



# TITLE 17 CLEAN ENERGY FINANCING PROGRAM

## Part II Application Instructions

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This document describes requirements for the Part II Application to the Department of Energy (DOE) Loan Programs Office (LPO) Title 17 Clean Energy Financing Program. LPO will invite applicants to submit Part II Applications upon positive evaluation in Part I. For more information about the program, please visit LPO's [Title 17 Overview](#) page. To proceed with the Part II Application following an invitation from LPO, please prepare responses to all items, consistent with the instructions below.

## Part II Application





The intent of the Part II Application is to determine the project's readiness to proceed into due diligence based on programmatic, technical, environmental, and financial evaluation. The Part II submission consists of the items summarized below as well as other information that may be requested to facilitate LPO's continued review. Projects that do not meet one or more of the requirements provided in the Part II Application Instructions will not receive any further consideration.

The following table summarizes key items for attention during a Part II Application, including those items that are unique to each Title 17 project category.

Information requested in Section I (Project Summary) and Section II.F (Project Description – Community Benefits Plan) is required in the format described. For Section II, the applicant has the option to provide the required information for each Section II element by submitting documentation that is responsive to the information requested or to provide a narrative response or some combination for each element.

Applicants should tailor their narrative responses based on their reasonable judgement of the project characteristics and responsiveness to the information requested. Applications should avoid duplication of information and excessive detail to allow LPO to conduct an efficient evaluation of the Part II Application. LPO will contact the applicant if there are any questions or if additional information is required. It is expected that additional detail will be requested in due diligence, and LPO will specify those requirements upon successful completion of the Part II Application review.



|  | <br>Innovative Energy | <br>Innovative Supply Chain | <br>SEFI | <br>EIR |
|--|--|---|---|--|
| <b>Project Summary</b> , including: <ul style="list-style-type: none"> <li>Executive Summary</li> <li>Total Project Costs</li> <li>Updated Part I Application Information</li> </ul>   | ✓  | ✓   | ✓   | ✓  |
| <b>Project Description</b> , including: <ul style="list-style-type: none"> <li>Key Contracts and Agreements</li> <li>Technical Information</li> <li>Legal and Regulatory Information</li> <li>Business Plan</li> <li>Financial Plan</li> </ul> | ✓  | ✓   | ✓   | ✓  |
| ○ Preliminary Credit Assessment  | As applicable  | As applicable   | As applicable   | As applicable  |
| ○ SEFI Qualifications  |  |   | ✓   |  |
| ○ Assurance of electric utility customer or associated community benefit   |  |   |   | As applicable  |
| <b>Community Benefits Plan</b> , including: <ul style="list-style-type: none"> <li>Community and Labor Partnership Documentation</li> </ul>  | ✓  | ✓   | ✓   | ✓  |
| <b>Certifications</b>  | ✓  | ✓   | ✓   | ✓  |

Sections that are addressed through supporting documentation should include specific references by document name, section, and page number. Supporting documentation should be provided as PDF or Excel documents uploaded through the Application Portal.

Refer to Section VI (Additional Provisions) in the Program Guidance for the steps an applicant must take to restrict the use and disclosure of certain data submitted in the application.



At any time after delivery of a Part II submission, to the extent that there are any material changes in the information provided to LPO in such Part II submission, the applicant must provide timely notification to LPO after becoming aware of any such change by requesting approval from LPO to update their Part II submission via the Application Portal. Failure to provide timely notification may significantly impact LPO's processing of the Part II submission and any subsequent timelines. Furthermore, LPO may determine that lack of a timely response indicates that the application does not demonstrate the project's readiness to proceed, in which case LPO may offer the applicant the opportunity to withdraw the application or LPO may deny the application.

## Submission Requirements

### I. Project Summary

*This information should be written in a separate document, for upload to the Application Portal.*

#### A. Executive Summary

Provide a description of the nature and scope of the project, including the technology, business plan, site, environmental resources affected, purpose, size, capacity, design features, financing plan, status of major agreements, key metrics, and key milestones. Include target dates for:

1. Financial close of the Loan Guarantee Agreement
2. Commencement of site preparation and construction
3. Commercial operation
4. Marketing the output

#### B. Total Project Costs

Provide an estimate of Project Costs in accordance with generally accepted accounting principles and practices. Include a breakdown by cost category, year of expenditure, and basis for amounts, and include a description of the methodology and key assumptions used to make each estimate. Also include costs for escalation and contingencies and indicate whether each cost is firm or subject to change. Distinguish between eligible and ineligible Project Costs as described in Section 609.10 of the Title 17 Regulations. A Front-End Engineering Design (FEED) study (encouraged as part of the Part I Application) adds credibility to the projected costs.



## C. Update Part I Information

For information not covered in the Executive Summary above in Section I.A (Project Summary – Executive Summary) or under Legal and Regulatory Information below, update the information in the Part I submission by providing a description of all material changes, amendments, modifications, and additions to the information provided in the Part I Application, including any changes in the project’s financing structure or other terms, the rationale for such changes, and the expected impact on the project. Changes to the Part I submission may impact DOE’s determination of the project’s eligibility and readiness to proceed.

## II. Project Description

*Separate document(s) for upload to the Application Portal.*

### A. Key Contracts and Agreements

Provide key term sheets, contracts, and agreements (whether draft or signed) relevant to the design, engineering, construction, startup commissioning, shakedown, operations, and maintenance of the project and project sales, including, as applicable:

1. EPC contract(s)
2. Long-term contracts for materials, components, and equipment to be used in the project
3. Any leases, operating, or maintenance contracts
4. Sales, distribution, or off-take contracts
5. Any additional relevant contracts or commitments

If copies of terms sheets, or draft or completed contracts and agreements are unavailable, provide a brief description of the planned contracts and agreements that includes counterparties and, as applicable, target cost and performance milestones, performance guarantees, performance bonds or other credit support, liquidated damages provisions, labor agreements, and equipment warranties to the extent defined, along with the expected date when documentation will be available.

### B. Technical Information

1. **Site Description:** Describe the project site and rights-of-way, easements, and logistical considerations (e.g., roads, water, highway, and rail). Provide the status and milestones for site access and, as appropriate, purchase or lease terms, zoning approvals, or operating restrictions. Provide a description of required improvements for the project (e.g., utility access).



- 2. Project Construction Plan:** Provide a description of each of the following:
- a. Prior successful implementation of similar project plans for projects of this scale by the applicant or any Project Sponsor. Applicants that are not able to include examples of successful implementation of similar project plans for projects of this scale should provide a description of the prior and related experience that they believe are sufficient to demonstrate to DOE that they have the expertise that would be evidenced in examples of successful implementation of similar project plans for projects of this scale
  - b. Each step of the proposed project processes
  - c. Fully sourced or cited material and energy balance, including system simulation for processes, using industry standard software
  - d. Unique equipment requirements
  - e. Rights or licenses necessary to use processes proposed and acquisition status
  - f. An integrated schedule or project work plan that encompasses time periods for design, procurement (including long-lead procurements), construction (including mobilization, testing, and start-up), and commissioning. The schedule should identify any project-external dependencies such as regulatory approvals or scheduling (e.g., interconnection), land-use agreements, environmental permits, licenses, or site improvements (e.g., utility service).
  - g. Project cost analysis including analysis based on minimum design specifications coupled to process flow diagrams and cost estimates
  - h. Project management plan and use of tools, such as Gantt charts, Monte-Carlo and other variance analysis, resource-based scheduling, or other methods to assess and track progress
  - i. Staffing plans, including identification of costs and resources to design, engineer, and construct the project. Include details for:
    - i. Number of construction jobs created
    - ii. Construction staffing plans by quarter and trade based on an integrated schedule or project work plan
    - iii. Apprenticeship utilization goals and identification of any registered apprenticeship programs, as defined in 26 U.S.C. § 3131(e)(3)(B)
    - iv. Responsible contractor standards and open and competitive bidding policy
  - j. Project risks and mitigation strategies, including risk related to construction cost and schedule, scale-up and commissioning, procurement, obtaining skilled labor and avoiding labor strife, etc. and the potential project impact and mitigation of such risks
  - k. Contingency plans to address cost overruns and schedule slippage
- 3. Operating and Maintenance Plan:** Provide the following:
- a. The plan for plant operations, proposed providers, expected staffing requirements, anticipated parts inventory and acquisition plans, major maintenance schedules and procedures, estimated annual downtime, and any performance guarantees and related liquidated damages provisions



- b. The plans for commissioning and initial operations (taking into account the construction schedule, the establishment of material supply chains, the hiring and training of management and operating personnel, logistics, potential bottlenecks, and delays, financing for contingencies, and working capital) and information concerning the management experience of each officer or key person associated with the project
  - c. Any plans for expanding capacity over initial operations and the Applicant or the Project Sponsor's experience with comparable ramp-ups
  - d. Staffing plans, including details for:
    - i. The number and location of U.S. operations and maintenance jobs created or retained by the project
    - ii. The minimum wages and benefits for each job title (level) on the project
    - iii. Expected staffing requirements for operations and maintenance including the projected hires and total jobs by job title (level) including worker classification by year of operation
- 4. Decommissioning Plan:** Provide a description of the project decommissioning, deconstruction, and disposal plans (including any hazardous waste disposal plans), including anticipated costs and arrangements that have been made to ensure that funding will be available as necessary.
- 5. Engineer's Report:** Provide an independent engineer's report that includes a review, evaluation, analysis, and recommendations in the following areas:
- a. Base technology readiness for deployment, including previous commercial or pre-commercial demonstration
  - b. Engineering and design approach
  - c. Integrated project schedule, including the schedule for completion
  - d. Cost estimates and technical input to the financial model
  - e. Contractual requirements and arrangements
  - f. Proposed supply chain
  - g. Project construction and operating risks, including mitigation activities and milestones
  - h. Direct labor requirements during construction and operation
  - i. Siting and permitting
  - j. Testing and commissioning
  - k. Operation and maintenance
  - l. Decommissioning plan and costs





## C. Legal and Regulatory Information

1. **Permits and Approvals:** Provide as a table an updated list and status of federal, State, and local permits, licenses, and approvals required to site, construct, implement, and operate the project, including environmental authorizations or reviews necessary to commence construction.
2. **Background and Legal Structure:**
  - a. Provide a current project organizational chart, with any updates from the Part I submission, showing the Applicant's relationship to each Project Sponsor, the project, and to any subsidiaries or affiliates of any Project Sponsor involved in the project. The organizational chart should also include information regarding each Person that holds or controls more than 10% of the voting or economic interests in any Project Sponsor. Include the legal structure (e.g., corporation, partnership, or LLC) of each entity listed in the organizational chart. Include a short narrative description of the chart indicating the status and plans, if any, to create any entity.
  - b. Include copies of the organizational documents of the Applicant, the Borrower, and each Project Sponsor (such as certificates of incorporation and bylaws) and copies of the good standing certificates for each such entity. In the case of an application for a SEFI-supported project, if available, include copies of the organizational documents of the SEFI and any intermediary entities through which the SEFI support flows.
  - c. Provide copies of any legal opinions and other legal reports, analyses, and reviews related to the project that have been delivered prior to the submission of any part of the Application.
3. **Litigation and/or Conflicts:** Disclose any current, threatened (in writing), or pending litigation involving the Applicant, a Sponsor, or, to the Applicant's knowledge, any other relevant party, related to permitting, public involvement, environmental issues, construction defects, fraud, securities fraud, conflict of interest, failure to perform under a local, State or federal contract, or other charges which may reflect on the Applicant's, or any Project Sponsor's, reputation, financial position, or ability to complete the project. An application for a SEFI-Supported project should provide such information regarding the SEFI and any intermediary entities through which SEFI support flows to the extent the information is known and available.



## D. Business Plan

Provide a business plan that demonstrates the applicant's expertise, financial strength, and management capability to undertake and operate the project as proposed.

1. **Project Summary:** Provide a project summary that explains the overall purpose, scope, and value streams of the project. This description should include statements of comprehensive goals and objectives for the project, and how project parts fit together to support overall objectives. Include descriptions of necessary technical, economic, and process integrations that are required to achieve the unified objectives of the project. For projects that use distributed locations and/or staged project investments to scale up project output and capabilities, describe an integrated project structure that explains the connected and unified nature of the project. This may include relationships between project phases, sites, and energy infrastructure that will be operated in a coordinated manner. For Innovative Energy and Innovative Supply Chain Projects that relate to a distributed project, provide specific detail to describe an integrated and comprehensive business plan, as required to meet innovation criteria for these categories. The integrated and comprehensive business plan should support a determination that the proposed project can be considered a single project that deploys the innovative energy technology in an integrated manner.
2. **Output:** Provide a description of the project's output in terms of product or a service, and any unique features of the project's business model.
3. **Market Analysis:** If available, provide a market study/report for the project's output from an independent consultant. If such a study/report is unavailable, provide the following:
  - a. An analysis of the current and projected market for the project's output. Discuss the prevailing economic and demographic trends in the target market, both on a macroeconomic basis and for the project's output. Identify the market's dependency on tax benefits or other government policy. Provide a justification for revenue projections (price and volume) and costs. Describe the project's projected customer base.
  - b. A description of the applicant's current and potential competitors for the project's output.
  - c. A description of any competitive advantages.
  - d. An analysis of the operating and market-related risks associated with the Project (e.g., market factors, price volatility, etc.) and mitigation strategies to be employed (e.g., sales contracts and reserves).
  - e. As appropriate and available, existing resource planning documents and market studies can be included in lieu of a new market analysis (for example, an approved integrated resource plan may be submitted in the case of regulated utilities).



#### **4. Marketing and Sales Plan:**

- a. For signed or draft contracts provided in Section II.A (Project Description – Key Contracts and Agreements), provide an analysis of the creditworthiness of counterparties who are, or are expected to be, party to such agreements if not included in the independent market study/report.
- b. To the extent that the project's output is not contracted, provide, as appropriate, a plan and status to identify and capture customer sales opportunities, including geographic and segment targeting, use of focus groups or other approaches to determine customer preferences, market demonstrations and sampling plans, customer purchase qualification processes, use of sales and distribution channel partners or direct sales, and advertising, warranties, and discounting related to the revenues to be generated.
- c. Provide, as appropriate, the plan for marketing and sales staffing, including communications, inside and outside sales, account management, and after-sales service.

#### **5. Feedstock Supply Plans:** If not covered separately in Operations and Maintenance Plan, and to the extent applicable:

- a. Provide the project's forecast for feedstock (availability and costs) and sales capacity.
- b. Provide an analysis of the market for the project's feedstock, identifying any expected market supply risks or shortages.
- c. Provide a description of the project's plans for ensuring an adequate supply of key or unique materials, equipment, and components as needed for successful operation. Provide drafts or executed copies of all material supply contracts for the project or other risk management strategies such as futures contracts.
- d. Provide an analysis of the creditworthiness of counterparties who are party to supply agreements if not included in the independent market study/report.

#### **6. Insurance Coverage:** Provide a description of the proposed insurance coverage for the project, together with a report from an insurance consultant that addresses the appropriateness and adequacy of such coverage.

### **E. Financial Plan**

- 1. Financial Statements:** Provide unaudited financial statements for the applicant or majority Sponsor for the three immediately preceding fiscal years (or since inception if the applicant or majority Sponsor has not been in existence for at least three years), prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). Include all associated notes and describe business and financial interests of controlling or commonly controlled organization or Persons, including parent companies, subsidiaries, and other affiliated entities or partners of the applicant or Sponsors.



## 2. Project Financial Model and Analysis:

- a. Provide a working financial model (with formulas) with pro-forma financial statements for the project. List the major assumptions in a separate worksheet within the model.
  - i. Include assumptions and calculations broken down monthly through the Commercial Operating Date (COD) and quarterly for the balance of the proposed tenor of the Guaranteed Obligation.
  - ii. Include detailed linked income statements, balance sheets, cash flow statements, and waterfall statements, with an integrated Sources and Uses table listing all sources of funding (equity and debt) and all uses of funds, both eligible and non-eligible, and the ability to vary project debt levels.
  - iii. Include financial ratios (e.g., interest coverage ratios, fixed charge coverage ratios, debt-to-capital ratios, asset coverage ratios, and working capital ratios (including high and low points)) and other relevant terms in the proposed term sheet. Highlight those periods during construction and operation in which non-compliance with the proposed financial ratios is most likely.
  - iv. Include sensitivity analyses that demonstrate the project's performance under appropriate stress scenarios, including low sales prices, reduced project performance, loss of major customers, high input material prices, and the impact of future competing technologies.
  - v. Include cost assumptions based on compliance with the Davis-Bacon Act and the Cargo Preference Act, as applicable.
  - vi. Include a complete description of the operational and financial assumptions and methodologies incorporated in the financial model.
- b. The financial analysis should clearly demonstrate that the project being financed is commercially viable and that there is reasonable prospect that the Applicant will be able to repay the principal and interest on the Guaranteed Obligation and any other project debt incurred. Discuss the principal risk factors that could impair the Applicant's ability to meet its debt service obligations, including the Guaranteed Obligation.

## 3. Financial Plan: Provide a financial plan narrative for the project, consistent with U.S. GAAP.

- a. List all proposed sources of expected equity and debt funding by provider, type, and aggregate amount, and, to the extent available, provide copies of all material agreements, whether entered into or proposed, relevant to the investment and financing of the project and the financial closing checklists for each financing.
- b. Describe uses, timing, and amount of expected equity and debt funding.
- c. For each party associated with the project, provide a description of their projected liabilities over the term of the Loan Guarantee Agreement.



- d. Include a summary of any funding intended to be procured through the use of special purpose entities. Summarize each tranche of funding (e.g., amount, maturity, amortization schedule, the proposed loan guarantee percentage, and whether it is a fixed- or floating-rate tranche).
  - e. Include a summary of any funding that will be tax-advantaged debt to which Section 149(b) of the Internal Revenue Code may be applicable. Summarize measures that will be taken to avoid (i) effective subordination of federally guaranteed debt to tax-advantaged debt, (ii) the use of any federal guarantee as collateral to secure tax-advantaged debt, and (iii) any linkage of federally guaranteed debt with tax-advantaged debt.
  - f. Include a schedule indicating all anticipated short-term financing or credit facilities required for ongoing operations of the project, including all working capital facilities, performance bonds, and similar forms of financing available to or anticipated to be available to the project. Describe the nature of the security or collateral that is intended to be made available to secure these working capital and other short-term facilities.
4. **Credit History:** Provide the credit history of the applicant and any business entity owning or controlling a five percent (5%) or greater interest in the project or the applicant, the offtaker(s), the feedstock supplier, if applicable, and the EPC contractor. Provide the full name of the entity, address, and date of organization.
  5. **Collateral:** Provide a listing, description, and value of all assets associated, or to be associated, with the project and any other assets that will serve as collateral for the Guaranteed Obligations, including any intellectual property necessary for the operation of the project.
  6. **Consideration of Pari-Passu Status:** Provide information and financing documents regarding any existing senior secured debt of any party providing a guarantee or other credit support.
  7. **Preliminary Credit Assessment:** A preliminary credit assessment from an approved nationally recognized credit rating agency for the proposed project without a loan guarantee will be requested, and may be required, at LPO's sole discretion.
  8. **SEFI Qualifications (as applicable):** For projects applying under the SEFI category, provide a description of the state energy financing institution including supporting documents that demonstrate its eligibility as a SEFI under Title 17. Those may include:
    - a. Information regarding the formation, purposes, and relationship to the State or applicable jurisdiction of each such SEFI
    - b. Rationale for designation of non-federal support as "meaningful SEFI support"
    - c. Information about any intermediary entities through which SEFI support flows



- 9. Other Financial Information:** Include any other information about the applicant and any Project Sponsor that provides a comprehensive summary of the applicant or Project Sponsor's business and financial situation, including specific information relevant to analyzing historical cash flow on a secular, normalized basis.
- 10. Assurance of Customer or Associated Community Benefit (electric utilities only):** Utilities that apply for EIR projects must also provide assurance that financial benefits from the loan will be passed on to the customers of, or communities served by, that utility. This assurance can be provided in the form of regulatory approvals that demonstrate customer benefit, letters of support from community representatives that attest to expected community benefit, independent financial or ratepayer analysis, and other applicable evidence of community or customer benefit.

## F. Community Benefits Plan

*This information should be written in a separate document, for upload to the Application Portal.*

Provide a Community Benefits Plan that demonstrates fulfillment of the requirements outlined in Attachment II.A of this document.

## III. Certifications

*Separate document(s) for upload to the Application Portal.*

### A. Lobbying, Debarment, and Related Certifications and Assurances:

In submitting an application for a loan guarantee under Title 17, applicants must provide certain certifications and assurances contained in the form entitled "[Certifications for Use with Applications for Department of Energy Loan Guarantees under Title XVII of the Energy Policy Act of 2005.](#)"

### B. Applicant Validation Statement:

Provide a written statement and supporting analysis attesting that, based on the information provided to DOE, there is a reasonable prospect that all debt of the project (including the Guaranteed Obligation) will be repaid on time and in full (including interest) from cash flow generated by the project and in accordance with the terms proposed in the Application.

As part of the project evaluation process, DOE may require that applicants provide additional certifications or supporting documentation. DOE is not authorized to issue a loan guarantee to any party that is delinquent on federal debt, including federal tax debt.



### C. Penalty of Perjury Statement:

The following certification must be included with each Application:

The undersigned certifies that the data and information submitted and the representations made in this Application and any attachments to this Application are true and correct, to the best of the Applicant's knowledge and belief after due diligence, and the Applicant has not omitted any material facts. The undersigned further certifies that [s]he has full authority to bind the Applicant.

\_\_\_\_\_  
Applicant (Organization Name)

\_\_\_\_\_  
Name of Applicant's Authorized Officer  
(will fulfill on-line certification)

\_\_\_\_\_  
Signature of Authorized Officer  
(for paper copy only)

\_\_\_\_\_  
Title of Authorized Officer  
Applicant (Organization Name)

\_\_\_\_\_  
Date



## Attachments

### II.A Community Benefits Plan

All applicants are required to submit a Community Benefits Plan as part of their Part II Application. The Community Benefits Plan should discuss how the applicant is engaging and will engage with stakeholders affected by the proposed project. Applicants will be evaluated on the quality of their Community Benefits Plan, including the extent to which the plan includes specific, measurable actions and outcomes.

DOE can discuss and provide feedback on Community Benefit Plans with potential applicants during pre-application consultations. Community Benefits Plans will be preliminarily evaluated during the Part II evaluation, and further evaluated during due diligence. Applications with incomplete or otherwise inadequate Community Benefits Plans may not be invited to proceed to due diligence.

In general, an applicant's Community Benefits Plan should explain how the proposed project will support i) community and labor engagement leading to negotiated agreements, ii) job quality and workforce continuity, iii) diversity, equity, inclusion, and accessibility, and iv) the Justice40 initiative goal that 40 percent of the overall benefits from certain federal investments flow to disadvantaged communities.<sup>1</sup> Each of these components is discussed below; examples are provided for illustration only and are not a prescriptive or exhaustive list of items to be included in the Community Benefits Plan.

For additional information, see [Community Benefits Plan Frequently Asked Questions \(FAQs\) | Department of Energy](#).

A Community Benefits Plan for an LPO application does not need to entail extraordinary additional requirements beyond the normal course of project development activities. The Community Benefits Plan should be approximately 3-8 pages in length and written in an executive summary format to identify project benefits described elsewhere in the application. Applicants should specifically communicate ways in which the Community Benefits Plan de-risks the project and mitigates community harm.

In support of the Community Benefits Plan, applicants may submit documentation to demonstrate existing or planned community, environmental and labor initiatives. For example, applicants should identify existing partnerships with community entities, such as organizations that work with local stakeholders most vulnerable to or affected by the project, organizations that carry out workforce development programs, labor unions, Tribal

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<sup>1</sup> The Justice40 initiative, created by [E.O. 14008](#), establishes a goal that forty percent of the overall benefits of certain federal investments flow to disadvantaged communities.





organizations, local environmental organizations, community-based organizations that work with disadvantaged communities, and other diversity and equity partners.

Applicants should also provide documents that demonstrate fulfillment of key objectives, such as existing Community and Labor Partnership documentation from representative organizations reflecting substantive engagement and feedback on the applicant's approach to community benefits.

## A. Community and Labor Engagement

The Community Benefits Plan should describe the applicant's actions to date and plans to engage with labor unions and community stakeholders such as local governments, Tribal governments, and community-based organizations that support or work with underserved communities, including disadvantaged communities as defined for purposes of the Justice40 Initiative. By facilitating community input, social buy-in, and accountability, such engagement can substantially reduce or eliminate slowdowns, litigation, and other risks associated with project implementation.

Community and labor engagement should ideally lay the groundwork for the eventual negotiation of Workforce and Community Agreements, which could take the form of one or more kinds of negotiated agreements with communities, labor unions, or both.

### **In the Community and Labor Engagement portion of the Plan, applicants may:**

- Identify the project's Community Jobs and Justice Lead.
- Outline local stakeholders that have been or will be engaged in stakeholder engagement and describe the types of engagement and outcomes of that engagement.
- Indicate local labor leaders who have been engaged during construction and operations planning.
- Identify any community-focused agreements developed or in development for the project and explain how they relate to community and labor engagement. Examples include: Construction Workforce Agreement, Community Benefits Agreement, and/or Good Neighbor Agreements.<sup>2</sup>
- Describe stakeholder outreach and engagement conducted or planned as part of the project's environmental reviews.
- Identify any plans to pursue bonus tax credits for projects placed in service in an "energy community," low-income community, or part of a "qualified low-income residential building project" or "qualified low-income economic benefit project."

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<sup>2</sup> [Community Benefits Plan Frequently Asked Questions \(FAQs\) | Department of Energy.](#)



## B. Quality Jobs and Workforce Continuity

A well-qualified, skilled, and trained workforce is necessary to ensure project stability, continuity, and success, and to meet program goals. High-quality jobs are critical to attracting and retaining the qualified workforce required. The Community Benefits Plan should describe the applicant's approach to investing in workforce education and training of both new and incumbent workers and ensuring jobs are of sufficient quality to attract and retain skilled workers in the industry. Applicants should include details on how they will support strong labor standards; creation of good-paying jobs with the free and fair choice to join a union; wages, benefits, and other worker supports; workforce education and training, especially registered apprenticeship programs and quality pre-apprenticeship programs; and efforts to engage employees in the design and execution of workplace safety and health plans.

The Community Benefits Plan can include anticipated jobs that will be enabled by the project in the region, which may not be directly associated with the project receiving LPO support. For example, reconductoring a transmission line to carry more energy could allow the construction of new energy supply resources in a region or provide power directly to manufacturing or other industry that is currently infeasible. Applications should describe such cases of related economic impact, including references to available analyses or commitments that demonstrate these anticipated effects.

### **In the Quality Jobs and Workforce Continuity portion of the Plan, applicants may:**

- Identify any workforce-focused agreements developed or in development for the project. Examples may include Construction Workforce Agreement, Project Labor Agreement, Neutrality Agreement, Collective Bargaining Agreement, or Labor-Management Partnership.
- Indicate if the applicant (or EPC contractor) has a Responsible Contractor Standards Policy aligned with industry best practices.
- Identify any plans to pursue the Inflation Reduction Act (IRA) Production Tax Credits (PTCs) and Investment Tax Credits (ITCs) Labor Standards Bonus Rate for Prevailing Wage and Registered Apprenticeship Utilization.<sup>3</sup>

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<sup>3</sup> To meet the 2024 IRA Tax Credit Bonus Rate Apprenticeship Utilization Requirement, applicants must set a workforce goal of at least 15% of all hours to be worked by apprentices, prioritizing apprentices from disadvantaged communities.



- Describe any employer-sponsored training that allows access to entry-level workers, advancement within the company, or attainment of skills (e.g., registered apprenticeship programs, quality pre-apprenticeship programs, labor-management training programs, tuition reimbursement programs, etc.).
- Describe efforts to engage employees in the design and execution of workplace safety and health plans.
- Outline training partnerships with community colleges, local workforce boards and workforce systems, community-based organizations, and apprenticeship readiness programs.<sup>4</sup>
- Describe any local and targeted hiring goals associated with the project.
- Describe the employees' ability to organize, bargain collectively, and participate, through labor organizations of their choosing, in decisions that affect them.

## C. Diversity, Equity, Inclusion, and Accessibility (DEIA)

The Community Benefits Plan should include a section describing how diversity, equity, inclusion, and accessibility (DEIA) objectives will be incorporated into the project. The applicant should describe any plans to partner with business organizations, educational institutions, and workforce training organizations that serve underrepresented workers who face barriers to accessing high-quality jobs. In doing so, the applicant increases likelihood of project success by strengthening its ties with the community, diversifying its supply chains, and contributing to the health and robustness of the surrounding community.

**In the Diversity, Equity, Inclusion, and Accessibility portion of the Plan, applicants may:**

- Indicate if you have a relationship with the regional Minority Business Development Agency (MBDA) Business Center or a local community business diversity organization.

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<sup>4</sup> [Construction Union Apprenticeship Programs & Job Training Near Me \(nabtu.org\)](https://nabtu.org).



- Create business DEIA plans, including goals for number and/or dollar value of contracts, grants, or cooperative agreements awarded to federally identified SBA-graded socioeconomic categories, minority business enterprises, minority-owned businesses, woman-owned businesses, veteran-owned businesses, businesses located in underserved communities, or local businesses identified as disadvantaged or prioritized by the State, local government, or local community.
- Partner with and participate in events with federal, State, and local economic development and business development organizations, such as the Minority Business Development Agency, the Small Business Administration, and/or the Department of Energy.
- Participate in business mentoring programs to help grow clean energy enterprises.
- Describe mechanisms to publicly share and promote employment, contracting, supplier, and other opportunities.
- Outline recruitment partnerships with Minority Serving Institutions.<sup>5</sup>
- Outline recruitment partnerships in the community with Community Colleges, local workforce boards and workforce systems, community-based organizations, and Apprenticeship Readiness Programs.
- Support gender inclusion by setting goals for female worker recruitment in all areas of the project. For example, see the U.S. Department of Labor requirements in Executive Order 11246 Equal Employment Opportunity for establishing a workforce goal of at least 6.9% of all hours to be worked by female workers.<sup>6</sup>
- Establish workforce diversity, equity, inclusion, and accessibility goals for individuals who belong to underserved communities, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; veterans; returning citizens; and persons otherwise adversely affected by persistent poverty or inequality and contracting with businesses owned by such persons.

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<sup>5</sup> [Minority Educational Institutions Division | Department of Energy.](#)

<sup>6</sup> To meet Executive Order 11246 gender goals.



## D. Justice40 Initiative

Describe how the applicant's project advances DOE's equity, environmental, and energy justice priorities, including DOE's commitment to the Justice40 Initiative and DOE's commitment to energy communities.<sup>7</sup> Describe the applicant's plan to identify and engage with affected communities and to measure, track, and address the potential benefits (e.g., jobs) and impacts (e.g., environmental degradation) of the project to these communities.

Benefits may align with DOE's energy justice policy priorities for disadvantaged communities, which include decreasing environmental exposure and burdens, increasing access to low-cost capital, increasing clean energy enterprise creation and contracting, increasing clean energy jobs (including job pipeline and training), and increasing energy resiliency.

Applicants must provide an overview of benefits to disadvantaged communities that the project can deliver, supported by measurable milestones.

### In the Justice40 portion of the Plan, applicants may:

- Identify and report on local and State incentives, programs, and commitments made by the applicant for the project.
- Identify disadvantaged communities impacted by the project and to which the anticipated project benefits will flow, specifically those identified by Council on Environmental Quality (CEQ) Justice40 Communities.<sup>8</sup>
- Define whether the project, or sections of the project, are eligible for the 10% energy community tax credit bonus set by the Inflation Reduction Act, as defined by the U.S. Department of Treasury.
- Report hiring goals for underserved communities or disadvantaged communities.<sup>9</sup>
- Report Clean Energy Jobs and [Justice40 Initiative | Department of Energy](#) priorities for the project, focusing on applicant-driven goals aligned with any local and State commitments (e.g., number of jobs created, GHG emission reductions). Identify metrics and tracking methods and systems to align with Executive Order 11246, Justice40.

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<sup>7</sup> [Priority Energy Communities - Energy Communities](#).

<sup>8</sup> [About - Climate & Economic Justice Screening Tool \(geoplatform.gov\)](#).

<sup>9</sup> To meet the Justice40 Covered Programs Jobs Benefit for Disadvantaged Communities, applicants could establish a workforce goal encouraging a significant percentage of all hours to be worked by workers residing within disadvantaged communities for either construction or operations jobs.



- Identification of applicable benefits that are quantifiable, measurable, and trackable, including a discussion of the relevance of each of the eight DOE Justice40 Initiative benefits outlined here. Benefits include (but are not limited to) measurable direct or indirect investments or positive project outcomes that achieve or contribute to the following in disadvantaged communities: (1) a decrease in energy burden; (2) a decrease in environmental exposure and burdens; (3) an increase in access to low-cost capital; (4) an increase in high-quality job creation, the clean energy job pipeline, and job training for individuals; (5) increases in clean energy enterprise creation and contracting (e.g., minority-owned or disadvantaged business enterprises); (6) increases in energy democracy, including community ownership; (7) increased parity in clean energy technology access and adoption; and (8) an increase in energy resilience.<sup>10</sup>
- A description of how and when anticipated benefits are expected to flow to disadvantaged communities. For example, will the benefits be provided directly within the disadvantaged community identified in the Justice40 Initiative section, or are the benefits expected to flow in another way? Will the benefits flow during project development or after project completion, and how will the applicant track benefits delivered?
- A discussion of anticipated negative and cumulative environmental impacts on disadvantaged communities. Are there anticipated negative or positive environmental impacts associated with the project, and how will the applicant mitigate any negative impacts? Within the context of cumulative impacts created by the project, applicants should use Environmental Protection Agency EJSCREEN tool to quantitatively discuss existing environmental impacts in the project area. See [EJScreen: Environmental Justice Screening and Mapping Tool | US EPA](#)

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<sup>10</sup> J40 reporting metrics (see page 11 - Figure 2: Table of Example Benefit Metrics [Final DOE Justice40 General Guidance 072522.pdf \(energy.gov\)](#)) to identify potential benefits tracked by the Applicant for this project.



## II.B NEPA Compliance

### A. Background

All applications for projects pursuant to Title 17 are subject to review under the National Environmental Policy Act (NEPA). The NEPA review process typically begins once the Applicant has accepted LPO's invitation into the continued due diligence phase following the Part II review. DOE evaluates the project to determine the appropriate level of NEPA review required, unless a NEPA review is being or has been prepared for the project by another federal agency. The applicant (or their environmental consultant), under DOE direction and oversight, is responsible for providing all necessary analysis and documentation to comply with NEPA and the applicable implementing regulations in 40 CFR 1500-1508 and 10 CFR §1021. The NEPA review must be completed before closing.

Once DOE initiates the NEPA review process, applicants should consult with DOE before commencing any work on the project site (beyond preliminary design activities). Such consultation is necessary as certain actions that could cause adverse environmental impacts or limit the choice of available alternatives for the project may not be allowable during the NEPA review process and could result in discontinuing consideration of an application or terminating an outstanding Conditional Commitment.

There are three possible levels of NEPA review for an applicant's project:

- a. Environmental Impact Statement (EIS): For projects expected to have significant effects on the quality of the human environment (biological, physical, and socio-cultural resources). An EIS typically requires 12 to 24 months to process.
- b. Environmental Assessment (EA): For projects with the potential to significantly impact biological, physical, and socio-cultural resources. An EA typically requires 6-9 months to process.
- c. Categorical Exclusion (CX): For projects that meet the conditions for excluding the requirement to prepare an EA or EIS because prior analysis of similar actions determined such actions will not have significant impacts (e.g., re-equipping and retooling within existing facilities). A CX typically requires less time to process than an EA.

Examples of projects normally requiring an EA or an EIS can be found in the DOE NEPA implementing regulations at 10 CFR §1021, Appendix C and D to Subpart D, respectively. A list of actions potentially eligible for categorical exclusion to the EA or EIS requirements can be found at 10 CFR §1021 Appendix B to Subpart D.



## **B. Information to be Submitted to DOE in an Application**

A Part II Application must include an environmental report that provides a general description of the physical and natural resources and setting of the project site or sites and assists LPO in determining the appropriate level of NEPA review, the notable regulatory permits, approvals, and/or consultations required for the construction and/or operation of the project and identify if other federal agencies may be involved in the project. The report will assist DOE in preparing for the NEPA review and developing and defining the roles and responsibilities of LPO and the applicant, to include its environmental contractors, in executing the NEPA review. The environmental report is commonly five to ten pages long, commensurate with the complexity of the project.

Accordingly, each applicant should submit the following information to assist DOE in determining the appropriate level of NEPA review, and in preparing an EA or EIS if necessary. For projects involving multiple sites, the data listed in Sections A-C below should be submitted for each site, as applicable. However, if a NEPA document has already been prepared by a federal agency, and encompasses the full scope of the project contained in the application, that NEPA document may be submitted in lieu of the following information:

### **A. Description of Project Facilities, Site, and Surrounding Area**

Describe and, as appropriate, identify and quantify:

1. A map showing the location of the project site, and a site layout map showing the project facilities and associated new or modified infrastructure and utilities;
2. Site address, and description of site control and ownership (under Federal, State, Tribal, local ownership, or lease);
3. Purpose of the project facility and materials produced or services provided;
4. Description of new facilities to be constructed, any modifications of existing facilities, and any new infrastructure or facilities necessary for the construction or operation of the project (e.g., access roads, laydown areas, off-site parking areas, railroad links, docks, water outfalls and intakes, pipelines, electrical transmission, waste treatment facilities, etc.);
5. Overall project area and footprint of the new and/or modified facilities;
6. Extent of necessary ground disturbance for the project (e.g., site clearing, fill and excavation);
7. Expected project lifetime, including any planned expansion of initial project at the proposed site and to other sites; and
8. Existing transportation infrastructure (e.g., rail, waterways, roads) and utility infrastructure (e.g., electricity, natural gas, water, and wastewater) that will be utilized by the project.





## **B. Project Setting:**

1. Provide an overview of the setting of project site, or for dispersed projects, the characteristics or parameters associated with the deployment of the dispersed project;
2. Provide description of water supply (potable and non-potable) and sources for the project, as well as any point source discharges, injection wells, and/or major air emission sources;
  - a. As appropriate, include a brief discussion of the physical, biological, cultural, and socioeconomic resources at the project site and area immediately surrounding the project site. Include a brief description of adjacent land uses (e.g., industrial, commercial, agricultural, residential, and recreational);
  - b. Areas with special designation both on the project site and surrounding area, including national forests, historic or culturally significant sites, wetlands, floodplains, critical habitat for designated threatened or endangered species or the presence of those species, prime and unique farmland, and wellhead protection areas;
  - c. Ambient air quality; and
  - d. Nearby human populations and demographics (including minority and low-income and methods used for identifying those populations).

## **C. Status of Other Environmental and Regulatory Reviews:**

Status reports should include, but should not be limited to:

- a. If the project would require review or permitting by another federal agency or by a State, Tribal, regional, or local agency, identify the required reviews and permits and the status of each;
- b. If an environmental impact review (e.g., NEPA documentation or agency consultations) has been prepared (or is in the process of being prepared or is anticipated) for the project (by another federal agency or a state agency), provide a summary or copy of the review; and
- c. Whether a Phase 1 Environmental Site Assessment has been completed. If so, summarize the results.



## II.C Application Submission Instructions

Applicants must file Part I and Part II submissions via the DOE Loan Programs Office's online Application Portal ("Application Portal"). Supporting documents for applications will be accepted only in the following formats: Microsoft Excel or Adobe PDF. Do not encrypt, compress, or zip any files.

### A. Application Portal Submission Process

LPO offers pre-application consultations to prepare prospective applicants for the application process. Please visit [Request Pre-Application Consultation | Department of Energy](#) to request a no-cost pre-application consultation. If you have already had pre-application consultations with LPO, please email or call your LPO staff contact for instructions on how to access the Application Portal.

The Application Portal provides a process for making corrections to an application if substantive changes or additions are required after it has been submitted.

### B. Portal Registration

When submitting a Part I Application via the Application Portal, applicants are encouraged to include the following:

1. A North American Industry Classification System (**NAICS**) code; and
2. A registration number from the federal System for Award Management (**SAM**).

A SAM number will be required for the Part II Application.

### C. Formatting Instructions

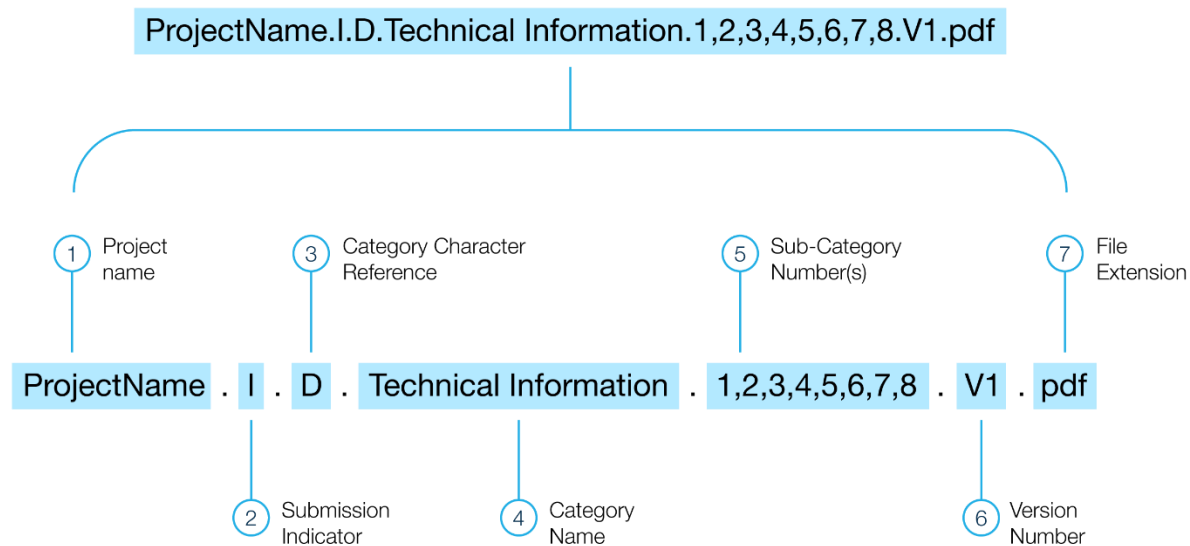
Applicants should provide all requested information in the following format:

1. Documents supporting and forming any part of an application should:
  - a. Be typed in 11 point or greater font;
  - b. Conform to the outlines given in the Part I and Part II Application Instructions;
  - c. Adhere to a format consisting of standard 8.5" x 11" paper; and
  - d. Have at least 1" margins (top, bottom, left, and right) with exceptions for charts, graphics, and similar materials.
2. Applicants should provide a "short name" or other identifier that will allow for easy identification of the project.
3. The file naming standard that DOE will use for uploaded files is specified in the following table. Certain documents uploaded through the Application Portal will be renamed automatically to conform to this convention, as shown in the example that follows.



| Order # | File Name Identifier                   | Identifier Specified as  | Followed by |
|---------|--|--|-------------|
| 1       | Project Name                           | Project Name   | Period      |
| 2       | Part I or Part II Submission Indicator | Roman numeral  | Period      |
| 3       | Category Character Reference           | Capital letter identifier for the section in the Application Instructions specifying the document category   | Period      |
| 4       | Category name                          | Name of the section in the Application Instructions specifying the document category   | Period      |
| 5       | Sub-category Number(s)                 | Number identifier for the sub-section in the Application Instructions specifying the document sub-category.<br>If multiple sub-categories apply, list the sub-categories as a comma-separated list in ascending numeric order. | Period      |
| 6       | Version Number                         | Capital 'V' followed by the next consecutive version number in the system. The first version of any document is specified as 1.  | Period      |
| 7       | File Extension                         | File extension representing the file type  | NONE        |

Example:





## D. Status Updates

In connection with an invitation to Part II of the application process, the applicant will be provided a primary point of contact for any questions that the applicant may have regarding the application. Additionally, if DOE does not make a final decision on an application by the date that is 180 days after receipt of a complete Part II Application, the applicant may request, not more than once every 60 days thereafter, the current status of the application, a summary of any factors that are delaying a final decision on the application, a list of what items are required in order to reach a final decision, citation to authorities stating the reasons such items are required, a list of actions the applicant can take to expedite the process, and an estimate of when a final decision on the application will be made.

