

Energy and Clean Technology Alert: Department of Energy To Expedite Clean Energy Grants; Summary of Grant Allocation

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The Department of Energy (DOE) aims to obligate half of its \$32.7 billion in American Recovery and Reinvestment Act (ARRA) funding by September 30, 2009. Appearing at the Solar Economics Forum in Washington, D.C. on September 9, Sanjay Wagle, a Renewable Energy Advisor on the Recovery Act Team with the DOE, said that the agency will soon begin dispensing the funds “in a much shorter time frame than what has previously been done,” as the DOE moves to obligate half of its \$32.7 billion by the end of this September—the close of the federal fiscal year. “We’ve dispensed about a third of the grants, and we are just getting to the beginning on the loan guarantees,” Wagle said.

By September 30, 2010, Wagle said the DOE hopes to have the entire \$32.7 billion obligated, as well as about \$100 million in loan guarantees obligated and approved. According to the latest figures available from the DOE, \$11,190,750,000 has been awarded, roughly 34.2% of total authorized funding. Of that \$11.2 billion, only \$641,845,000, or 2%, has been spent. President Obama approved the \$787 billion Recovery Act in February, including \$32.7 billion for the DOE’s grant programs among its provisions.

Thus far, DOE funding has included:

- a \$535 million loan guarantee for Solyndra, Inc., a Fremont, California company that manufactures innovative solar photovoltaic panels
- \$21 million to five projects for handling and delivering high-tonnage biomass feedstocks to producers of cellulosic biofuels
- \$37 million for clean energy research and development projects at small U.S. businesses under the DOE’s Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, which target U.S. companies with fewer than 500 employees and that aim to investigate ideas for clean energy technologies that appear to have commercial potential
- \$502 million for various clean energy projects in place of earned tax credits, allowing companies to jumpstart programs that may be stalled
- \$300 million in grants for the Clean Cities program to develop alternative fuel vehicles and technologies that will reduce dependence on petroleum in the transportation sector
- a \$450 million program designed to catalyze a nationwide energy upgrade that experts estimate could save \$100 million annually in utility bills for households and businesses.

The DOE invested \$6.4 million (\$4.6 million from ARRA) in four different projects to research and develop the next generation of high-efficiency lighting. The projects are headed by the National Renewable Energy Laboratory in Golden, Colorado; the Pacific Northwest National Laboratory in Richland, Washington; Sandia National Laboratories in Albuquerque, New

Mexico; and the U.S. Army Research Laboratory in Adelphi, Maryland. \$51 million was awarded to renewable energy projects in Alaska, Guam, and Pennsylvania, and \$101 million was awarded to Guam and Pennsylvania for advanced weatherization. The DOE also made up to \$11 million available to national laboratory-led projects to develop a host of advanced water power technologies.

An important note about applications and deadlines: the DOE has received between 400 and 600 applications for the first phase of Smart Grid funding, and is beginning to process them. Awards are expected to be announced sometime in early to mid-October. The second application deadline for Smart Grid funding is November 4, 2009; the third and final deadline is March 3, 2010. Phase I of applications for the DOE's SBIR and STTR programs ended on September 4th; Phase II will be announced and will begin in the near future. All projects that receive funding under any program must have begun construction by September 30, 2011.

Mintz Levin and ML Strategies will continue to track these important developments and provide frequent updates on DOE funding opportunities. If you have any questions about DOE energy grants or loan guarantees, please do not hesitate to contact any of the Mintz Levin or ML Strategies professionals listed on this alert.

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