

Congress of the United States
Washington, DC 20515

January 24, 2018

The Honorable Rodney P. Frelinghuysen
Chairman
House Appropriations Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Nita M. Lowey
Ranking Member
House Appropriations Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Frelinghuysen and Ranking Member Lowey:

We are writing to urge you to maintain authority for the Department of Energy (DOE) Loan Program Office (LPO) as part of any Continuing Resolution or Omnibus Appropriations package for Fiscal Year 2018. It is our understanding that between \$100 and \$200 million in funding has already been appropriated by Congress for this program. This would allow important U.S. energy and transportation infrastructure projects to access a meaningful portion of the \$41 billion in remaining LPO funding authority.

The Loan Program Office helps enable innovative energy and advanced auto manufacturing projects by offering loans to bring emerging technologies to commercial deployment. In many cases, these technologies have been unable to obtain financing from the private sector. LPO issues loans and loan guarantees through its Title XVII innovative clean energy projects loan program and the Advanced Technology Vehicles Manufacturing (ATVM) loan program.¹

It is our understanding that DOE has \$41 billion in LPO loan-making authority that could be used in support of a significant investment in our nation's infrastructure, which has been discussed as a priority by many Members of Congress, as well as by President Trump.² Preserving this loan-making authority would allow the private sector to continue to access critical financing without adding to the deficit.

The LPO has been used to support a wide variety of energy and transportation infrastructure projects. These include utility-scale solar, transmission, storage, nuclear technology, battery production, and engine manufacturing. This program has strong support from the private sector. On August 2, 2017, executives of 17 companies wrote a letter to House and Senate leadership in support of the LPO, focusing on projects to commercialize fossil, nuclear, renewable energy, energy efficiency, energy storage, grid reliability, and advanced transportation technologies.³

¹ Department of Energy, *Loan Program Office – About Us* (<https://energy.gov/lpo/about-us>) (accessed January 16, 2018).

² White House, *Remarks by President Trump in Joint Address to Congress* (February 28, 2017) (<https://www.whitehouse.gov/briefings-statements/remarks-president-trump-joint-address-congress/>)

³ Green Wire, *Companies slam 'shameful' attack on loan program* (August 7, 2017) (<https://www.eenews.net/greenwire/stories/1060058467/search?keyword=loan+program+office>)

In addition to the positive economic impact of the LPO, the program has a great record of return on investment for these projects. To date, the LPO has created over \$50 billion in total project investment, saved or created 56,000 American jobs, and has greatly assisted local economies. Additionally, projects within the LPO portfolio have helped to decrease carbon emissions while also saving money for consumers by preventing 34.7 million metric tons of CO2 emissions, the equivalent to 7.3 million cars off the road, through 2016. ATVM projects have also saved 1.7 billion gallons of gasoline through 2016.⁴

Not only has the LPO supported deployment of many innovative energy technologies, it has generated revenue for the federal government. As of December 2016, there has been over \$36 billion in loans, loan guarantees, and commitments made by the LPO program. Of the amount, \$6.65 billion in loan principal and \$1.79 billion in interest has been already repaid to the U.S. Treasury. During this same time frame, losses accounted for barely half of the interest paid so far, or just over 2 percent of the program's commitments to date.⁵

Due to the strong performance record of this program, as well as the widespread economic and technological impacts that the LPO has demonstrated, we strongly urge the Members of the Appropriations Committee to maintain funding for the Loan Program Office. If you have any questions please contact Mark Fowler (Rep. Welch's office) at (202) 225-4115 or Brendan Larkin (Rep. Tonko's office) at (202) 225-5076. Thank you for your consideration.

Sincerely,



PETER WELCH
Member of Congress



PAUL TONKO
Member of Congress

⁴ Department of Energy, *Loan Program Office – About Us* (<https://energy.gov/lpo/about-us>) (accessed Jan. 16, 2018).

⁵ *Id.*