

# Congress of the United States

Washington, DC 20510

April 29, 2022

The Honorable Marcy Kaptur  
Chairwoman  
Energy & Water Appropriations  
2362-B Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Mike Simpson  
Ranking Member  
Energy & Water Appropriations  
1001 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chair Kaptur and Ranking Member Simpson,

We write to urge you to provide robust funding to support the Department of Energy's Loan Programs Office (LPO) in the fiscal year 2023 (FY23) Energy and Water Development, and Related Agencies appropriations bill. LPO provides loan guarantees and direct loans to companies that wish to deploy innovative clean energy technologies and manufacture fuel-efficient, low-emitting vehicles and vehicle components. LPO plays a crucial role in shepherding high-risk advanced energy technologies that have been proven to work at commercial scale over the final valley of death, allowing them to attract private capital and follow-on funds.<sup>1</sup>

In its nearly two-decade history, LPO has supported more than 30 projects that have drawn over \$30 billion in investment, created 37,000 jobs, and avoided 60 million tons of greenhouse gas emissions.<sup>2</sup> The Title 17 Innovative Energy Loan Guarantee Program (Title 17), which provides loan guarantees for high-risk clean energy technologies, has helped jumpstart budding industries, like wind energy in New Hampshire and Maine and solar energy in Colorado and Nevada. It also has the capacity to support advanced nuclear energy, energy storage, transmission, and carbon capture. The Advanced Technology Vehicles Manufacturing Program (ATVM), which provides direct loans for manufacturers of low-emission vehicles and vehicle components, has supported projects in Georgia, Michigan, Tennessee, and California, with loans totaling more than \$8 billion. With over \$3 billion in interest paid to the federal government so far, the LPO portfolio has provided a strong return on public investment in addition to creating economic activity across the country. Congressional support for LPO can help increase these economic and environmental returns from our clean energy industries, keep US manufacturers competitive, expand vital domestic supply chains, and enhance American energy security and clean energy exports so that we and our allies are less reliant on volatile global oil markets and autocrats.

With the passage of the Energy Act of 2020, the Infrastructure Investment and Jobs Act, and certain executive actions, Congress and the Biden Administration have helped LPO refine its application process, clarify and expand technology eligibility, and provide flexibility for financing terms and fees. Thanks to these improvements that will make it easier for qualified applicants to access its programs, LPO is currently seeing a surge of interest.<sup>3</sup> As of February

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<sup>1</sup> Montoni, Nicholas; Fitzpatrick, Ryan; and Prieto, Andres, "How to Unleash the LPO's True Potential," Third Way. July 27, 2021. <https://www.thirdway.org/memo/how-to-unleash-the-lpos-true-potential>

<sup>2</sup> Loan Programs Office Annual Portfolio Status Report Fiscal Year 2020, [https://www.energy.gov/sites/default/files/2021-04/DOE-LPO\\_APSR\\_FY2020\\_Final.pdf](https://www.energy.gov/sites/default/files/2021-04/DOE-LPO_APSR_FY2020_Final.pdf).

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2022, LPO had 77 active applications totaling \$69.7 billion in loans and loan guarantees.<sup>4</sup> However, Title 17 only has \$23 billion remaining for new loan guarantees, with as little as \$4 billion remaining for certain kinds of projects, and ATVM has \$17.7 billion in remaining loan authority, meaning interest in the program already far exceeds its capacity. In order to help LPO meet its full potential in deploying innovative energy technologies and supporting vehicle manufacturing, we ask that Congress:

**Provide robust support for ATVM.** ATVM provides financing for manufacturers of low- and zero-emission automobiles, their components, and charging and fueling equipment. The IJA expanded the eligibility of ATVM to include a range of medium- and heavy-duty vehicles, aircraft, trains, ferries, and more, and gave these newly eligible technologies access to ATVM's existing loan authority. ***Strong support for ATVM will help decarbonize our transportation sector at a faster rate.***

**Take action to unlock increased loan guarantee authority for Title 17.** Increasing the total level of loan authority would give Title 17 the ability to meet the scale of demand for innovative energy projects. LPO expects to commit \$6 billion worth of loan guarantees in FY22 and \$4.5 billion worth of loan guarantees in FY23 for innovative energy projects. Increased technology-inclusive lending authority will ensure that future applicants receive the financial support they need. ***Congress should take action to enable several billions of additional lending authority for Title 17.***

***Lastly, pursuant to the Office of Management and Budget's FY23 Budget Request, we ask that the Bipartisan Infrastructure Law's (BIL) prohibition to use existing authority and appropriations for BIL-expanded authorities be lifted. This would apply to both ATVM and Title 17 critical minerals/state energy financing.***

We appreciate your continued support for our nation's innovation ecosystem and encourage you to ensure that upcoming appropriations legislation provides LPO with the resources it needs to unleash the next generation of American breakthroughs.

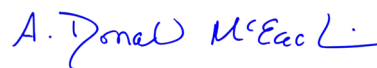
Sincerely,



Scott H. Peters  
Member of Congress



Sean Casten  
Member of Congress



A. Donald McEachin  
Member of Congress

<sup>3</sup> In December of 2021, Title 17 made a conditional commitment to guarantee a loan of up to \$1 billion for an industrial decarbonization and hydrogen production facility in Nebraska, the first such commitment since 2016.

<sup>4</sup> "Monthly Application Activity Report," DOE Loan Programs Office, <https://www.energy.gov/lpo/monthly-application-activity-report>.

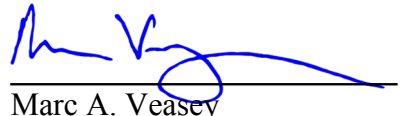
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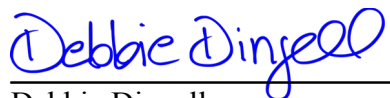
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Nanette Diaz Barragán  
Member of Congress



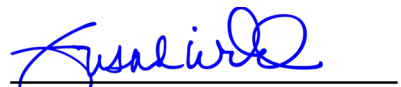
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Marc A. Veasey  
Member of Congress



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Debbie Dingell  
Member of Congress



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Susan Wild  
Member of Congress



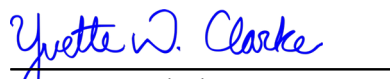
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Julia Brownley  
Member of Congress



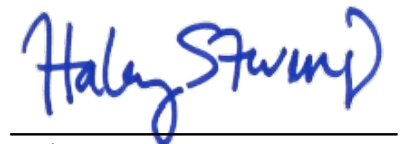
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Emanuel Cleaver, II  
Member of Congress



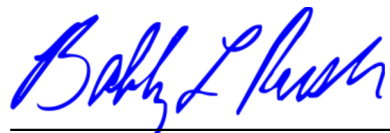
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Yvette D. Clarke  
Member of Congress



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Haley M. Stevens  
Member of Congress



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Bobby L. Rush  
Member of Congress



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Diana DeGette  
Member of Congress

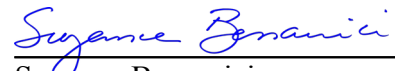
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Tom O'Halleran  
Member of Congress



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Suzanne Bonamici  
Member of Congress



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Doris O. Matsui  
Member of Congress  
, Communications and  
Technology



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Veronica Escobar  
Member of Congress