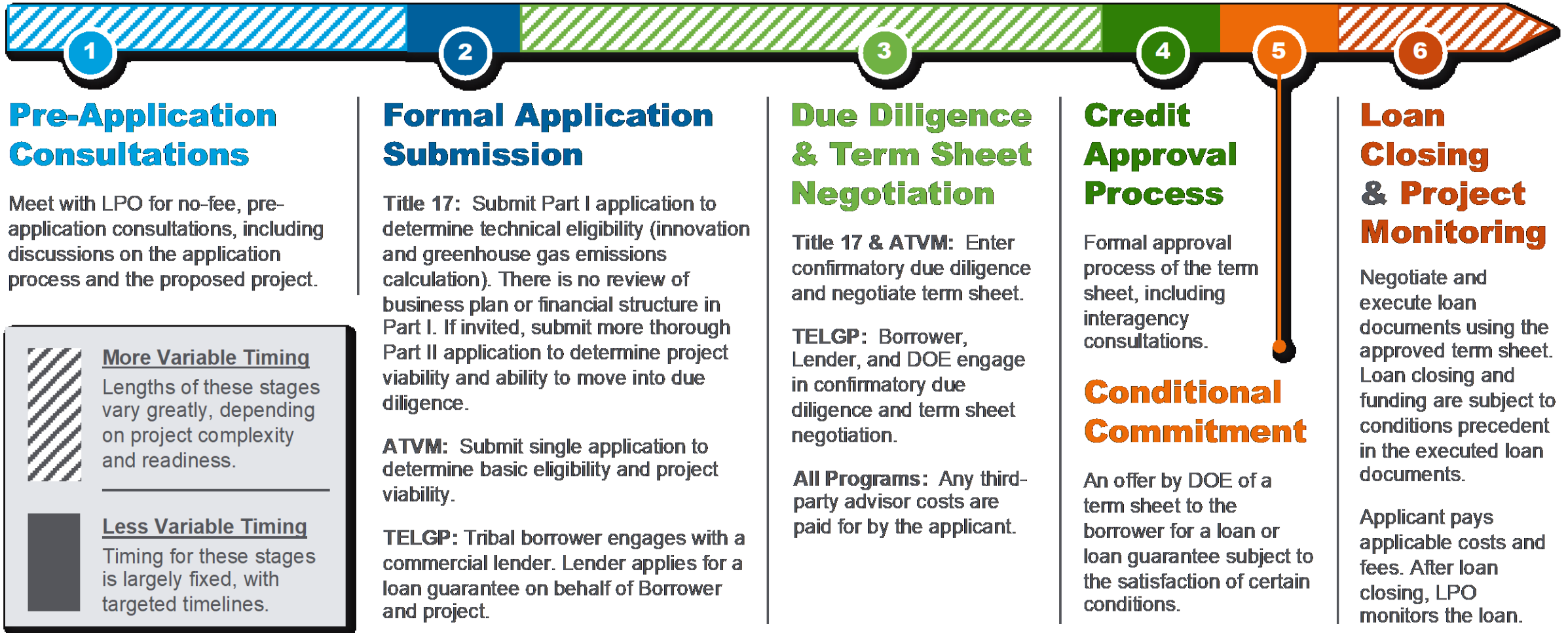
- Federal financing bank (US Treasury) – up to 100% loan guarantee
- Commercial lender – up to 90%

LPO provides loan guarantees (not loans)



The LPO Loan Transaction Process

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



Key Takeaways

Key considerations to LPO in project applications

- **Projects must meet eligibility criteria for applicable program**
- **Reasonable prospect of repayment**
- **Other policy considerations (e.g., community benefits, GHG reductions, etc.)**





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



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

Eligibility

The Title 17 program can consider innovative energy and innovative supply chain 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.

Supporting Innovation

- Projects must deploy a **new or significantly improved technology**
 - Recently developed, discovered, or learned, OR
 - Involves one or more meaningful and important improvements in productivity or value
- Projects must involve technically viable and commercially ready technology

Loan guarantees for the deployment of State-supported energy projects

Eligibility

The Title 17 program can support projects that receive meaningful financial support or credit enhancements from a State Energy Financing Institution.

1. Projects must reduce, avoid, or sequester greenhouse gas emissions or air pollutants.
2. The innovation requirement is waived.

What is a SEFI?

- A SEFI is a quasi-independent entity or an entity within a state agency or financing authority established by a State to:
 - Provide financing support or credit enhancements, including loan guarantees and loan loss reserves, for eligible projects under Title 17.
 - Create liquid markets for eligible projects, including warehousing, or take other steps to reduce financial barriers to the deployment of existing and new eligible projects.

Manufacturing and deployment of advanced vehicles, components, and infrastructure

Manufacturing (ATVM)

Access to affordable capital via Advanced Technology Vehicles Manufacturing (ATVM) program loans to build:

- New facilities or reequip/modernize/expand existing facilities in the U.S. and/or related engineering integration for eligible vehicles
- Light-, medium- and heavy-duty vehicles that meet specified fuel economy requirements or ultra-efficient vehicles.*
- Applicable across the value chain including materials, components, suppliers, OEMs, EV charging or alternative fueling infrastructure.

Deployment (1703)

Access to capital for projects using innovative technology:

- Must meet all eligibility requirements of Title 17 Innovative Clean Energy Projects.
- Examples may include:
 - Deploying EV charging or alternative fueling infrastructure.
 - Deploying fleets of innovative vehicles.

*** NOTE:** Manufacturing lending authority has been expanded to the manufacturing of aircraft, marine vessels, train or locomotive, and hyperloop, with lending guidance forthcoming.

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 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 Carbon Dioxide Transportation Infrastructure Finance & Innovation Program

Summary

Enacted under the Bipartisan Infrastructure Law (BIL), the CIFIA program offers access to capital for large-capacity, common-carrier carbon dioxide (CO₂) transport projects, such as pipelines, rail, shipping, and other transport methods.

- Administered in partnership with DOE's Office of Fossil Energy and Carbon Management (FECM).
- Builds on other CCUS provisions of the BIL with up to \$2.1 billion to support loans, loan guarantees, grants, and administrative expenses to enable deployment of common carrier CO₂ transportation infrastructure.

Example Projects

- Be a large-capacity common carrier CO₂ transportation infrastructure project that transports CO₂ captured from anthropogenic sources and/or ambient air by pipeline, shipping, rail, or other methods for storage and/or use.

Appendices



What LPO Offers Borrowers

The unique value of working with LPO for clean energy technology project 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.



125

ACTIVE APPLICATIONS¹

\$119.0

BILLION IN LOANS REQUESTED²

1.4

NEW APPLICATIONS PER WEEK³

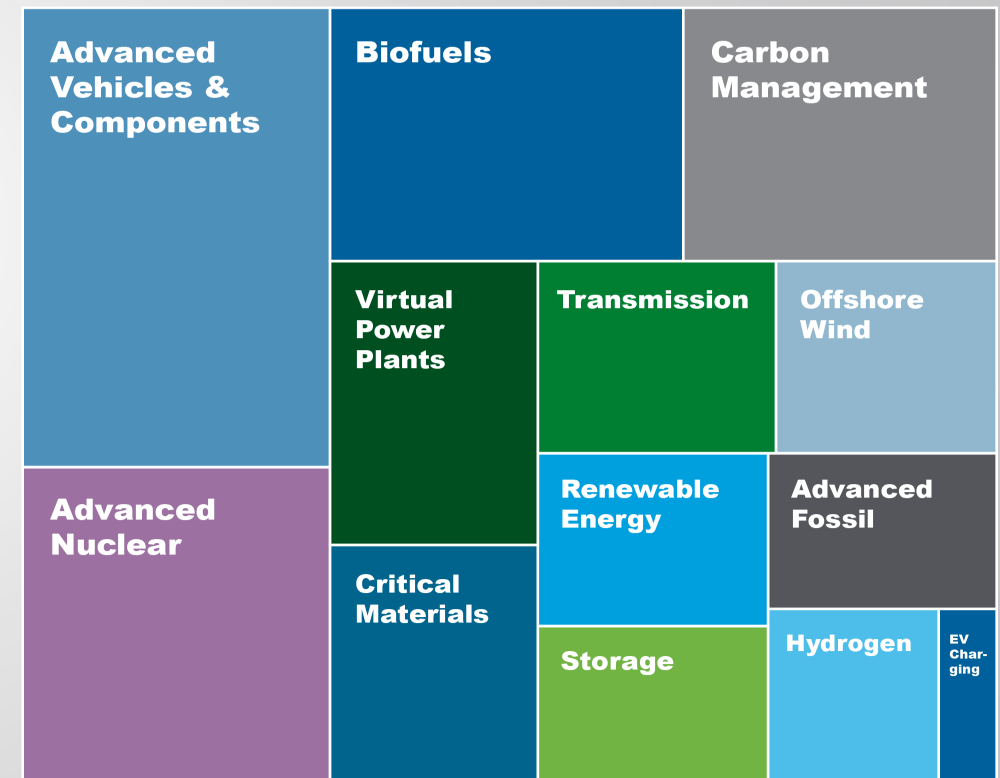
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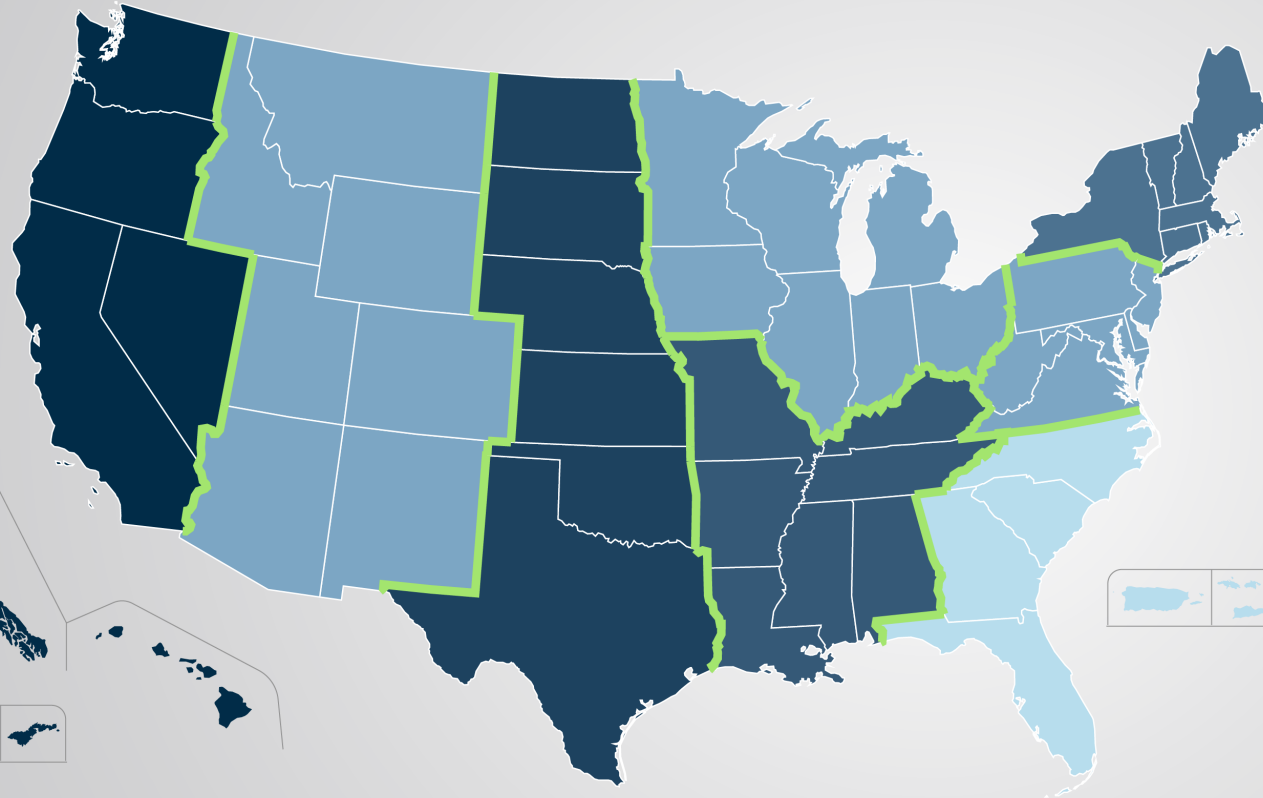
All data updated through December 31, 2022. For more details and a list of technology areas of interest within each LPO tech sector, see: [Energy.gov/LPO/MAAR](https://www.energy.gov/LPO/MAAR)

- 1) Active applications include applications that have been submitted by the project sponsor(s) through LPO's online application portal and are in different stages of active review and engagement by LPO and the applicant.
- 2) Individual requested loan amounts are estimated and potential, subject to change, and not necessarily representative of final financing terms. **Requested loan amounts in current active applications do not affect available LPO loan authority.** Figure rounded down to the nearest \$0.1 billion.
- 3) Current rolling average of new active applications per week over the previous 24 weeks. Figure rounded down to the nearest 0.1 application per week.

\$119.0 BILLION

CURRENT AMOUNT OF LOANS REQUESTED BROKEN DOWN BY PROJECT TECHNOLOGY SECTOR





125 ACTIVE APPLICATIONS¹ WITH
152 PROPOSED PROJECT LOCATIONS
ACROSS ALL REGIONS OF THE U.S.²

WEST	AK, CA, HI, NV, OR, WA (AS, GU, MP)	41
PLAINS	KS, ND, NE, OK, SD, TX	23
SOUTH	AL, AR, KY, LA, MO, MS, TN	19
NORTHEAST	CT, MA, ME, NH, NY, RI, VT	16
MID-ATLANTIC	DE, MD, NJ, PA, VA, WV (DC)	14
MIDWEST	IA, IL, IN, MI, MN, OH, WI	14
MOUNTAIN	AZ, CO, ID, MT, NM, UT, WY	14
SOUTHEAST	FL, GA, NC, SC (PR, VI)	11

Notes

All data updated through December 31, 2022. For more details and a list of technology areas of interest within each LPO tech sector, see: [Energy.gov/LPO/MAAR](https://www.energy.gov/LPO/MAAR)

- 1) Active applications include applications that have been submitted by the project sponsor(s) through LPO's online application portal and that are the subject of active review and engagement by LPO and the applicant.
- 2) Regions depicted are for representation purposes only and are not meant to denote LPO consideration of regional variation in project evaluation.

Getting Involved: Calls to Action



✓ Stakeholder engagement opportunities

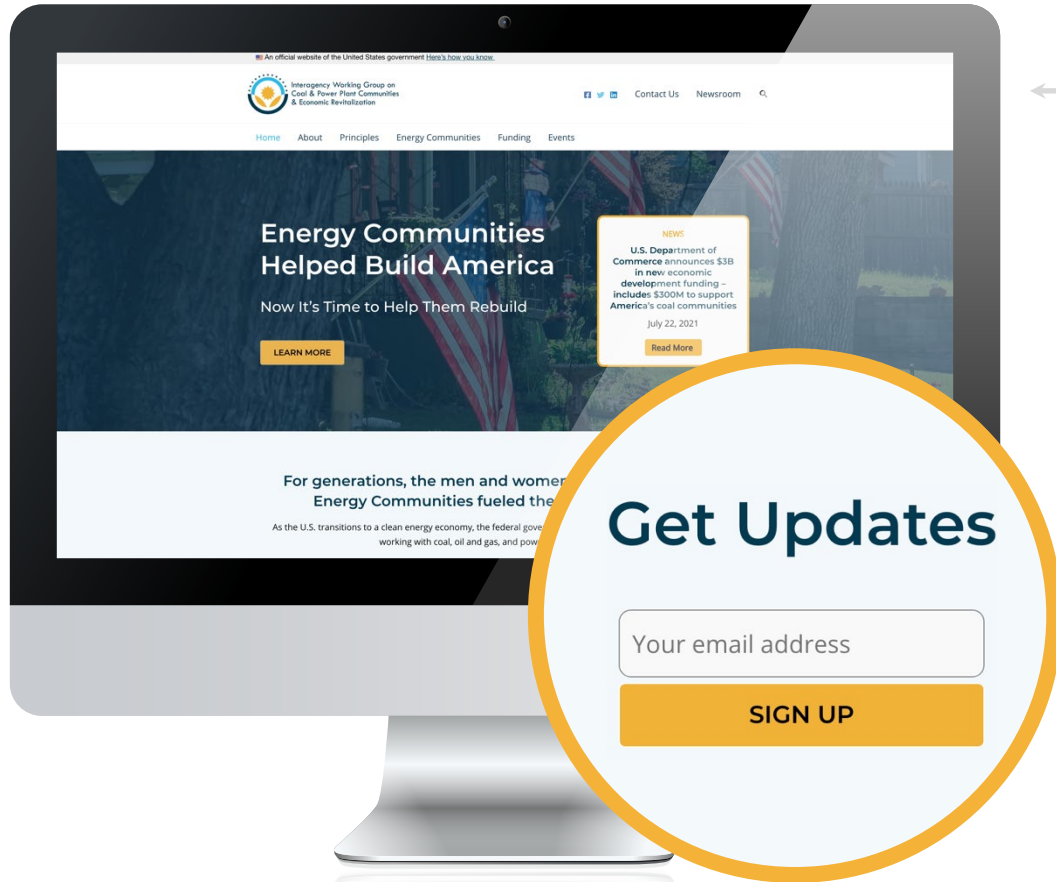
- ✓ Try out the funding clearinghouse
- ✓ Sign up at website/follow social media
- ✓ Attend webinars and workshops

✓ Act on BIL & IRA funding opportunities

- ✓ Learn about opportunities
- ✓ Cultivate coalitions
- ✓ Assemble resources for grant writing
- ✓ Secure matching funds, where necessary



Sharing Information: IWG Website & Social Media



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Thank you!

Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization



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