

## Development Capital & Unsolicited Proposal Talking Points

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*Special to The Digest*

Here are some talking points to help the Alternative Fuels & Chemicals Coalition (AFCC) create a \$500 million development capital grant program in the Department of Energy's (DOE's) Loan Programs Office (LPO) and obtain more funding for worthwhile projects through unsolicited proposals.

**This is the very best way in which you can help advance these requests.** The more offices in the House and Senate that submit these requests to the appropriations committees and subcommittees, the more likely the request will succeed.

Hence, the more offices that you contact and other Biofuels Digest readers contact, the more likely these requests will succeed.

You can make a difference, a big difference, by taking the time to call the offices of the Members of Congress who represent you. You can make an even bigger difference if you are able to speak to or email someone in the office using the talking points below.

**The more time you are willing to devote to this, the more impact you will have, and the greater the chance that the request to create a capital development grant program will succeed.**

The talking points for creating a development capital grant program and opening up opportunities for more projects to be funded through unsolicited proposals are different. Talking points for both are provided below.

The way in which you can go about getting Congressional support for the two requests is the same. That begins with the first set of talking points.

**Here's how you can make a difference:**

**FIRST:**

1. Decide whether you want to focus on the development capital grant program or unsolicited proposal request first. You can do both. But it is best if you focus on one at a time. The first set of talking points are nearly the same, as provided below, it is only when you get to Second, below, that they diverge.
2. Go to <https://www.congress.gov/members/find-your-member> and enter your address in the field provided to find the names, Washington DC phone numbers, and links to the websites of the Members of Congress who represent you.
3. Call each of these three offices.
4. Begin by saying "I am calling in support of creating a development capital grant program in the Department of Energy"
  - Add: "This has been proposed by the Alternative Fuels & Chemicals Coalition as an addition to the fiscal year 2025 appropriations for the Department of Energy."
  - The likely response, since AFCC only submits its appropriation requests to the Members of the House and Senate appropriations subcommittees that prepare the legislation to enact these requests, will be: "We're not aware of it/We haven't heard about it."
5. If your Representative or Senator is one of the Members to whom AFCC has sent its capital development grant or unsolicited proposal request ([a list of these Members is posted on AFCC's FY2025 Appropriations webpage](#)), you can say, "I know AFCC sent it to the person in your office who handles appropriations, can I speak with that person?"
  - If your Representative or Senate is not one of these Members, respond by saying, "I'll send it to you."

- Add, “Who should I send it to?” so you can get the name and email address of the staff person who is handling appropriations requests for the office.
6. You can view and download the language proposed for these requests, along with AFCC’s rationale and explanation for the requests by clicking on the following links:
- [AFCC’s Development Capital Grant Program request](#)
  - There are seven unsolicited proposal requests, one each for the Departments of [Agriculture](#), [Defense](#), [Energy](#), [Interior](#), and [Transportation](#) and [Environmental Protection Agency](#).
7. Be sure to ask the person to whom you are speaking to write a note to pass on to the person who is handling appropriations for the office.
- Ask that the note state that: “A call was received on [date and time of call] in support of creating a development capital grant program in the Department of Energy as proposed by the Alternative Fuels & Chemicals Coalition.”
  - Ask the person to add that: “The caller also is supporting the request for greater access to funding through unsolicited proposals.”
  - Ask that the note contain your name, address, and contact information, or if that is too much for the person to write down, the city or town in which you live (so the office will know that you are a constituent).
8. You may be told that, “Due to the volume of quests we receive, everyone must fill out our formal request form in order for the request to be considered.”

If so, ask four questions:

**First**, “How do I submit a request?” Most likely, you will be given a link on the Member’s website to do this. If the link is not yet available, or the office accepts requests by email, you will be asked for your email address so you can submit an appropriations request. .

**Second**: “Do I need to submit a separate request if AFCC already has submitted the request and I only want to support it?”

**Third**, if the answer to *Second* is “yes,” which is likely, ask if you can submit a form with your name and address that simply states that the appropriations request you are submitting is in support of the requests submitted by AFCC. It is likely you will be able to do this.

**Fourth**, if the answer to *Second* is “no,” ask if your support for AFCC’s request will be counted by the note that you have asked the person to whom you are speaking to pass on to the person who is handling appropriations for the office.

AFCC already has sent these requests to the relevant House and Senate appropriation subcommittee Members. AFCC also will be following up with appropriations request forms for each office.

If one or more of the Members who represent you is not on the [list of the Members posted on AFCC's FY2025 Appropriations webpage who have received AFCC's requests](#) (which includes 54 House members and 32 senators representing 26 states), please email [cj@altfuelchem.org](mailto:cj@altfuelchem.org) to let me know that you are submitting an appropriations request form and the office to which it is being submitted.

### ***Here are the Talking Points for the Unsolicited Proposal Request***

Following up on **FIRST**, above:

#### **SECOND:**

If you are transferred to a staff person and are able to speak with that staff person, or if you are sending an email, provide a brief description of how the request will be funded. This is going to be the first question that a staff person or Member will ask. Explain that:

- This is an already established program that was enacted in 1984.
- It does not require any new funding.
- It uses the funds that already have been appropriated to the program whose mission will be advanced by accepting an unsolicited proposal.
- If someone wants to know the statutory citation, it is 46 FAR 15.6

#### **THIRD:**

Provide a brief description of the request:

- The Alternative Fuels & Chemicals Coalition is proposing that language be included in the FY2025 appropriations bills of six agencies: Agriculture, Defense, Energy, Interior, Transportation, and the Environmental Protection Agency.

These are the agencies that are the most involved and important in advancing new initiatives from their middle level development stages up through completion and deployment, thus they are the most important agencies for expanding access to funding through unsolicited proposals.

- The reason for adding this language is to:
- Draw attention to the availability of unsolicited proposals as a means of funding new, innovative projects that do not fit an agency's grant and funding opportunities.

- Provide greater access to the use of unsolicited proposals.
- Provide greater flexibility in unsolicited proposal requirements so that worthwhile projects that can benefit the Nation are less likely to be excluded.
- Facilitate the acceptance and approval of unsolicited proposals.

#### **FOURTH:**

Explain why this request is important:

- Every technology and innovation that can provide benefits to the Nation, and address the problems it faces, needs to be deployed as rapidly as possible.
- Unfortunately, five obstacles stand in the way of advancing MUCH NEEDED innovations through federal grant programs:
- The extreme difficulty in securing the development capital that is necessary for innovations to advance ... and the lack of a federal grant program to fill this need.
- The narrow focus and sometimes limited vision of federal agency notices of funding opportunities, which do not accommodate many projects that offer great promise to the Nation.
- The refusal by some federal agency offices to consider unsolicited proposals.
- The time required and costs of applying the Department of Energy Title 17 loan guarantee program
- The limitation placed on the submission of unsolicited proposals when the proposal resembles a previously issued funding opportunity notice, no matter how many years ago the funding notice was issued.

#### **FIFTH:**

Explain what is at stake and why this request is important:

- Because of these limitations, far too many projects are lost:
- as job creators
- as economic drivers and boosts in tax revenues for local communities, especially for those that are economically depressed
- as contributors to the National's global technology leadership

*and for Democratic offices only:*

- as means of mitigating the climate crisis

#### **SIXTH:**

Be sure to conclude your phone call/email/letter by saying, "Thank you for considering this request and my support for the FY2025 appropriations language being proposed by the Alternative Fuels & Chemicals Coalition. I greatly appreciate it."

## ***Here are the Talking Points for the Development Capital Grant Program***

Following up on **FIRST**, above:

### **SECOND:**

If you are transferred to a staff person and are able to speak with that staff person, or if you are sending an email, provide a brief description of how the request will be funded. This is going to be the first question that a staff person or Member will ask.

Provide a brief description of how the grant program will be funded. This is going to be the first question that a staff person or Member will ask.

- The Development Capital grant program will be funded in the same way that Congress funds the administrative expenses for the Title 17 loan guarantee program.
- Hence, there is an established precedent for this.
- Funds for the Development Capital grant program will be drawn from the interest generated for the U.S. Treasury by the repayments of the Title 17 loan guarantees, just as each year's administrative costs are drawn from these repayments.
- The withdrawals for administrative expenses are subsequently offset by the payments from borrowers for Title 17 fees that are collected by the U.S. Treasury.
- The same will be true for the Development Capital program.
- Except there is one big difference: the collections of Title 17 fees have traditionally reimbursed the U.S. Treasury for its administrative costs; in contrast, the Development Capital grant program will make money for the U.S. Treasury.

### **Here's how this will work:**

- The interest generated by the Title 17 repayments to the Treasury in FY2022 was \$523 million.
- Hence, the Alternative Fuels & Chemicals Coalition is requesting that \$500 million be used in FY2025 to establish the Development Capital grant program.
- The Development Capital grant program will award grants on a competitive, 50/50 matching basis.
- The projects that received awards will have the potential, in the estimation of the Loan Programs Office, to qualify for the Title 17 loan guarantee program upon completion of their final Technology Readiness Level (TRL) development and pre-construction steps.
- These funds will accelerate the development of projects so they can meet the qualifications to apply for a Title 17 loan guarantee.
- This will:
- *increase* the number of projects that receive financing through Title 17

- *increase* the number of innovative projects that are deployed
- *increase* the number of jobs that are created
- *increase* economic growth and tax revenues in local communities
- *increase* the Nation's global competitiveness
- *increase* the Nation's ability to address climate change
- *increase* the number of Title 17 repayments to the U.S. Treasury

and

- *increase* the amount of interest generated for the U.S. Treasury by these repayments

### **THIRD:**

Emphasize and further explain this last point:

- This is one of best parts about the Alternative Fuels & Chemicals Coalition's request.
- The Development Capital grant program will become self-sustaining.
- In fact, it will not only will pay for itself, but it will generate additional revenues for the U.S. Treasury.
- Here's how:
- According to the Loan Program Office annual report, there were 15 active Title 17 projects as of September 30, 2022.
- These projects represented \$36.3 billion in loan and loan guarantee commitments
- Eight of its previous loans had been repaid in full
- Interest earnings for the U.S. Treasury on these repayments was \$523 million.
- Here's an example of how this will grow:
- At the end of January 2024, the Loan Programs Office had 205 active applications with \$263.1 billion in loans requested.
- If half of these project are deployed within the next two years (by the end of FY2026), they would add \$131.5 billion in loan obligations, for a total of \$167.8 billion in repayments to the U.S. Treasury
- The interest earned by the U.S. Treasury on these loan obligations will amount to \$2.42 billion in FY2027.
- Thus, the U.S. Treasury would be able to:
- Recover the funds that are used to establish and fund the Development Capital grant program in FY2025 and FY2026 (\$1 billion)
- Increase funding for the Development Capital grant program to \$1 billion per year in FY2027
- Earn \$420 million in interest in FY2027, and
- Provide \$1 billion for the Development Capital grant program in FY2028 and beyond while earning \$1.4 billion in interest with ever increasing collections in subsequent years.

- Thus, in as little as three years, the establishment, continuation, and expansion of the Development Grant program, combined with the number of projects being funded by Title 17, could triple the amount of interest earned by the U.S. Treasury.

#### **FOURTH:**

Explain why this request is important:

- Development capital is the lifeblood of every new initiative.
- Every new project being developed – [*insert here, for democratic offices only: every one that is needed to mitigate the climate crisis; for Republican offices, say: every one that will bring jobs, economic stimulus, and increased tax revenues to the communities in your District/State*] – only can advance with development capital.
- Without this development capital, new initiatives can't move forward.
- Development capital is the most difficult money to raise in the private sector
- It has become even more difficult over the past several years [*add if you wish, because of a combination of different economic conditions around the world*].
- There is no federal funding that addresses this specific need.
- Existing grants don't do this. They only provide funds to meet the specific objectives of the grant.
- This is why a development capital grant program needs to be established.
- AFCC has proposed language to be inserted in the fiscal year 2025 appropriations for the Department of Energy to do this.
- I support the language proposed by AFCC.
- It will:
  - meet the specific needs of each project
  - advance disruptive, game-changing projects more quickly and less haphazardly
  - meet the requirements of the Title 17 Clean Energy Financing program
  - be deployed, not in 8 or 10 years, but in 4 or 5 (or fewer) years
  - and, thus, provide their benefits to the American people
  - creating jobs
  - providing economic stimulus to local communities
  - generating tax revenues
- advancing the Nation's competitiveness

[do not use the next two lines for Republican offices, only for Democratic offices]

and

- addressing the climate crisis



**FIFTH:** [if necessary]

Here are some bullet points to use if you are asked “What is the Title 17 program?”

- The Title 17 program was established by Congress through the Energy Policy Act of 2005.
- It was created to assume the risks of first-of-their-kind projects, which have a high failure rate.
- Private sector lenders are unwilling to undertake this level of risk.
- As a result, many worthwhile projects that can offer benefits to the American people have been unable to move forward
- The Title 17 program was created to address this need.

**SIXTH:** [if necessary]

Here are some bullet points to use if you get pushback on the program (i.e., “It’s a failure,” “It doesn’t work,” “It’s costing U.S. taxpayers money.”) The program, unfortunately, still operates under the cloud of the failure of the \$523 million Solyndra (solar power company) loan guarantee. Possible responses are:

- Yes, the Title 17 program has had failures and losses.
- That’s because its purpose, from the beginning, has been to undertake the risks inherent in first-of-their-kind projects.
- Every project it reviews undergoes rigorous due diligence to limit these
- It has, in fact, been quite successful in limiting its losses.
- For example:
- The Loan Programs Office posts annual reports about its performance online.
- Its FY2022 annual report states that the Title 17 program had \$35.16 billion in outstanding loans at the end of FY2022.
- Its write offs and losses, beginning with its first project deployments in 2019, amount to \$1.035.
- This represents 3% of the Title 17 total disbursements
- **Significantly, these losses represent less than one-quarter of the interest payments generated by the Title 17 program and earned the U.S. Treasury.**

**Seventh:**

Be sure to conclude your phone call/email/letter by saying, “Thank you for considering this request and my support for the FY2025 appropriations language being proposed by the Alternative Fuels & Chemicals Coalition. I greatly appreciate it.”