

DOE Issues Loan Guarantee for Renewable Energy Project

The Department of Energy announced on Friday a conditional commitment to provide a loan guarantee to Solyndra, Inc., a California solar manufacturer. The \$535 million loan guarantee is the Department's first guarantee under the authority provided to it under Title XVII of the Energy Policy Act of 2005, which authorized loan guarantees for innovative technologies that reduce, avoid or sequester greenhouse gases. Solyndra will use the money to expand a manufacturing plant for its proprietary cylindrical solar photovoltaic panels at its facilities in Fremont, California. The loan guarantee would cover roughly 75 percent of the project costs. Solyndra estimates that construction and operation of the facility will produce thousands of jobs. Hundreds of additional jobs will result from installation of the panels. Commercialization of this technology is expected to then be duplicated in many other manufacturing facilities.

DOE stated that "Solyndra's photovoltaic systems are designed to provide the lowest installed cost and the highest solar electricity output on commercial, industrial and institutional roof tops, which are a vast, underutilized resource for the distributed generation of clean electricity." According to reports, the panels will generate up to 15 gigawatts of electricity and save 300 million metric tons of carbon dioxide emissions.

According to DOE, the loan guarantee "is supported through the American Recovery and Reinvestment Act, which provides tens of billions of dollars in loan guarantee authority to build a new green energy economy." The application process has been slowed by lengthy reviews of hundreds of applications for more than \$40 billion in loan guarantees. The stimulus bill provided \$6 billion in funding to pay certain costs associated with issuance of loan guarantees; prior to enactment of the ARRA, applicants were expected to pay these costs.

The conditional commitment announced Friday is contingent on meeting certain additional conditions of the loan guarantee. The loan will be issued through the Federal Financing Bank. Secretary Chu has made it a priority to begin releasing the guarantees to help meet the Administration's goals of creating jobs and developing carbon-free sources of power.

FOR ADDITIONAL INFORMATION

Van Ness Feldman helps clients to obtain federal incentives, including funds made available through the American Recovery and Reinvestment Act, for a diverse range of energy and infrastructure projects. Van Ness Feldman has organized a group within the firm to assist in answering questions or pursuing loan guarantee support under this new program. Please contact any of the following individuals for more information: Ben Yamagata (202) 298-1857, Bob Szabo (202) 298-1920, Bob Nordhaus (202) 298-1910, Shelley Fidler (202) 298-1905, Doug Smith (202) 298-1902, Curt Rich (202) 298-1886, Mike McBride (202) 298-1989, Ben McMakin (202) 298-1956, Janet Anderson (202) 298-1888, Celia Martellino (202) 298-1909, Mona Tandon (202) 298-1836, or Jennifer Owen (202) 298-1983.

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