



Alternative Fuels & Chemicals Coalition

Advocating for Public Policies to Promote the Development & Production of Alternative Fuels, Renewable Chemicals, Biobased Products, and Sustainable Aviation Fuels

AFCC's 2024 Appropriations Requests

KEY PROGRAMS SUMMARY: ENERGY & WATER (E&W)

AFCC's priorities are indicated in red text

Subcommittee: Energy & Water

Agency: U.S. Department of Energy (DOE)

Account / Program:	FY 2020 Appropriation	FY 2021 Appropriation	FY 2022 Appropriation	FY 2023 Appropriation	President's FY 2024 Budget	AFCC's FY 2024 REQUEST	
DOE: Energy Programs; Advanced Research Projects Agency – Energy (ARPA-E)							
FY Appropriation	\$425,000,000	\$427,000,000	\$450,000,000	\$470,000,000	\$650,000,000	\$650,000,000	
DOE: Energy Programs; Office of Science (OS)							
FY Appropriation	\$7,000,000,000	\$7,025,000,000	\$7,475,000,000	\$8,100,000,000	8,800,400,000	\$8,800,400,000	
DOE: Energy Programs; Office of Energy Efficiency and Renewable Energy (EERE)							
FY Appropriation	\$2,848,000,000	\$2,864,000,293	\$3,200,000,000	\$3,460,000,000	3,826,116,000	\$3,826,116,000	



The Department of Energy's Title 17 Innovative Technology Loan Program ^{(1) (2)}

Account / Program:	FY 2020 Appropriation	FY 2021 Appropriation	FY 2022 Appropriation	FY 2023 Appropriation	President's FY 2024 Budget	AFCC's FY 2024 REQUEST	
DOE: Energy Programs;							
Title 17 Innovative Technology Loan Program Office Administrative Expenses⁽¹⁾							
FY Appropriation	\$32,000,000 <i>less fees</i>	\$32,000,000 <i>less fees</i>	\$32,000,000 <i>less fees</i>	\$66,206,000 as well as (see below):	\$70,000,000	See (1) below	
Inflation Reduction Act (P.L. 117-169)				Additional appropriation of \$3,600,000,000 for the costs of Section 1703 guarantees, \$75,000,000 for the costs of Tribal Energy projects, and \$5,000,000,000 for the costs of energy infrastructure reinvestment projects, including credit subsidy costs			
DOE: Energy Programs;							
Title 17 Loan Authority							
Remaining Loan Authority	No change; full loan authority maintained	No change; full loan authority maintained	No change; full loan authority maintained	No change; full loan authority of up to \$22,400,000,000	N/A	Maintain full loan authority	



The Department of Energy's Title 17 Innovative Technology Loan Program ^{(1) (2)}

Account / Program:	FY 2020 Appropriation	FY 2021 Appropriation	FY 2022 Appropriation	FY 2023 Appropriation	President's FY 2024 Budget	AFCC's FY 2024 REQUEST	
				in unutilized capacity for Section 1703 guarantees and \$2,000,000,000 for Tribal Energy projects maintained		Maintain full loan authority	
Inflation Reduction Act (P.L. 117-169)				Loan authority increased by \$40,000,000,000 for Section 1703 guarantees, \$20,000,000,000 for Tribal Energy projects, and \$250,000,000,000 for energy infrastructure reinvestment projects			
DOE: Energy Programs;							
Advanced Technology Vehicles Manufacturing Loan Program⁽²⁾							
FY Appropriation	\$5,000,000	\$5,000,000	\$5,000,000	\$9,800,000 as well as (see below):	13,000,000	See (2) below	
Inflation Reduction Act (P.L. 117-169)				Additional appropriation of \$3,000,000,000			



The Department of Energy's Title 17 Innovative Technology Loan Program ^{(1) (2)}

Account / Program:	FY 2020 Appropriation	FY 2021 Appropriation	FY 2022 Appropriation	FY 2023 Appropriation	President's FY 2024 Budget	AFCC's FY 2024 REQUEST	
				for costs of direct loans, including credit subsidy costs			
DOE: Energy Programs; ATVM Loan Authority							
Remaining Loan Authority	No change; full loan authority maintained	No change; full loan authority maintained	No change; full loan authority maintained	No change; full loan authority of up to \$17,700,000,000 in unutilized capacity maintained	N/A	Maintain full loan authority	
Inflation Reduction Act (P.L. 117-169)				ATVM loan authority increased by \$30,000,000,000			

(1) For the Title 17 Innovative Technology Loan Program, AFCC requests that four additions be made, as described below, in the appropriations language for the Title 17 Innovative Loan Guarantee Program, which has appeared in prior year appropriations bills and was expanded in the Consolidated Appropriations Act of FY2023.

The purpose of these additions is to make greater use of the funds generated by the program's payments from borrowers to the U.S. Treasury, which amounted in FY2021 to \$912 million in principal retirement and \$533 million in interest, according to the Department of Energy (DOE) Loan Programs Office's (LPO's) 2021 Annual Portfolio Status Report.

The Title 17 program has generated \$3.8 billion in interest payments to the U.S. Treasury since 2009.



These payments have been used in prior year appropriations bills to fund the administrative expenses of the LPO and the Advanced Technologies Vehicle Manufacturing (ATVM) loan programs. AFCC recommends that these funds be used for the same purposes in FY2024.

PROPOSED ADDITION #1:

First, AFCC proposes that the interest payments collected from borrowers also shall be used to expand the number of projects that can qualify for Title 17 loan guarantees so additional projects can be commercialized to mitigate the effects of climate change, create jobs, promote economic growth in communities throughout the U.S., promote investment in underserved communities, and benefit the American people.

Rationale:

Increasing the number of projects which go to financial close also will increase the amounts received from Title 17 loan guarantee obligations by the U.S. Treasury, thus offsetting the costs proposed by AFCC to expand the number of qualifying projects.

Addition #1, continued:

AFCC proposes that this be done by creating a grant program within the LPO to overcome the most significant obstacle in the ability of innovative projects to advance through the necessary technology readiness levels and pre-construction steps to qualify for a Title 17 loan guarantee: the long delay and difficulty in raising sufficient funds from private parties to pay for final technology readiness level development and the pre-construction steps necessary to qualify for a Title 17 loan guarantee.

Rationale:

These are the most challenging and hardest funds for project developers to raise. The inability to do so has caused promising technologies which could have been of benefit to the Nation to fall into the “valley of death,” unable to advance.

Other projects struggle for years, sometimes for as long as a decade, to secure the necessary development capital to complete final technology development and the front-end engineering and design, permitting, and contract negotiations to be ready for construction and, therefore, qualify for applying for a Title 17 Loan Guarantee.

Addition #1, continued:

The grants proposed by AFCC would be competitively awarded on a 50/50 matching funds to projects that have the potential, in the estimation of the LPO, to qualify for the Title 17 loan guarantee program upon completion of their final technology readiness level development and pre-construction steps.



Rationale:

This would provide greater certainty to companies seeking to advance to the point where their projects will qualify for the Title 17 Loan Guarantee program. It also would be viewed favorably by investors.

In addition, it would ensure that additional projects can overcome the “valley of death” between the validation of a significantly improved, first-of-its-kind technology and its readiness to apply to the Title 17 program to obtain financing for construction and first commercial deployment.

PROPOSED ADDITION #2:

Second, Congress expressed its intent in Section 9010, Paragraphs (b)(1), (b)(2), and (b)(2)(A) and (B) that, to allow more projects to advance through these programs stipulated that the LPO shall either pay the cost of a guarantee or share the cost of a guarantee with a borrower, providing that appropriations made for this purpose are available, by stating:

- (b)(1) that “... *the cost of a guarantee shall be paid by the Secretary using an appropriation made for the cost of the guarantee, subject to the availability of such an appropriation.*”
- (b)(2) that “*If sufficient appropriated funds to pay the cost of a guarantee are not available, then the guarantee shall not be made unless—*
 “(A) *the Secretary has received from the borrower a payment in full for the cost of the guarantee and deposited the payment into the Treasury; or*
 “(B) *a combination of one or more appropriations and one or more payments from the borrower under this subsection has been made that is sufficient to cover the cost of the guarantee.*”

Therefore, AFCC recommends that the FY2024 Title 17 appropriations language recognize that the interest payments made to the U.S. Treasury by borrowers may be appropriated for this purpose and that, because of this, the costs of a guarantee shall be paid by the LPO, shared with the borrower, or if insufficient appropriated funds are available after the deduction made from interest payments received by the U.S. Treasury under ADE’s Proposed Addition #1, above, paid by the borrower at or after financial close.

PROPOSED ADDITION #3:

Third, AFCC proposes that the language enacted in Section 9010(a)(3)(A)(1) of the Consolidated Appropriations Act of FY2021 be amplified to remove uncertainty among borrowers and the LPO regarding which costs can be charged to borrowers at closing, to underscore that no costs are to be charged to borrowers until closing, that no application fees will be charged at the time an application is submitted or at closing, and to stipulate that these costs shall be included as part of a borrower’s loan guarantee obligation, upon which interest will accrue for the duration of the obligation.

PROPOSED ADDITION #4:

Finally, AFCC proposes that reference be included to the funds appropriated to the Department of Energy under Section 50141(b) of the Inflation Reduction Act of 2022, to be used by the LPO



to cover the costs of guarantees prior to their recovery from borrowers, with said costs incorporated at closing into the loan guarantee obligations of borrowers for repayment over the duration of the obligation.

AFCC's PROPOSED AMENDMENT reads as follows, with **blue text** indicating the **strikeouts** and **additions** to the language contained in the Consolidated Appropriations Act of FY2023.

TITLE 17 INNOVATIVE TECHNOLOGY LOAN GUARANTEE PROGRAM

Such sums as are derived from amounts received from borrowers pursuant to section 1702(b) of the Energy Policy Act of 2005 under this heading in prior Acts, shall be collected in accordance with section 502(7) of the Congressional Budget Act of 1974: *Provided*, That of said sums, \$500,000,000 is appropriated, to remain available until September 30, 2025, which shall be used to provide grants, through a competitive process, to projects that have the potential, in the estimation of the Department of Energy, to qualify for the Title XVII loan guarantee program upon completion of their final technology readiness level development and pre-construction steps, with said grants awarded on a 50/50 matching basis to selected projects to advance to the stage where they can apply under the Title XVII loan guarantee program so that a greater number of significantly improved and first-of-their-kind technologies can be commercially deployed, the amounts received in interest from borrowers can be significantly increased, so as to result in future fiscal year appropriations from the general fund estimated at \$0 as a result of the offset of increased interest payments, and said projects can benefit the American public, except that, should the Department of Energy require additional funds for the costs of guarantees, beyond those appropriated in Section 50141(b) of the Inflation Reduction Act of 2022, the Department of Energy may use up to \$250,000,000 of this appropriation for such costs; the balance which shall be used to provide development capital grants to selected projects: *Provided further*, That of said sums, for Department of Energy administrative expenses necessary in carrying out the Title XVII Innovative Technology Loan Guarantee Program, as authorized, an additional ~~\$66,206,000~~ \$70,000,000 is appropriated, to remain available until September 30, 2025: *Provided further*, That up to \$570,000,000 collected in fiscal year 2024 pursuant to section 1702(h) of the Energy Policy Act of 2005 shall be credited as offsetting collections under this heading and used to award grants to selected projects and for necessary administrative expenses in this appropriation and shall remain available until September 30, 2025: *Provided further*, That in accordance with Section 9010(a)(3)(A)(1) of the Consolidated Appropriations Act of FY2021 (Public Law 116-260), the Department of Energy shall charge, but only collect on or after the date of the financial close of an obligation, a fee for a guarantee in an amount that the Department of Energy determines is sufficient to cover applicable administrative expenses, including expenses accrued in processing borrower applications, any costs associated with third-party consultants engaged by the Department of Energy, and any credit subsidy costs not covered by a credit-based interest rate: *Provided further*, That the Department of Energy shall not charge nor



collect a fee for borrowers to apply for a guarantee: *Provided further*, That in accordance with Sections 9010(b)(1), (b)(2), and (b)(2)(A) and (B) of the Consolidated Appropriations Act of FY2021, the Department of Energy shall: (1) pay the cost of a guarantee in its entirety, or (2) if sufficient appropriated funds, including interest payments and fees collected in previous fiscal years, are not available to pay these costs in their entirety, after the deduction for the grants to projects that have the potential to qualify for the Title XVII loan guarantee program upon completion of their final technology readiness level development and pre-construction steps, to share the cost equally with the borrower, or (3) if no appropriated funds are available for this purpose, to require the borrower to pay these costs in full, with the borrowers' portion of said costs included as part of the loan guarantee obligation, upon which interest will accrue for the duration of the obligation's repayment period: *Provided further*, That the Department of Energy shall use the funds appropriated in Section 50141(b) of the Inflation Reduction Act of 2022 (Public Law 117-169) for these and the other costs of guarantees made under section 1703 of the Energy Policy Act of 2005, until such time that the amounts received from borrowers under said section exceed the amounts that are not otherwise appropriated from the general fund: *Provided further*, That the sum herein appropriated from the general fund shall be reduced (1) as such fees and interest on borrower payments are received during fiscal year 2024 (estimated at ~~\$35,000,000~~ \$596,524,000 for fiscal year 2024 and increasing each year thereafter) and (2) to the extent that any remaining general fund appropriations can be derived from interest payments and fees collected in previous fiscal years that are not otherwise appropriated, so as to result in a final fiscal year 2024 appropriation from the general fund estimated at \$0: *Provided further*, That the Department of Energy shall not subordinate any loan obligation to other financing in violation of section 1702 of the Energy Policy Act of 2005 or subordinate any Guaranteed Obligation to any loan or other debt obligations in violation of section 609.8 of title 10, Code of Federal Regulations. ~~Of the unobligated balances from amounts made available in the first proviso of section 1425 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10) for the cost of loan guarantees under section 1703 of the Energy Policy Act of 2005, \$150,000,000 are hereby permanently rescinded.~~ *Provided further*, That, subject to section 502 of the Congressional Budget Act of 1974, commitments to guarantee loans for eligible projects under title XVII of the Energy Policy Act of 2005, shall not exceed a total principal amount of \$15,000,000,000 for any single project, to remain available until committed: *Provided further*, That the amounts provided under this paragraph are in addition to those provided in any other Act: *Provided further*, That for amounts collected pursuant to section 1702(b)(2) of the Energy Policy Act of 2005, the source of such payment received from borrowers may not be a loan or other debt obligation that is guaranteed by the Federal Government: *Provided further*, That none of such loan guarantee authority made available under this paragraph shall be available for commitments to guarantee loans for any projects where funds, personnel, or property (tangible or intangible) of any Federal agency, instrumentality, personnel, or affiliated entity are



expected be used (directly or indirectly) through acquisitions, contracts, demonstrations, exchanges, grants, incentives, leases, procurements, sales, other transaction authority, or other arrangements, to support the project or to obtain goods or services from the project: *Provided further*, That the preceding proviso shall not be interpreted as precluding the use of the loan guarantee authority provided under this paragraph for commitments to guarantee loans for: (1) projects as a result of such projects benefitting from otherwise allowable Federal income tax benefits; (2) projects as a result of such projects benefitting from being located on Federal land pursuant to a lease or right-of-way agreement for which all consideration for all uses is: (A) paid exclusively in cash; (B) deposited in the Treasury as offsetting receipts; and (C) equal to the fair market value as determined by the head of the relevant Federal agency; (3) projects as a result of such projects benefitting from Federal insurance programs, including under section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210; commonly known as the “Price-Anderson Act”); or (4) electric generation projects using transmission facilities owned or operated by a Federal Power Marketing Administration or the Tennessee Valley Authority that have been authorized, approved, and financed independent of the project receiving the guarantee: *Provided further*, That none of the loan guarantee authority made available under this paragraph shall be available for any project unless the Director of the Office of Management and Budget has certified in advance in writing, [within thirty \(30\) days of receiving a request by the Department of Energy for said certification](#), that the loan guarantee and the project comply with the provisions under this paragraph.

(2) For the Advanced Technology Vehicle Manufacturing (ATVM) Loan Program,

AFCC requests that:

- 1.** The program be expanded from light duty vehicles to mid-duty and heavy-duty vehicles.
- 2.** The program be expanded additionally to encourage the development and manufacture of advanced vehicle, vehicle component, and vehicle adapter technologies.

AFCC, THEREFORE, RECOMMENDS that the appropriations language for the ATVM Loan Program be amended as follows:

ADVANCED TECHNOLOGY VEHICLES MANUFACTURING LOAN PROGRAM

For Department of Energy administrative expenses necessary in carrying out the Advanced Technology Vehicles Manufacturing Loan Program, ~~\$9,800,000~~ [\\$13,000,000](#), to remain available until September 30, 2025: [Provided, That of such amount, \\$1,000,000 shall be used to promote the Loan Program to domestic and foreign vehicle and vehicle component manufacturers with manufacturing facilities in the United States to stimulate advanced technology manufacturing: Provided further, That the loan program shall be expanded from light duty vehicles to include mid-duty and heavy-duty vehicles.](#)