

DOE Energy Financing Overhaul Opens Paths For Developers

By **Sven Hodges, Meaghan Connors and John Tormey** (September 1, 2026)

This year, after an extended period of uncertainty in 2025, federal financing programs across several key federal agencies have moved into high gear with a renewed sense of urgency.

The Trump administration's approach to federal financing, while still evolving across agencies and programs, is generally characterized by an emphasis on scale and a focus on transactions that significantly advance the administration's policy priorities — especially across the energy, critical minerals, semiconductor, defense and advanced manufacturing sectors.

This heightened level of agency activity creates opportunities for companies seeking financing for U.S. projects in industry sectors that align with administration priorities. However, companies may also face uncertainty and challenges as they seek to navigate the complex and fluid landscape of federal financing programs.

This two-part article provides a broad overview of the U.S. Department of Energy's Office of Energy Dominance Financing, or EDF, which is now positioned to be a key source of debt financing for energy and critical minerals projects in the U.S.

With the support of Energy Secretary Chris Wright and the leadership of Greg Beard, who assumed the role of EDF director on Jan. 29, the office has already made several important deal announcements.

Most notably, on June 23, the DOE announced a conditional commitment for \$17.5 billion in loan guarantees to finance the purchase of long-lead components for up to 10 AP1000 large-scale nuclear reactors to be built by Westinghouse.

This represents the DOE's first nuclear announcement since its \$12 billion financing for Georgia Power Co.'s Vogtle Units 3 and 4, which were completed in April 2024, and reflects the administration's broader ambition to scale up the AP1000 reactor fleet across the U.S.

EDF Background

Previously known as the Loan Programs Office, EDF operates the Title 17 Energy Financing Program under statutory authority originally granted in 2005 under Title 17 of the Energy Policy Act.

On July 4, 2025, the Title 17 program underwent a major overhaul under the One Big Beautiful Bill Act, which aligned it with the administration's energy priorities of energy security, grid reliability and affordability.

On Oct. 28, 2025, the DOE implemented the provisions of the OBBBA relating to the Title 17 program by issuing an interim final rule amending EDF's existing regulations at Title 10 of



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the Code of Federal Regulations, Part 609.

On May 13 of this year, EDF issued long-awaited program guidance for the Title 17 program. The guidance provides a comprehensive overview of the Title 17 program and incorporates the changes made under the OBBBA and the interim final rule.

The guidance also reflects key DOE priorities, especially with respect to nuclear, advanced geothermal and critical minerals. It replaces all guidance and solicitations previously issued by EDF with respect to the Title 17 program.

The guidance indicates that the EDF will review applications on a rolling basis. This should provide greater flexibility and clarity for applicants, who previously had to navigate pending application deadlines and multiple, sometimes overlapping solicitations.

Helpfully, the new guidance does not require that active EDF applicants resubmit applications that were submitted prior to May 13, though EDF may request additional information to evaluate applications in light of the guidance.

Title 17 Project Eligibility

General Eligibility Requirements

To qualify for EDF financing under the Title 17 program, applicants are required to demonstrate that their projects meet the following general eligibility requirements:

- The project must be located in the U.S. or its territories;
- The applicant must demonstrate a reasonable prospect of repayment of the EDF financing;
- The project must employ technically viable, commercially ready technology that is demonstrable through performance data; and
- The project is restricted from benefiting from certain other forms of federal support, including federal grants or other federal loans or loan guarantees, though federal tax credits are permissible.

Technical Eligibility Requirements

In addition to the general eligibility requirements listed above, applicants to the Title 17 program are required to demonstrate that the project meets the technical eligibility requirements of Section 1703 or Section 1706 of Title 17. The technical eligibility requirements for Section 1703 and 1706 projects are described further below.

Section 1703 Technical Eligibility

In order to be technically eligible under Section 1703, a 1703 project must use one or more of the following eligible technologies:

- Renewable energy systems;
- Advanced fossil energy technology;
- Hydrogen fuel cell technology;

- Advanced nuclear energy;
- Carbon capture and sequestration technologies;
- Efficient electrical generation, transmission and distribution;
- Efficient end-use energy technologies;
- Production facilities for the manufacture of fuel-efficient vehicles or parts of those vehicles;
- Pollution control equipment;
- Oil refineries;
- Energy storage technologies;
- Industrial decarbonization technologies; and
- Supply of critical minerals.

In addition to using a Section 1703-eligible technology, a 1703 project must fall under one of three categories: a 1703 innovative energy project, a 1703 innovative supply chain project or a 1703 state energy finance institution, or SEFI, sponsored project. These three categories are discussed further below.

1703 Innovative Energy Projects

To qualify as a 1703 innovative energy project, a 1703 project must: (1) avoid, reduce, utilize or sequester air pollutants or greenhouse gases; and (2) include new or significantly improved technology that has only recently been developed, or involves a meaningful and important improvement in productivity or value as compared to commercial technologies already in use in three or more commercially operating projects in the U.S.

The guidance identifies several types of projects that may be eligible under this category, including advanced nuclear reactors, front-end nuclear fuel cycle projects, advanced geothermal projects, critical minerals mining and processing, and stationary and mobile energy storage.

The 1703 innovative energy project category is set to be a likely funding pathway for developers and sponsors of innovative energy projects that reduce emissions.

1703 Innovative Supply Chain Projects

As with the 1703 innovative energy project category, in order to qualify under the 1703 innovative supply chain project category, a 1703 project must: (1) avoid, reduce, utilize or sequester air pollutants or greenhouse gases; and (2) include new or significantly improved technology that has only recently been developed, or involves a meaningful and important improvement in productivity or value as compared to commercial technologies already in use in three or more commercially operating projects in the U.S.

However, a 1703 innovative supply chain project may meet the innovation requirement through innovation in the manufacturing process of the relevant product, or through innovation in the relevant product itself.

Under the guidance, examples of 1703 innovative supply chain projects include modular nuclear reactors, advanced nuclear components and critical mineral value chain projects. The 1703 innovative supply chain project category is set to be a likely funding pathway for Tier 1 or lower-tier manufacturing facilities that employ innovative manufacturing processes, or otherwise manufacture products that are innovative.

The fact that a project is not required to employ innovative manufacturing processes in

order to be eligible should open this funding pathway to a wider range of manufacturers in the energy sector, accelerating the pace at which the supply chain for innovative projects can achieve scale through EDF financing.

1703 SEFI-Supported Projects

To qualify under the 1703 SEFI-supported project category, a 1703 project must still avoid, reduce, utilize or sequester air pollutants or greenhouse gases. However, it is not required to meet the innovation requirement for 1703 innovative energy projects or 1703 innovative supply chain projects.

For any 1703 SEFI-supported project, a SEFI — which includes entities established by a state, Indian tribal entities and Alaska Native corporations — must provide meaningful financial support or credit enhancements to the project. SEFI financial support can come in a number of forms, including equity and co-lending with EDF on a pari passu or mezzanine basis.

The 1703 SEFI-supported project category is set to be a likely funding pathway for developers and sponsors of projects that cannot satisfy the innovation requirement, but that are otherwise able to secure financial support or credit enhancement from SEFIs.

Where possible, applicants should engage the relevant SEFI in the jurisdiction of the project before applying for EDF financing for a 1703 SEFI-supported project. This will reduce the risk of SEFI financial support becoming a gating item during the application process.

Section 1706 Technical Eligibility

In addition to applying under Section 1703, projects may apply for EDF financing as 1706 projects under the Section 1706 Energy Dominance Financing program. For ease, the EDF program is best understood as a subprogram within the Title 17 program.

The EDF program was authorized under the OBBBA, replacing the energy infrastructure reinvestment program originally authorized in 2022 under the Inflation Reduction Act. The purpose of the EDF program is to finance the deployment of large-scale commercial energy and critical minerals projects in the U.S.

The EDF program takes a different approach to eligibility than Section 1703. It does not require projects to qualify as one of the Section 1703 technologies, use innovative technology or achieve greenhouse gas reductions.

Instead, the EDF program requires projects to: (1) retool, repower, repurpose or replace energy infrastructure that has ceased operations; (2) enable operating energy infrastructure to increase capacity or output; or (3) support or enable the provision of known or forecastable electric supply at time intervals necessary to maintain or enhance grid reliability or other system adequacy needs.

Importantly, the EDF program defines "energy infrastructure" expansively to include a very broad range of projects that relate not just to energy, but also critical minerals: "a facility, and associated equipment, used for enabling the identification, leasing, development, production, processing, transportation, transmission, refining, and generation needed for energy and critical minerals."

Since its establishment under the OBBBA in July 2025, the EDF program has funded the deployment of several large-scale energy projects, including:

- A \$1.6 billion direct loan to a subsidiary of American Electric Power Co Inc. in October 2025 to finance transmission upgrades across five states;
- \$26 billion in direct loans to subsidiaries of Southern Co. Gas in February of this year to finance gas, nuclear and grid enhancements in Georgia and Alabama; and
- A \$3.2 billion direct loan to AEP Texas in July to finance transmission upgrades in Texas.

Given its expansive eligibility requirements and the significant funding it received under the OBBBA, the EDF program is set to be a likely funding pathway for developers and sponsors — especially utilities — seeking financing for large-scale commercial energy and critical minerals projects or portfolios of projects.

The second installment of this article will discuss various aspects of Title 17 direct loans, including loan amounts, tenors, disbursements, amortization and interest rates, as well as key financial, technical, legal and regulatory considerations for applicants.

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