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2. [Federal Financing Tools](#)
3. Transmission Facilitation Program

### **Transmission Facilitation Program Selections**

Learn more about the first round of selections.

In support of the Bipartisan Infrastructure Law, the U.S. Department of Energy (DOE) has developed a \$2.5 billion Transmission Facilitation Program (TFP) that will help build out new interregional transmission lines across the country. The TFP, administered through the [Building a Better Grid Initiative](#), is a revolving fund program that will provide Federal support to overcome the financial hurdles in the development of large-scale new transmission lines and upgrading existing transmission as well as the connection of microgrids in select States and U.S. territories.

Under the TFP, DOE is authorized to borrow up to \$2.5 billion through three financing tools:

- Capacity contracts with eligible projects where DOE would serve as an “anchor customer” to buy up to 50% of planned line rating for up to 40 years and to sell the contract to recover costs
- Loans from DOE
- DOE participation in public-private partnerships within a national interest electric transmission corridor (NIETC) and necessary to accommodate an increase in electricity demand across more than one state or transmission planning region

TFP is best fit for projects that are nearly “shovel ready” and are in regions that rely on firm point-to-point transmission. TFP is designed for projects that would otherwise not be constructed without support. TFP will not include projects that already are fully subscribed or have a fully allocated source of revenue.

### **PUBLIC-PRIVATE PARTNERSHIPS (CONNECTING MICROGRIDS) REQUEST FOR PROPOSALS**

On [February 29, 2024](#), DOE announced a [Request for Proposals \(RFP\)](#) for up to \$200 million for transmission projects to connect remote and isolated microgrids to existing infrastructure corridors in Alaska, Hawaii, and the territories of the United States. One of three unique funding mechanisms within the TFP, the public-private partnerships developed through this RFP will be designed to address the unique electric grid configurations and challenges faced by residents in these remote and often isolated communities. Strategic interconnection of existing microgrids to each other and to a larger operating transmission system will enhance grid reliability and resilience and expand access to clean, diverse, and more affordable energy in these areas. The deadline for applications was May 31, 2024. DOE expects to notify selected applicants in October 2024.

### **Second Round Capacity Contract Request for Proposals**

[On February 6, 2024](#), GDO announced a [Request for Proposals \(RFP\) for the second round of the Transmission Facilitation Program](#), a \$2.5 billion revolving fund that helps overcome financial hurdles facing large-scale new and upgraded transmission lines. Through the RFP, DOE anticipates deploying up to \$1.2 billion in federal support to accelerate transmission buildout through capacity contracts, an innovative approach that increases the confidence of investors and potential customers while reducing risk for projects.

The submission deadline for the first part of the [application process](#) was March 11, 2024. A [public webinar](#) was held February 21, 2024, to provide additional information.

### **First Round Capacity Contract Selections**

[On October 30, 2023](#), DOE announced that it is entering into capacity contract negotiations with three transmission projects across six states aimed at adding 3.5 GW of additional grid capacity and creating more than 13,000 direct and indirect jobs. Through capacity contracts, DOE will commit to purchasing a percentage of the total proposed capacity of the eligible transmission line. By offering capacity contracts, DOE increases the confidence of additional investors, encourages additional customers to purchase transmission line capacity, and reduces the overall risk for project developers. [On April 25, 2024](#), DOE also announced the selection of one additional conditional project from the first round of capacity contract applications.

### **[Learn more about the first round of selections.](#)**

Visit the [Grid and Transmission Program Conductor](#) for additional information to help identify which financing program is most appropriate for individual projects.

### **[Frequently Asked Questions](#)**

Read the FAQs to learn more

### **Information Resources**

- [Transmission Facilitation Program: Capacity Contracts](#)
- [Transmission Facilitation Program: Public-Private Partnerships \(Connecting Microgrids\)](#)
- [Transmission Facilitation Program First Round Selections](#)
- [Transmission Facilitation Program: Capacity Contracts First Round Request for Proposals](#)