

*Funding for Clean Energy
Technologies in Uncertain Times:
The U.S. Department of Energy*

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DOE FY 2012 Budget Outlook

- ARPA-E
 - FY 2011: \$179M
 - FY 2012
 - Administration Request: \$550M
 - House (passed): \$100M
 - Senate (committee): \$250M
- Energy Efficiency and Renewable Energy (EERE)
 - FY 2011: \$1.825B
 - FY 2012
 - Administration Request: \$3.2B
 - House (passed): \$1.304B
 - Senate (committee): \$1.795B
- Potential Sequestration
 - Full cuts in 2015 affect DOE Security (-10%) and Non-Security (-7.5%) spending



DOE's Proposed FY 2012 Focus

- ARPA-E
 - Energy Storage, Energy Capture and Conversion, Solar Energy, Fuel Cells, Biofuels, Rare Earth Metal Substitution, Grid Hardware and Software, Energy Efficient Buildings
- R&D
 - Solar Energy, Biofuels and Biomass, Geothermal Energy, Nuclear Energy, and Carbon Capture and Sequestration
- Loan Guarantees
 - \$200M to support credit subsidy for \$1–2B in loan guarantees for innovative projects



DOE SBIR / STTR Programs

- Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs
 - Authorization extended through December 16, 2011
- DOE's FY 2012 SBIR/STTR Phase I FOA
 - Nuclear Energy-related Lifecycle Topics, Energy Storage, Energy Efficiency Technologies, Fossil Energy Research, Advanced Nuclear Technologies
 - Maximum Award: \$150,000 over 9 months
 - Phase 2 Award: \$1M over 2 years



DOE Inspector General Report

- Management Challenges at the DOE (November 2011)
 - FY 2012 Management Challenges
 - Operational Efficiency & Cost Savings, Contract & Financial Assistance Award Management, Cyber Security, Energy Supply, Environmental Cleanup, Nuclear Waste Disposal, Human Capital Management, Stockpile Stewardship
 - Noteworthy Conclusions
 - Establish BRAC-style commission to analyze DOE labs and technology complexes
 - Need to re-focus R&D on near-term emerging technologies
 - Need to invest in R&D for transportation and electric grid related technologies



The Aftermath of *Solyndra*

- White House Review of DOE Loan Guarantees
 - Started Nov. 28th; public findings expected in February
- Congressional Hearings Continue
 - House Energy and Commerce Committee, Subcommittee on Oversight and Investigations
- DOE Inspector General Testimony (Nov. 30, 2011)
 - Six criminal prosecutions on ARRA spending
 - As of Nov. 18th, 43% of ARRA funds not yet spent
 - Loan Guarantee Program did not properly document relevant risks prior to granting loan guarantees
 - ARPA-E had not yet instituted a number of policies & procedures in the areas of monitoring and oversight of awardees, termination for non-performing awards, technology transfer and outreach, and invoice review



Advice for Funding Recipients

- There is no such thing as free money
 - You are expected to accomplish what you proposed
 - The Government does expect to get its money back
- Compliance with the rules really does matter
 - Develop and implement a compliance program
 - It is *not* better to beg for forgiveness than ask for permission
- There is a time and place for unbridled enthusiasm
 - Applications and public statements don't contain a disclaimer
 - The regulatory environment and associated markets are continuing to evolve



Other Potential Funding Sources

- Regional GHG Reduction Programs
 - Primarily Energy Efficiency
- State Clean Energy Funds and Incubators
- US Export-Import Bank
 - Working capital guarantees, export credit insurance, loan guarantees, and direct loans for clean energy and environmental technologies
- Potential Federal Clean Energy Standard
 - Legislation to be proposed by Sen. Bingaman 2012?
 - CES of 45% by 2015, and 95% by 2050
 - EIA analysis: CES causes near-term rise in natural gas prices, and long-term rise in electric prices



Tax Incentive Overview

- Production Tax Credit (PTC)
 - Extended to 12/31/12 for wind, and to 12/31/13 for geothermal, biomass, hydro, landfill gas, and marine
- Investment Tax Credit (ITC)
 - 30% ITC extended to all PTC-eligible projects
- Grant in Lieu of ITC
 - Expires December 31, 2011
 - Efforts to extend underway, but potential for success is uncertain



Questions?

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