

Renewable Energy Loan Guarantee Program

Highlights

- *Extends the authority of the DOE to guarantee loans that support the early commercial use of innovative technologies by allotting \$6 billion to cover the costs*
- *Reduces the risk of investing in new technologies in the US so as to create jobs and reduce dependency of foreign sources of energy.*
- *All projects must begin construction by September 30, 2011.*

Provision in the Stimulus Bill: (full text in Appendix)

Div. A, Title 17: Innovative Technology Loan Guarantee Program

Our interpretation in Plain English

This provision of the ARRA establishes a “temporary” amendment to the Energy Policy Act of 2005 (EPA05) by allotting \$6 billion for the purpose of covering the costs of a Department of Energy (DOE) loan guarantee. In order to receive a DOE loan guarantee a project must achieve environmental benefits and introduce a non-commercialized technology that is an improvement to, or innovative departure from, technologies currently implemented in the United States. A more complete description of the DOE’s loan guarantee program may be found at www.lgprogram.energy.gov/index.html.

The problem it is supposed to solve

By making federal money available to back investments in innovative technologies, this provision plans to reduce the risk of investing in new technologies in the US so as to create jobs and reduce dependency of foreign sources of energy. The EPA05 gave the DOE authority to guarantee loans that support the early commercial use of innovative technologies which have the capability of meeting repayment obligations. The ARRA extends this authority.

The agencies that are administering it

This provision is administered by the DOE Loan Guarantee Program Office.

Contact:

Loan Guarantee Program Office
U.S. Department of Energy CF 1.3
1000 Independence Avenue, SW
Washington D.C. 20585
Phone: 202-586-8336
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Timeline

All projects must begin construction by September 30, 2011. The current process utilized by the DOE is to request applications by issuing technology specific solicitations. Once a solicitation is issued, project sponsors have a defined amount of time to respond before the solicitation closing date

A sample DOE solar energy solicitation can be found at <http://www.lgprogram.energy.gov/RenSol10-29-08Amend2.pdf>

Steps required to benefit from bill

A small solar contractor could take advantage of the loan guarantee program by offering their unique services to the entity receiving the loan guarantee. Information on the type of federal solicitations that small contractors could attempt to get involved with can be found under the solicitations section of: <http://www.lgprogram.energy.gov/index.html> . Information on approved solicitations can be found at: <http://www.lgprogram.energy.gov/press.html>.

References

American Recovery and Reinvestment Act of 2009 (Full Text Version):
http://www.whitehouse.gov/the_press_office/arra_public_review/
Recovery Act Homepage
www.recovery.gov
The American Council On Renewable Energy:
www.acore.org
Main website for information and government solicitations relative to the Loan Guarantee Program:
<http://www.lgprogram.energy.gov/>

Appendix

Div. A, Title 17:

TITLE 17—INNOVATIVE TECHNOLOGY LOAN GUARANTEE PROGRAM

For an additional amount for the cost of guaranteed loans authorized by section 1705 of the Energy Policy Act of 2005, \$6,000,000,000, available until expended, to pay the costs of guarantees made under this section: Provided, That of the amount provided for title XVII, \$25,000,000 shall be used for administrative expenses in carrying out the guaranteed loan program: Provided further,

That of the amounts provided for title XVII, \$10,000,000 shall be transferred to and available for administrative expenses for the Advanced Technology Vehicles Manufacturing Loan Program.