

SUPPLEMENT TO LOAN GUARANTEE SOLICITATION ANNOUNCEMENT

**FEDERAL LOAN GUARANTEES FOR RENEWABLE ENERGY PROJECTS AND EFFICIENT ENERGY PROJECTS**

**Solicitation Number: DE-SOL-0007154**

**OMB Control Number: 1910-5134; OMB Expiration Date 11/30/2016**

**Announcement Type: Supplemental**

**Supplement Date: June \_\_, 2015**

The above-referenced Loan Guarantee Solicitation Announcement (the “Solicitation”) is supplemented as set forth below (capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Solicitation).

The following is inserted as a new potential type of Eligible Project under Section IIB5 as subparagraph e):

e) sensors and controls to improve operational efficiency.

The following is inserted as a new Section IIC “Scope of Solicitation”:

A renewable energy system is a project: (a) that uses renewable energy to produce electricity, fuels or chemicals, or any combination thereof; (b) whereby the renewable energy inputs to the system are either (i) majority of total energy feedstocks<sup>1</sup> or (ii) technologically necessary to the operation of the innovative technology in more than de minimus amount. For purposes of the above analysis, allowable renewable energy inputs are solar, wind, ocean, hydroelectric, hydrokinetic, geothermal, biomass, and renewable waste resources (MSW and landfill gas, crop waste, forestry waste, and biosolids). Specialized waste streams composed of non-biogenic materials such as tires and medical waste do not constitute renewable energy inputs for these purposes.

A project’s efficiency is determined as follows:

For power generation projects, generally, to be considered efficient, the project must generate more power from the same amount of energy (including feedstock and process energy), as compared to current commercial processes in the U.S. For certain kinds of projects, such as waste-to-energy projects and cogeneration projects, the LPO may compare the efficiency of the proposed technology more specifically than by reference to U.S. generation technologies more generally.<sup>2</sup>

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<sup>1</sup> Note that this excludes process energy for the feedstock test. Thus fossil-dependent upfront and other processes will not exclude a project from eligibility as a Renewable Energy Project (and *vice versa*) assuming they do not cause ineligibility through GHG lifecycle analysis.

<sup>2</sup> Note: This statement provides LPO the flexibility where LPO deems it appropriate to consider other baselines for the assessment of the energy efficiency of a project. An example is a hypothetical project that employs an innovative technology to generate electricity from medical waste instead of just incinerating it for disposal. Even if that project reduces greenhouse gases versus conventional incineration, it might produce electricity less efficiently than the grid. This statement is proposed to be included in the guidance to make clear that LPO could (but is not required to) consider efficiency versus conventional incineration instead of conventional generation, or some other baseline, to evaluate the improved efficiency of the project.

For transmission or distribution projects, to be considered efficient, the project must have lower electricity losses over an equivalent distance, as compared to current commercial processes in the U.S.

Efficient electrical generation, transmission, or distribution projects are not required to use any particular feedstock or feedstock mix.

For projects that use end-use technologies, , to be considered efficient, the project must consume less total energy in its energy conversion process for the production of fuels, chemicals or other end-products, as compared to current commercial processes in the U.S.

Energy efficiency projects include infrastructure projects that enable efficiency (e.g. Sensors, controls, etc.) related to such projects.

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