

**DOE TEMPORARY PROGRAM FOR
RAPID DEPLOYMENT -- RENEWABLE
ENERGY AND ELECTRIC POWER
TRANSMISSION PROJECTS**

**(Section 406 of Recovery Act – Added Section
1705 to Title XVII of Energy Policy Act of 2005)**

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- **\$6 Billion appropriated to pay COST OF GUARANTEES**
- **Conf Committee estimate that this would support \$60 billion of loan guarantees**

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Eligible Projects

- **Renewable energy systems (including incremental hydro) that generate electricity or thermal energy, and facilities that manufacture related components**
- **Electric power transmission systems, including upgrading and "reconductoring" projects**

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Eligible Projects

- **“Leading edge” biofuel projects that will use technologies performing at pilot or demonstration scale that the Secretary determines are likely to become commercial technologies and will produce transportation fuels that substantially reduce life-cycle GHG emissions compared to other transportation fuels (separate guarantee limit of \$500 million)**

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- **Do not have to comply with the requirements of Section 1703 re “Eligible Projects”**
- No “new or significantly improved technology” test
- No “commercial use” test
- **Additional Requirements**
- Must “commence construction” not later than September 30, 2011
- **Sunset for total program is 9/30/11**

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- **Statutory “Factors” for transmission projects**
- Viability of project without guarantees
- Availability of other Federal and State incentives
- Importance of project in meeting reliability needs
- Effect of the project in meeting a State or region’s environment (including climate change) and energy goals
- Recent solicitation emphasized availability of other funding and effect on environmental goals

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- **Still must meet most requirements of Section 1702**
- Guarantee limited to 80% of project cost
- Secretary must determine there is a reasonable prospect of repayment
- Secretary must determine there are sufficient funds to carry out the project
- No sub debt

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- Appropriate interest rate taking into account prevailing rates in the private sector
- Maturity not to exceed lesser of 30 years or 90% of estimated useful life
- “Superior rights” of liens – co-lender and intercreditor issues – Current rule-making would cure these impediments
- Borrower must pay administrative fees in amounts the Secretary determines are sufficient to cover administrative expenses

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