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Loan Program Title: Title 17 Clean Energy Financing Program for State Energy Financing Institutions (1703)
Funding Agency: Loan Programs Office
Brief Description: Title 17's State Energy Financing Institution (SEFI) lending authority can be used to augment state-administered clean energy programs, providing additional financial support to projects that deploy a qualifying clean energy technology and align federal energy priorities with those of U.S. states.

Projects are not required to employ innovative technology if they are supported by a SEFI institution.

State Energy Financing Institution," or "SEFI," is an LPO designation for a State entity that provides financial support to energy projects.
https://www.energy.gov/lpo/state-energy-financing-institution-sefi-toolkit#examplelist
Eligibility:
In Addition to receiving qualifying SEFI Support, project must:

1. Reduce greenhouse gas emissions.
2. Have a reasonable prospect of repaying the loan, as assessed during LPO'S rigorous due diligence.
3. Employ at least one of 13 eligible technologies.

Eligible Project Types:
The following concepts describe hypothetical projects that could qualify for a SEFI loan guarantee, for the purpose of illustrating the types of projects that LPO would consider.

1. Energy improvements for residential housing
2. Community solar to expand access.
3. Facilities related to decarbonized industrial products.
4. High-quality new housing construction
5. Energy-efficient and/or grid-interactive devices

- For State Offices: State officials who want to leverage LPO financing for energy projects should talk to LPO about SEFI status and consider how to RFP the private sector.
- Projects receiving LPO support must comply with applicable federal laws and requirements including but not limited to NEPA, Davis Bacon, and the Cargo Preference Act

SEFI-supported projects are exempt from Title 17's innovation requirement, so long as the projects are from a 1703 eligible technology category and receive meaningful financial support or credit enhancements from a SEFI.

Loan Size and Eligible Project Costs:
The total amount of a Title 17 loan may not exceed eighty percent (80%) of the reasonably anticipated eligible Project Costs,18 although loans have commonly been in the range of 40-60% of Project Costs. Project Costs are defined in the Title 17 Regulation as the costs, including escalation and contingencies, that are expended or accrued by a Borrower and are necessary, reasonable, customary, and directly related

to the design, engineering, financing, construction, startup, commissioning, and shakedown of an Eligible Project.

Additional Project Considerations

- Federal Support Restriction: Tax benefits that the project is otherwise eligible for generally do not implicate this restriction
- Other Requirements: Community Benefits Plan; Build America Buy America for government borrowers
- $100M+: Due to application-related costs such as technical market and legal due diligence (including tasks such as producing engineering reports and drafting term sheets), $100M is often considered the point where an LPO loan starts to pencil out
- Other: Typically project finance structure, but sometimes corporate, asset-backed or other approaches

Link to loan Program: https://www.energy.gov/lpo/title-17-clean-energy-financing