ML STRATEGIES

DOE’s New Strategic Plan Sets an Expansive Course for Energy Dominance Financing

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The US Department of Energy’s Office of Energy Dominance Financing (EDF), recently rebranded from the former Loan Programs Office (LPO), released its Strategic Plan for 2026–2030. The Plan outlines an agenda to deploy federal financing in support of five principal goals:

- reducing energy costs;
- adding firm generation capacity;
- advancing energy innovation, domestic technologies, and domestic manufacturing;
- strengthening supply chain security; and
- creating high-quality American jobs.

The five goals are set against three challenges:

- energy affordability in the face of unprecedented demand,
- aging and underinvested infrastructure that is threatening grid reliability, and
- the need to secure domestic supply chains and win the AI race.

Although EDF represents a significant reorientation of the former LPO, its emphasis on commercial deployment, infrastructure investment, and disciplined federal lending preserves continuity with the predecessor organization.

Expanded Loan Authority and Investment Priorities

Central to the strategic plan are EDF’s authorities. The 2025 reconciliation law — commonly known as the One Big Beautiful Bill Act and described by DOE as the Working Families Tax Cut — substantially amended Section 1706, replacing the former Energy Infrastructure Reinvestment Program with the Energy Dominance Financing Program. The revised authority broadens eligibility to encompass energy and critical minerals infrastructure, projects that increase the capacity or output of operating facilities, and projects that provide electricity needed to maintain grid reliability or system adequacy. In addition to Section 1706, EDF administers the Section 1703 Energy Financing Program, the Advanced Technology Vehicles Manufacturing Loan Program, and the Tribal Energy Financing Program. Together, these four loan programs have more than $300 billion in combined authority. EDF also manages the separate $2.5 billion Transmission Facilitation Program revolving fund, which can use capacity contracts and other arrangements to reduce the risks associated with major transmission projects.

In total, EDF has more than $300 billion in combined loan authority across four different programs. According to the plan, EDF intends to pursue “hundreds of billions” of dollars in new financing commitments through 2030 while maintaining rigorous underwriting and protecting taxpayer interests.

The EDF goals reflect a significant broadening of the federal energy financing mission. While the former LPO was often associated with innovative clean energy technologies, EDF is placing greater emphasis on nuclear energy, hydrocarbons, coal technologies, critical minerals and materials, transmission, utilities, geothermal energy, and manufacturing. Innovation, principally supported under Section 1703, nevertheless remains an important element of EDF’s mission and preserves the office’s long-standing role as a bridge to bankability for emerging energy technologies. Nuclear energy, in particular, is identified as a priority technology capable of advancing EDF’s firm-generation and grid-reliability goals. Nuclear energy’s carbon-free attributes could also broaden support for EDF’s nuclear investments among policymakers focused on emissions reduction. Other technologies, including long-duration energy storage, may similarly align reliability objectives with broader energy policy goals.

Another positive takeaway from the Strategic Plan is the inclusion of the ATVM program. Originally intended for only light-duty vehicles and components, ATVM authorities were expanded under the Infrastructure Investment and Jobs Act (IIJA) to include medium- and heavy-duty vehicles, ships and other maritime vessels, aircraft, and locomotives. The administration’s FY 2027 budget request rescinded approximately $2.3 billion in unobligated ATVM credit-subsidy funding, and provided no new FY 2027 loan-subsidy funding, signaling the possible phase-out of underwriting for new ATVM projects. The ATVM authorities can provide significant support for administration manufacturing objectives, however, and with Congress having the ultimate say on appropriations, there is the potential to see this program more widely utilized.

What Prospective Applicants Should Know

The plan preserves EDF's emphasis on rigorous underwriting and responsible stewardship of taxpayer funds. Competitive applications should present credible sources of repayment, meaningful sponsor support, realistic construction schedules, and a clear explanation of why EDF financing is necessary to advance the project.

For prospective applicants, the plan provides a clear indication of the projects EDF will prioritize. Some questions may remain about details such as annual financing targets, sector allocations, and how application timelines will be managed, but the overall message is clear: EDF intends to operate as an active strategic lender and to use its substantial federal financing authority to rebuild the nation's energy and industrial foundation at scale. Although congressional oversight of EDF's growing portfolio will likely continue, the plan's emphasis on energy affordability, grid reliability, domestic manufacturing, critical mineral security, and responsible stewardship provides substantial ground for bipartisan support.

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John Lushetsky draws on over 30 years of experience in government and industry to help clients identify strategic opportunities, secure federal funding, and position innovative technologies for success within evolving energy and infrastructure policy landscapes. He has successfully helped clients navigate complex issues through a variety of federal agencies.