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## US Department of Energy Announces Intent to Solicit Applications for up to \$38.5 Billion in Loan Guarantees for Renewable and Advanced Energy Technology Projects

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On April 14, 2008, the US Department of Energy (DOE) announced that it would solicit applications this summer for federal loan guarantees for up to \$38.5 billion. The DOE solicitation will target projects that employ renewable and advanced energy technologies that avoid, reduce or sequester emissions of air pollutants and greenhouse gases.

DOE's Loan Guarantee program is authorized by Title XVII of the Energy Policy Act of 2005 (EPAAct), and is intended to encourage the early commercial use of new or significantly improved technologies in energy projects. Loan guarantees issued by DOE are intended to encourage the development of projects that avoid, reduce or sequester air pollutants and emissions of greenhouse gases, and employ new or significantly improved technologies as compared to current commercial technologies.

DOE previously solicited applications for the first round of its Loan Guarantee program in August 2006. In that first solicitation round, DOE received 143 pre-applications for loan guarantees, and ultimately invited the sponsors of 16 projects to submit full applications. Those 16 full applications included six biomass projects, three advanced fossil energy projects, two industrial energy efficiency projects, two solar energy projects, one electricity delivery and energy reliability project, one hydrogen project, and one alternative fuel vehicles project.

DOE will implement its current solicitation in two phases (the second and third rounds of the Loan Guarantee program). DOE proposes to issue the second round by June 2008, and will solicit proposals in the areas of efficiency, renewable energy and electric transmission projects (up to \$10 billion); nuclear power facilities (up to \$18.5 billion); and nuclear facilities for the "front-end" of the nuclear fuel cycle, including uranium enrichment (up to \$2 billion).

DOE's second-round solicitation for projects involving efficiency, renewable energy and electric transmission technologies (up to \$10 billion) will seek applications for projects that employ new or improved technologies in the areas of advanced electric transmission and distribution, advanced energy storage, alternative vehicles, biomass, energy-efficient buildings and end-uses, geothermal, grid integration and intermittency, hydrogen and fuel cells, manufacturing and production,

ocean/wave/tidal, solar and wind. Prior to issuing this portion of the second-round solicitation, DOE will issue a Request for Information seeking input from stakeholders on the particular areas of technology focus and interest in these categories.

DOE will issue its third-round solicitation later in the summer of 2008, and will seek applications for advanced fossil energy projects (up to \$8 billion). DOE's implementation plan for the Loan Guarantee program indicates that projects eligible for this third round will include coal-based power generation facilities, industrial gasification activities at retrofitted and new facilities that incorporate carbon capture and sequestration, and advanced coal gasification facilities.

Selection criteria for applicants under the second and third solicitation rounds will focus on the avoidance of emissions of greenhouse gases and other air pollutants, the speed at which technologies can be commercialized, cost-saving potential for consumers, the prospect of repayment, and the potential for long-lasting success of these technologies in the marketplace.

DOE issued final implementing regulations for its Loan Guarantee program in October 2007, which include guidelines for the financial and technical review of loan guarantee applications. Additional information on the DOE Loan Guarantee program can be found at <http://www.lgprogram.energy.gov>.

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