



U.S. DEPARTMENT OF **ENERGY**

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Energy Department Announces New Private Sector Partnership to Accelerate Renewable Energy Projects

*New Financial Institutional Partnership Program will accelerate deployment of billions
in lending under Recovery Act*

Washington DC --- U.S. Energy Secretary Steven Chu today announced the Department of Energy (DOE) will provide up to \$750 million in funding from the American Recovery and Reinvestment Act to help accelerate the development of conventional renewable energy generation projects. This funding will cover the cost of loan guarantees which could support as much as \$4 to 8 billion in lending to eligible projects, and the Department will invite private sector participation to accelerate the financing of these renewable energy projects.

To this end, the Department announced the creation of its new Financial Institution Partnership Program (FIPP), a streamlined set of standards designed to expedite DOE's loan guarantee underwriting process and leverage private sector expertise and capital for the efficient and prudent funding of eligible projects.

"A renewable energy economy is a true opportunity to create new jobs, reinvigorate America's competitiveness and support the president's goal of doubling renewable energy in the United States," said Secretary Chu. "American innovation can be the catalyst that jumps starts a new clean energy Industrial Revolution."

The Recovery Act created a new Section 1705 under Title XVII of the Energy Policy Act of 2005 (Title XVII) for the rapid deployment of renewable energy projects and related manufacturing facilities, electric power transmission projects and leading edge biofuels projects that commence construction before September 30, 2011.

This first solicitation under the new program will seek loan guarantee applications for conventional renewable energy generation projects, such as

wind, solar, biomass, geothermal and hydropower. Past solicitations for renewable energy generation projects have focused on loan guarantee applications using new or innovative technologies not in general use in the marketplace.

The goal of FIPP is to leverage the human and financial capital of private sector financial institutions by accelerating the loan application process while balancing risk between DOE and private sector partners participating in the program.

Under this first FIPP solicitation, proposed borrowers and project sponsors do not apply directly to DOE but instead work with financial institutions satisfying the qualifications of an eligible lender which may apply directly to DOE to access a loan guarantee. The solicitation invites applications from eligible lenders for partial, risk-sharing loan guarantees from DOE. The guarantee percentage will be no more than 80% of the maximum aggregate principal and interest during a loan term, and the project debt must obtain a credit rating of at least 'BB' or an equivalent with a nationally recognized credit rating agency.

This solicitation marks the eighth round of solicitations issued by the Department's Loan Guarantee Program since its inception.

Read more information on this solicitation and the Department's Loan Guarantee Program at www.lgprogram.energy.gov.