

Loan Guarantee Program

Last DSIRE Review: 02/19/2009

Incentive Type: Federal Loan Program

Eligible Efficiency

Technologies: Lighting, Windows, Roofs, Yes; specific technologies not identified

Eligible Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Wind, Renewable/Other Hydroelectric, Renewable Transportation Fuels, Geothermal Electric, Fuel

Technologies: 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

Website: <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. The authority to issue loan guarantees granted by EPAAct 2005 expires on September 30, 2009.

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.

The most recent solicitation for this program was issued in July 2008. The application deadline for stand-alone and manufacturing projects, as well as the Part I applications for large-scale integration projects, was February 26, 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 EAct 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.

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