



In-ERCOT Generation Loan Program

Frequently Asked Questions



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Document Overview

This document provides potential applicants with answers to Frequently Asked Questions (FAQ) for the In-ERCOT Generation Loan Program, including general program information, eligibility requirements, application information, and the evaluation process. **This document will be regularly updated as new questions are raised and new program information becomes available.**

1. General

What funding is available for the Texas Energy Fund (TEF)?

The 88th Texas Legislature appropriated \$5B to implement TEF programs for the 2024-25 biennium. Information on funding allocation for each of the four TEF programs is not available at this time.

Is there a cap on the size of a single loan?

There is no dollar cap for a single loan. TEF loans may only be approved for up to 60 percent of the estimated costs of any given project. Should a facility serve both the Electric Reliability Council of Texas (ERCOT) grid and a Private Use Network (PUN) or industrial load, the loan amount must not exceed 60 percent of the estimated cost associated with the capacity that is dedicated to the ERCOT grid.

In the event the Public Utility Commission of Texas (PUCT) has more than four pending applications for In-ERCOT loans on the date the commission awards a loan, the amount of the loan award may not exceed 25 percent of the fund balance on that date.

Can a single entity receive multiple loans for separate projects?

Yes. Entities can apply for and be eligible to receive loans for more than one project. Each project will be evaluated on its own application and merits.

How will the PUCT determine which companies receive loans beyond meeting basic criteria for qualifying submissions?

PUCT staff and contractors serving as the TEF administrator will evaluate applications for TEF funding. The TEF administrator will be responsible for assessing each application for adequacy, conducting due diligence on applications to gauge the feasibility of each proposal, and providing commission staff with recommendations for funding. The TEF administrator review will assess the extent to which an applicant addresses and meets [evaluation criteria](#).

PUCT staff will review the TEF administrator's recommendation, based upon loan application evaluation criteria, and provide a final recommendation to the commissioners, who will make the ultimately determinations of award.



If the pool of qualifying loan applications totals more than the available amount of money, who will receive loans and who will not?

The commission will allocate funds based on the applications received and the application criteria outlined in the rule [16 TAC §25.510\(f\)](#).

Who will make the final decision on which entities are awarded loans?

[Commissioners](#) will vote to accept loan applications following a thorough competitive application process. The commission will make the final decision on which entities are awarded loans.

How will loan disbursements be made?

The Texas Treasury Safekeeping Trust Company will disburse funds to the borrower. Upon the initial closing of the credit agreement and after the borrower has met the conditions outlined in the loan agreement, the disbursement will be subject to the drawdown schedule as specified in the loan agreement with the borrower, which may include an initial loan disbursement for up to 60 percent of qualifying and documented incurred expenses that are part of the total estimated cost of construction for the project (or for the portion of the project dedicated to the ERCOT grid, where applicable), as verified by the TEF administrator. An applicant's equity contributions will either be funded pro rata with TEF debt or will be required in its entirety prior to funding of TEF debt, based on the credit quality of the application and discretion of the commission and as outlined in the loan agreement.

Will the applicant/borrower be expected to pay legal fees/financing transaction costs incurred by the commission and is it expected that such costs would be financed through the final loan amount?

TEF Administrative costs incurred by the PUCT will be paid out of the TEF, as specified in SB2627.

I have a question about my application – how do I contact someone to help?

For program information, questions, or assistance, contact the TEF Contact Center by phone at 1-866-526-2269 or email at info@txenergyfund.texas.gov.

2. Eligibility

Who is eligible to receive an award?

Potential applicants to the In-ERCOT Generation Loan Program can access the eligibility requirements, including details for both eligible facilities and eligible projects, in [16 TAC §25.510\(c\)](#).

3. Application

What is the application process?

The TEF Portal will accept applications for the In-ERCOT Generation Loan Program for an eight-week window, beginning on June 1, 2024, and closing on July 27, 2024. The PUCT executive director may extend the application window by providing public notice of the extension at least



30 days prior to the announced closing date. During this time, applicants must provide detailed information on the categories found in [16 TAC §25.510\(e\)](#). A corporate sponsor or parent may apply on behalf of a subsidiary applicant, and an applicant may withdraw an application at any time while under commission review.

An applicant must have submitted a Notice of Intent (NOI) by May 31, 2024, to be considered for an In-ERCOT Generation Loan. For more information on the NOI, read the NOI FAQ and NOI User Guide on [TEF Online](#).

What information is needed to apply?

Detailed information on the application categories can be found in [16 TAC §25.510\(e\)](#). **Specific application questions, required supporting documentation, and a step-by-step guide to the application form are in the In-ERCOT Generation Loan Program Manual on [TEF Online](#).**

What information in the application will be public, and what information will be proprietary (i.e., not subject to the Texas Public Information Act)?

Information submitted to the commission in an application for the In-ERCOT Generation Loan Program is confidential and not subject to disclosure under Chapter 552 (Public Information), Government Code.

Are there any consequences for filing a loan application later in the application window or earlier?

No, however, applications must be submitted by the close of the application window on July 27, 2024, to be considered. An applicant cannot make edits to the application once it is submitted, however, if an applicant has submitted an application that contains an error, the applicant can contact the TEF Administrator to assist in initiating a correction as soon as possible.

4. Loan Processing/Due Diligence

What are the evaluation criteria for applications?

Details on the evaluation criteria, including additional criteria that the TEF may consider when evaluating an application, can be found in [16 TAC §25.510\(f\)](#).

What is the applicant due diligence process?

The TEF Administrator will conduct due diligence on applications to gauge the feasibility of the proposed project. Each applicant must submit an independent engineer's report signed and sealed by a professional engineer licensed in the state of Texas, at the applicant's own expense, which assesses the feasibility of the project, its location, and all supporting commercial agreements relating to fuel, water, site control, and interconnection.

The TEF Administrator may request that an applicant provide additional information it determines necessary to conduct a complete evaluation of the project proposal. This process will commence after the application window has closed.



5. Award

What is the award process?

The commission will approve or deny an application based on the criteria outlined in the rule. Evaluations and other recommendations provided by the TEF Administrator are advisory only. All final decisions on whether to approve or deny each application will be made by the commission. Application approvals and loan awards are subject to funding availability.

Does the commission have an estimated or targeted time frame for when it will notify applicants that their application has been accepted to receive a TEF loan?

Once the application window is closed, the TEF Administrator will review applications and provide recommendations to the commission. The anticipated timeline for the commission to select projects to enter due diligence is September 2024.

If an applicant is not selected to receive a loan, is it still eligible for the Completion Bonus Grant (CBG) program?

An entity may file an application for a CBG award even if it is not selected for an In-ERCOT loan award. The In-ERCOT Generation Loan and CBG programs have different goals and criteria. Applications to each will be evaluated within the scope of the relevant program. Thus, application, receipt, or denial of a loan does not increase or decrease the likelihood of being awarded a CBG.