



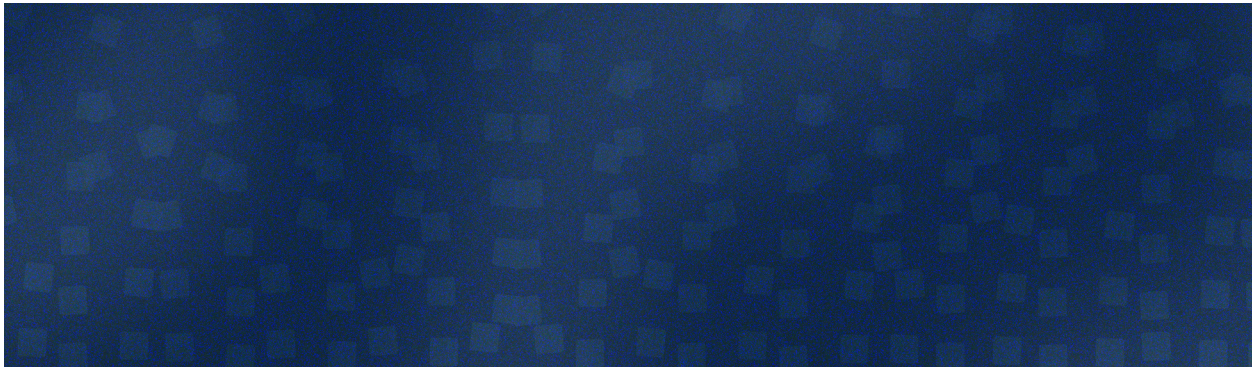
THIRD WAY

Fragmented by Design

A Reform Agenda for Federal Energy Infrastructure Financing

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Acronyms

ATVM	Advanced Technology Vehicles Manufacturing
CHIPS	Creating Helpful Incentives to Produce Semiconductors Act
CIFIA	Carbon Dioxide Transportation Infrastructure Finance and Innovation Act
DFC	US International Development Finance Corporation
DOE	US Department of Energy
DOT	US Department of Transportation
DOW	US Department of War
EIR	Energy Infrastructure Reinvestment Program
EXIM	Export-Import Bank of the United States
IEA	International Energy Agency
IIJA	Infrastructure Investment and Jobs Act
IRA	Inflation Reduction Act
NSC	National Security Council
New ERA	Empowering Rural America Program
OBBBA	One Big Beautiful Bill Act
OMB	Office of Management and Budget
PACE	Powering Affordable Clean Energy Program
RRIF	Railroad Rehabilitation and Improvement Financing
SBA	US Small Business Administration
SEFI	State Energy Financing Institution
TELGP	Tribal Energy Loan Guarantee Program
TIFIA	Transportation Infrastructure Finance and Innovation Act
TOD	Transit-Oriented Development
USDA	US Department of Agriculture
USDS	US Digital Service

I. Executive Summary

The Problem

Capital needs across America's energy sector are growing. The US power sector alone is expected to require sustained capital investments totaling up to \$1.4 trillion through 2030.¹ Global energy investment reached \$3.3 trillion in 2025, with \$2.2 trillion flowing to clean energy, electricity systems, and electrification.² IEA projections indicate that global electricity demand will continue to grow at one of the fastest rates in over a decade.³

Meeting this demand will require sustained investments in innovative energy sources that can deliver consistent and reliable electricity without producing greenhouse gas emissions. That includes technologies like nuclear energy, geothermal, fusion energy, hydropower, carbon capture and storage, and long-duration energy storage. These technologies face high capital costs and are in varying stages of technological readiness.

Unfortunately, the federal energy financing ecosystem that enables investments in these technologies remains highly fragmented. Financing authorities are spread across dozens of agencies and program offices. They have different statutory mandates, underwriting approaches, application processes, staffing resources, review timelines, risk tolerances, and reporting practices.

The problem is compounded by inconsistent implementation, uneven staffing and expertise,

clumsy handoffs across a project's lifecycle, competing committees of jurisdiction, and unending policy whiplash across administrations.

The result is bureaucratic inefficiency and friction that translates directly into higher financing costs, slower mobilization of capital, and diminished industry confidence that public capital will be available when the industry needs it.

Federal programs that should function as a foundational driver of private-sector capital formation instead operate as a decentralized ecosystem with multiple entry points, inconsistent rules, a lack of clear strategy, and no single entity accountable for delivering on a clear and consistent vision.

The Goal of this Report

This report offers a diagnostic and reform agenda. It assesses the current institutional landscape for federal financing focused on energy infrastructure and identifies five recurring structural problems. It then proposes a set of concrete reforms across three areas: program administration and governance, unified credit strategy, and resource efficiency.

This analysis draws on a comprehensive review of program documents, an extensive literature review, and dozens of interviews with subject matter experts who have directly engaged with the financing programs covered in this report.

Key Findings

Third Way's analysis identified five recurring structural issues across existing federal finance programs:

- 1. Fragmented oversight and portfolio management:** Federal energy financing authorities are spread across multiple agencies with overlapping mandates and no single coordinating or oversight body. Federal programs report performance and risk tolerance unevenly, with no common framework for comparing outcomes such as time-to-close, default rates, or private capital investment across programs.
- 2. Process complexity:** Applicants face non-standardized intake requirements, lengthy review timelines, and costly advisory needs that can make low-cost federal capital less accessible in practice.
- 3. Weak strategic clarity:** Programs often operate deal by deal, without a durable cross-government investment strategy. Shifts in political priorities across administrations can undermine predictability and, in turn, market confidence.
- 4. Capacity constraints:** Agencies frequently lack sufficient underwriting, legal, and technical staff to process complex transactions efficiently, leading to long timelines, heavy reliance on federal contractors, and inconsistent program delivery.
- 5. Tool gaps across the project lifecycle:** For many projects, the central barrier is not access to debt but revenue certainty or demand risk. These are gaps that conventional loans and loan guarantees cannot fill alone. When tools like equity stakes, price floors, or contracted offtake are offered, they are offered unevenly across programs and often without published guidance or guardrails.

Summary of Recommendations

The report identifies three primary areas for reform:

- 1. Strengthen program administration and governance** by establishing a National Energy Financing Council. This body would be charged with standardizing reporting and setting government-wide guidance and guardrails for market-shaping tools such as equity stakes, offtake agreements, and price supports.
- 2. Develop a unified credit strategy** for energy financing programs writ large by publishing a cross-agency investment framework with annual risk archetypes. This would give applicants clearer market signals and give agencies shared criteria for balanced risk allocation across government.
- 3. Improve resource efficiency** by creating a common application and intake evaluation function and building shared underwriting, legal, and portfolio surveillance capacity that preserves mission-agency expertise while reducing duplication.

II. Introduction: The Case for a More Coordinated Federal Effort

Public sector involvement in energy infrastructure financing has expanded significantly over the past century, from early 1930s programs supporting rural electrification to the more robust energy and manufacturing programs of the modern era. Each major legislative package since has added new authorities, financing instruments, and agencies, without creating any kind of unifying operational architecture.

The scope of what constitutes “energy” has also broadened significantly, especially in recent years. Federal energy financing now touches electricity generation and transmission, industrial supply chains, critical minerals processing, advanced vehicles, carbon capture infrastructure, and a growing range of emerging technologies.

Projects now routinely implicate multiple agency mission areas simultaneously.

A single critical minerals processing facility, for example, might be eligible for financing through DOE’s Title 17 program, EXIM’s Make More in America initiative, DOW’s Office of Strategic Capital, and others. This leads to duplication of effort and even competition for federal underwriting resources across similar sectors and projects, with no central authority in place to guide strategy or ensure mission alignment. Meanwhile, borrowers must navigate every program independently, with virtually no unified application intake, unclear visibility into shared eligibility, and no coordinated review process.

This fragmentation is not an oversight. It reflects the piecemeal way federal energy policy has been built over decades. But what used to be an administrative inconvenience has become a structural impediment to deploying capital at the speed and scale the energy transition requires.

What is Federal Energy Infrastructure Financing?

For the purposes of this report, federal energy infrastructure financing encompasses three distinct but increasingly intertwined layers of policy tools:

Direct financing instruments: Loans, loan guarantees, and related credit tools that provide large, patient debt capital to private borrowers for energy production, transport, and supply chain projects. These tools can mobilize private capital at scale but require clear underwriting standards and predictable processes.

Non-dilutive, non-repayable assistance: Grants, cooperative agreements, and technical assistance with no repayment expectation. Often critical to early-stage feasibility and project bankability. Largely outside the scope of this report given the breadth of this type of assistance within the federal government.

Market-shaping tools: Instruments designed to shift risk allocation and make otherwise unfinanceable projects commercially viable. Includes government offtake contracts, capacity agreements, price supports, stockpiling mechanisms, and equity stakes or warrants.

Twenty Doors, Twenty Different Keys

Federal energy infrastructure financing is organized by agency rather than by sector. Each program office sets its own eligibility criteria, producing overlapping mandates, no cross program coordination, and real barriers to access for applicants.

		Key  Clearly Eligible  Partially / Conditionally Eligible  Not Eligible									
Agency	Program	Electricity Generation	Clean Firm Electricity Generation	Transmission & Grid	Energy Storage	Critical Minerals	Advanced Manufacturing	Carbon Capture & CO ₂	Advanced Vehicles & Supply Chain	Fuels & Bioenergy	Efficiency
DOE	Title 17 §1703—Innovative Energy	●	●	●	●	●	●	●	●	●	●
	§1706 Energy Dominance Financing	●	●	●	●	●	●	●	●	●	●
	Tribal Energy Financing (TELGP)	●	●	●	●	●	●	●	●	●	●
	Adv. Technology Vehicles Mfg. (ATVM)	●	●	●	●	●	●	●	●	●	●
	Transmission Facilitation Program	●	●	●	●	●	●	●	●	●	●
	CIFIA—CO ₂ Transport	●	●	●	●	●	●	●	●	●	●
USDA	Rural Electric Infrastructure Loans	●	●	●	●	●	●	●	●	●	●
	Distributed Generation Energy Program	●	●	●	●	●	●	●	●	●	●
	§9003 Biorefinery Loan Guarantee	●	●	●	●	●	●	●	●	●	●
	Energy Efficiency & Conservation Loans	●	●	●	●	●	●	●	●	●	●
	New ERA	●	●	●	●	●	●	●	●	●	●
	PACE	●	●	●	●	●	●	●	●	●	●
EXIM	General Programs	●	●	●	●	●	●	●	●	●	●
	Make More in America Initiative	●	●	●	●	●	●	●	●	●	●
	Supply Chain Resiliency / Project Vault	●	●	●	●	●	●	●	●	●	●
DOW	Defense Production Act Title III	●	●	●	●	●	●	●	●	●	●
	Office of Strategic Capital	●	●	●	●	●	●	●	●	●	●
DFC	Development Finance Corporation	●	●	●	●	●	●	●	●	●	●
DOC	CHIPS Program Office	●	●	●	●	●	●	●	●	●	●
SBA	7(a) and 504 Loan Programs	●	●	●	●	●	●	●	●	●	●
Agencies with Authority		5	5	4	5	4	6	3	2	5	5

Third Way analysis of program statutes, agency guidance, and solicitations, current as of August 2026. “Partial” denotes eligibility conditional on project structure, location, or offtake. Some programs may be currently dormant.

III. The Federal Energy Financing Landscape: A Diagnostic of Five Structural Issues

Third Way's analysis identifies five recurring structural problems across federal energy financing programs. These problems are not unique to any single agency or program but instead appear in varying forms across the entire federal financing landscape. They carry costs for both the agencies charged with implementing effective credit programs and the applicants trying to access them.

Structural Issue	Symptoms	Costs
Fragmented oversight and portfolio management	Overlapping mandates; no cross-program coordination; inconsistent governance; no common performance metrics; weak insight into the federal portfolio of projects	Uneven sector coverage; weak line-of-sight into program portfolios; applicant navigation difficulty; policymakers cannot assess portfolio performance; agencies cannot benchmark
Process complexity	Long timelines; costly and duplicative due diligence; applicant-paid advisors; multiple entry points	Duplication of underwriting and monitoring efforts; increased cost of capital; larger sponsors gain disproportionate access to federal programs; smaller projects face barriers to entry
Weak strategic clarity	Deal-by-deal evaluation; no durable investment strategy; policy reversals between administrations	Unclear risk posture; market uncertainty; reduced private sector confidence in government programs; project-level risk aversion causes certain projects to stall
Capacity constraints	Inconsistent reviews; limited underwriting bandwidth; slow processing; outdated program guidance	Long project timelines, project execution failures, and staff expertise gaps
Tool gaps	Direct financing instruments are often insufficient to address underlying project constraints; when offered, uneven implementation and lack guardrails	Projects that need alternative market-shaping tools stall; programs leverage the wrong or an incomplete set of financing instruments

1. Fragmented Oversight and Portfolio Management

No single entity is responsible for coordinating the federal government's portfolio of financed energy projects. Financing authorities are spread across agencies and congressional committees of jurisdiction, authorized on different timelines, funded on different appropriations schedules, and implemented with varying degrees of operational flexibility. The result is a system in which no one—not Congress, the OMB, or the White House—has full visibility.

This structure produces overlapping mandates, inconsistent underwriting standards, and little incentive to coordinate. Different governance structures and agency cultures reinforce the silos.

When coordination does happen, it is usually informal, episodic, and personality-driven, and typically relies on White House or OMB involvement rather than institutional structures. When administrations change, those informal networks frequently dissolve. The absence of a durable coordination mechanism means that lessons learned in one program rarely transfer to others, and that systemic bottlenecks go unaddressed across program cycles.

This fragmentation also extends to performance management. Programs report performance unevenly, with no common framework for assessing time-to-close, private capital investment, default and recovery rates, or risk concentration across programs. Portfolio-level visibility across sector, technology, geography, and counterparty is limited both within agencies and across government. The result is a federal financing ecosystem that cannot easily answer basic questions about its own performance.

This carries consequences for everyone with a stake in these programs. Policymakers cannot identify which programs are working, which are underperforming, or why. Investors cannot fully assess federal programs as reliable financing counterparties based on public track records. And agencies cannot benchmark their own

performance against comparable programs or commercial debt offerings, or identify systemic bottlenecks before they become crises.

2. Process Complexity

Programs impose different entry points, sequencing requirements, and diligence burdens that can make low-cost federal capital more expensive than anticipated. Project sponsors must often assemble different intake materials for each program, undergo duplicative technical reviews, pay for multiple external advisors, and navigate uncertain timelines without clarity on whether their project is viable within a given program. The cumulative burden of process risk, high compliance costs, and administrative complexity can sometimes outweigh the financial benefit of federal financing assistance entirely.

These burdens are also not distributed evenly. Large or investment-grade sponsors will typically be better able to absorb costs and manage application complexity, while smaller developers, public entities, and first movers face proportionally higher barriers to utilizing these programs. This can result in the selection process favoring companies with the resources to navigate these programs effectively, rather than being based on project merit.

One project, multiple doors.

A single US critical minerals processing facility could be eligible for multiple programs, with no shared intake or coordinated review.

Critical Minerals Processing Facility

DOE	Title 17 S1703
EXIM	Make More in America
DOW	Office of Strategic Capital
DOW	DPA Title III
DFC	Development Finance Corporation

Repeated at every door:

- Separate application package
- Separate technical due diligence
- Separate legal and environmental reviews

3. Weak Strategic Clarity and Policy Whiplash

Many programs operate in “deal mode”—evaluating projects solely against program criteria rather than against a durable cross-government investment strategy. There is limited clarity on how a given investment fits within a federal portfolio, where a program is willing to accept risk within its portfolio, or how programs reinforce broader national priorities.

This problem is compounded by recurring policy whiplash between administrations. Presidential transitions routinely drive dramatic changes in operational behavior, impacting the pace of review, the types of projects prioritized, the risk tolerance, and even basic guidance clarity. Repeated stop-and-start cycles have trained private-sector counterparties to treat federal financing commitments as contingent rather than durable, reducing confidence in the federal government as a reliable long-term financing partner.

The economic consequences of this behavior are substantial. When private investors cannot predict whether a federal program will be operational, staffed, and willing to close on a timeline relevant to their investment decisions, they adjust their expectations accordingly. Capital that might have co-invested alongside federal programs instead waits on the sidelines or shifts to other sectors offering greater policy certainty.

Strategic direction also means deciding how much risk these programs should take, and what principles should govern underwriting across different types of deals. Today, most programs make that call deal-by-deal rather than weighing risk across the portfolio as a whole. The result is that programs operate more conservatively than Congress intended—as evidenced by large balances of appropriated but unobligated credit subsidy funds.

An overly cautious portfolio forgoes market-formation investments with high portfolio-wide and public value in favor of safer, lower-risk transactions. That undercuts the very goals many of these programs were built to

serve: fostering innovation, onshoring critical supply chains, and supporting new market development.

A portfolio-level approach to risk, analogous to DOE’s emerging use of project archetypes for deals with similar risk profiles, could better align accountability with impact—both within individual financing programs and across the federally financed portfolio writ large.⁴

4. Capacity and Expertise Constraints

Even when programs benefit from strong strategic direction and statutory clarity, they can underperform when agencies lack sufficient underwriting, legal, technical, and portfolio management capacity.

These problems tend to show up as several different bottlenecks:

- Inconsistent or outdated internal guidance undermining review integrity.
- Insufficient staffing and skill mix for complex underwriting and monitoring.
- Reliance on applicant-paid advisors to fill expertise gaps rather than long-term federal partnership.
- Time-consuming, informal coordination across agencies yielding mixed results without meaningful oversight.

These constraints are most acute when programs receive new mandates or authorities that outpace their administrative capacity. The experiences of several DOE and USDA energy programs illustrate these constraints in practice:

- **State Energy Financing Institutions (SEFI, Section 1703):** Authorized by the IIJA under Title 17, SEFI lets DOE lend to non-innovative projects backed by state financial assistance or credit enhancements. This model was in part intended to build state energy offices or infrastructure authority capacity and extend their reach. DOE found willing state partners to explore these offerings and began underwriting projects, but to date, it has never closed a loan, largely due to a

lack of DOE staff capacity or particular state finance expertise. The program could not be responsive to states seeking clarity about this new model or keep projects on track to meet states' timelines to make the time invested worthwhile.

- **Energy Infrastructure Reinvestment Program (EIR, Section 1706):** Created by the IRA and since renamed the Energy Dominance Financing Program by OBBBA, Section 1706 required a new way of underwriting non-innovative infrastructure upgrades, restarts, and retrofits under Title 17. Implementation bogged down early in the laborious work of securing stakeholder and interagency buy-in and standing up new program guidance and regulations—driven by the need to reconcile the new authority with existing, competing program requirements and to source outside expertise suited to these deals. As with SEFI, the agency had to close capacity and expertise gaps and build out institutional architecture before it could deploy the tools Congress had authorized.
- **New ERA:** As part of the IRA, Congress tasked USDA's Rural Utilities Service with developing a \$9.7 billion loan program—the Empowering Rural America Program (New ERA)—to help rural electric cooperatives transition to clean energy. Congress required the program to prioritize greenhouse gas reductions when selecting projects while also balancing reliability, resiliency, affordability, and social justice considerations. In practice, meeting that mandate meant designing complex operational guidance, expanding staffing significantly, and building institutional architecture from scratch. It took over two years for much of that funding to get out the door as a result.⁵

Across all three examples, the constraint was the same: new authority arrived faster than the capacity to administer it, and the lag between the mandate and operationalization bogged down results.

5. Tool Gaps Across the Project Lifecycle

While access to debt is a concern, projects encounter more persistent barriers like a lack of revenue certainty, demand or market visibility, or acceptable price risk. Loans and guarantees are not the right tools to get these projects off the ground. Instead, bankability depends more on establishing predictable revenue streams or clearer demand signals than simply having access to a lower cost of capital.

Federal programs have begun to recognize this. DOE's Transmission Facilitation Program, also authorized under IIJA, uses capacity contracts to anchor demand for new transmission lines, addressing a revenue certainty barrier that conventional loan guarantees could not resolve.⁶ EXIM's offtake-linked financing and recently announced Project Vault stockpile model address demand and price risk in critical minerals.^{7,8,9} DFC is also increasingly deploying tools such as political risk insurance, lending, and equity for eligible projects in global supply chains.^{10,11} The Trump administration has also deployed equity stakes and warrants in deals across critical minerals, nuclear, and semiconductor sectors—though not always with clear statutory authority or terms disclosed to the public.

The interplay between these market-shaping tools and conventional financing instruments introduces new governance challenges. The prospect of market distortion, questions about counterparty selection, potential for moral hazard, and other issues necessitate clear guardrails that do not exist in any comprehensive or consistent form across government. For example, guidance on when equity instruments are appropriate, what governance safeguards apply, and how receipts from such investments are treated is absent or inconsistent across programs. The lack of clear guardrails creates both public accountability concerns and uncertainty for private sector counterparties considering co-investment.

IV. Modernizing Federal Energy Infrastructure Financing: Recommendations

The five structural issues identified above do not require wholesale consolidation or an entirely new financing entity. Distributing subject matter expertise across agencies with mission-specific mandates has real value in ensuring that individual programs maintain their credibility with their customers, that staff with deep technical knowledge maintain ties to their appropriate agencies, and that programs reflect the realities of different markets. Consolidating risk, resources, or staff without a clear governance structure risks destroying that expertise while adding bureaucratic overhead—setting aside the issue of political feasibility.

Third Way's case for reform instead centers on establishing connective tissue: shared lines of sight across programs and additional governance structures to set direction and aid with administration. The reforms proposed in this section focus on three key areas: establishing the coordination and governance structures the system currently lacks; creating the shared strategic framework that would make the system function as more than the sum of its parts; and improving how existing resources are deployed across programs.

Reform Area 1: Strengthen Program Administration and Governance

A first set of reforms addresses the operational fragmentation that burdens both agencies and applicants.

1a. Establish an Interagency Energy Financing Council

A high-level interagency National Energy Financing Council should be established to align intake standards, reporting frameworks, and portfolio-level strategy across federal energy financing programs, and to help administer the reforms discussed in this report. Such a body would not approve individual transactions; its role would be to harmonize application, evaluation, and underwriting processes, surface themes or conflicts in risk posture, and improve underwriting consistency and program delivery. It could build on the existing Federal Credit Policy Council by adding an explicit infrastructure finance coordination mandate with dedicated staffing and a formal operating charter.

The National Security Council could provide appropriate convening authority, though Congressional direction could improve durability with bipartisan support, ensuring that this body does not become another informal, ineffective structure that dissolves between administrations.

Precedent: The White House National Security Council

The National Security Council (NSC) was created in the aftermath of World War II as a more permanent and durable structure to steer a coordinated national security apparatus that had grown substantially in breadth and complexity in the preceding years.¹² The NSC provides an example of a White House-level body that is “policy-forming and advisory” across defense agencies but was not charged with implementing these programs; rather it would advise relevant agencies and the President on such matters.¹³ This role has grown over time, and efforts have been made to focus the Council’s attention on its core responsibilities.¹⁴ Though its mandate has been shaped by Executive Order across different administrations, because it was established by statute rather than by Executive Order, it has survived across administrations.

1b. Adopt a Common Performance Reporting Schema

A standardized and shared reporting framework across programs—tracking time-to-term sheet, time-to-close, private capital investment, default and recovery rates, and portfolio concentration by sector, technology, and geography—would establish a common language for evaluating performance and identifying bottlenecks. It could also serve as a platform for holistically monitoring use of market-shaping, demand-side, and equity-like instruments (discussed in 1c).

Transparency on portfolio-level risk and outcomes would serve multiple constituencies. Policymakers would benefit from knowing whether programs are achieving their mandate; investors could better evaluate the appropriate federal programs to pursue; and individual programs could benchmark against stated goals

or the performance of others across the federal government. The public would gain confidence that their taxpayer dollars are put to good use within the strategic direction set for these programs.

1c. Establish Governance Rules for Market-Shaping and Demand-Side Tools

Federal programs are increasingly using market-shaping tools like equity stakes, warrants, offtake agreements, and stockpiling mechanisms in cases where the main barrier to bankability extends beyond the cost of capital alone. These novel tools could be impactful, but deploying them without consistent governance creates serious accountability risks.

Governance rules should address statutory authority for taking these actions, the circumstances in which equity stakes and warrants are appropriate, conflict-of-interest safeguards, approval thresholds above which certain authorizations are required, and clear procedures for offloading federal holdings.¹⁵ In addition, setting clearer parameters for when the federal government should take an equity stake—rather than leaving the impression that they are part of the price of doing business for the borrower—would focus these tools strategically and prevent borrowers from chasing those deal terms for fear of missing out on financing writ large. More transparency on the duration of any public position, or when such an investment could be sequenced to be exercised (or not) based on the performance of a loan, would further clarify this investment strategy for borrowers and outside investors. Identifying how receipts from any “upside” on these positions will be reinvested or recycled—whether to Treasury, to program overhead, to other related energy programs, or elsewhere—creates more certainty that the federal government is not chasing “profit” or a specific return, and helps provide oversight of those receipts.

Reform Area 2: Develop a Unified Credit Strategy

A second reform pathway addresses the strategic vacuum at the center of federal energy financing. Programs currently operate on a deal-by-deal basis, with limited alignment on investment priorities, risk appetite, or portfolio objectives across government. This is a major source of inconsistent market signaling and misaligned risk postures between programs.

2a. Publish a Cross-Agency Investment Framework

The National Energy Financing Council, proposed above, should be charged with publishing an annual whole-of-government investment framework.

This framework would include:

- Setting strategic priorities by sector and technology;
- Defining risk archetypes and setting acceptable risk profiles across project dimensions (e.g., construction risk, technology risk, revenue-model risk, and so on);
- Identifying preferred instrument mixes for each archetype; and
- Offering guidance on which agencies or programs are best suited to different types of projects.

Such a framework would fill several gaps at once. For applicants, it would provide clearer market signals about where federal capacity is available and on what terms. For agencies, it would provide shared criteria for judging where risk-taking is appropriate and how to prioritize projects across sectors—helping set diligence expectations and, where warranted, accelerate underwriting or set favorable rates for key sectors.

The framework could also help agencies navigate pre-credit and demand-side issues—for example, where projects are too early for debt but need capital to reach bankability, or where offtake or contract agreements may be complementary to traditional financing

instruments. And for policymakers, it would give the administration and Congress a structured way to determine sector priorities, portfolio-wide risk tolerance, and the allocation of scarce resources like credit subsidy, in service of both the administration's policy goals and the statutory mandates of these programs.

Reform Area 3: Improve Resource Efficiency

A third set of reforms addresses how finite expertise, underwriting capacity, and administrative resources are deployed across programs. Shared services offer a promising approach that preserves mission-agency expertise while reducing duplication.

3a. Create a Common Application and Intake Triage Function

Applicants often qualify for more than one federal assistance program, but have no clear way to find the right fit. The federal government should establish a centralized triage function that routes projects to the appropriate programs—screening not just for baseline eligibility, but also for instrument fit and alignment with portfolio priorities. The June 2025 Presidential Memorandum establishing a common application for critical minerals and energy financing sets a useful precedent. It should be expanded and institutionalized, with transparent routing processes and a clean handoff to mission agencies, which retain underwriting and decision-making authorities.

Standardization would help further. A common baseline application package covering things like project description, capital stack, sponsor structure, revenue model, and counterparty agreements would spare applicants from re-assembling the same materials for each program they apply to. Shared consent language and legal terms, with program-specific addenda when needed, would reduce duplication without compromising program integrity. Semi-annual guidance audits would keep the templates current and let agencies fold in new government-wide policies as they emerge.

Lessons from DOT: The Build America Bureau

Created in 2016 to serve as a “one-stop-shop” for federal transportation credit programs (TIFIA and RRIF), the Build America Bureau was meant to provide a single entry point and technical assistance to applicants, reducing duplication and increasing resource efficiency.¹⁶ It succeeded in consolidating access points and supporting applicants with technical assistance, but persistent staffing shortages, limited in-house underwriting capacity, and a cautious institutional culture constrained deal volume. The transit-oriented development (TOD) authority Congress provided produced only a single closed loan, in part because the Bureau lacked real estate expertise to evaluate applications effectively.

The takeaway is not that the Bureau failed, but that consolidating access points is necessary but not sufficient. Any centralization must be paired with adequate in-house expertise at mission agencies. A triage function that routes applications efficiently but cannot backstop that routing with informed judgement only moves the bottleneck rather than clearing it.

3b. Build Shared Underwriting and Technical Support Functions

Not every credit function has to live within a single mission agency. Financial modeling, legal document review or templates, portfolio surveillance, and environmental reviews could be provided as a shared service without displacing the sector-specific expertise that actually underwrites deals. This model could pay off for programs that are small or new and cannot operate at scale, where underwriting draws on common risk archetypes, or where deals are relatively standardized and do not

demand deep technical expertise at every step. Embedding this service within agencies keeps it flexible.

Much of this can be built out with tools already available. Interagency details, rotations, and targeted hiring authorities can be aimed deliberately at the expertise gaps in understaffed programs. No new statutory authority is necessarily required, but it may require more intentional coordination and management attention.

Precedent: The US Digital Service

Established in 2014 and housed within OMB, the USDS offers a model for shared technical support across agencies.¹⁷ Its mandate was to work on high-priority issues of national significance rather than being constrained by any single agency’s lane. Its defining feature was an embedded, partnership-based operating model. Instead of functioning as an oversight or policy body, USDS paired some light central coordination with decentralized, small teams of technologists directly embedded into agencies to work alongside federal staff on specific, high-impact projects.¹⁸ Engagements were typically time-limited and issue-specific, focused on urgent services delivery and sharing best practices.¹⁹ A comparable financing service model could provide some level of underwriting, legal, and portfolio support to agencies on a similar embedded basis, coordinated through OMB to keep it consistent across programs.

V. Conclusion

The federal government’s energy financing programs have been instrumental in deploying innovative new energy technologies in the past and have enormous potential to help deliver clean, reliable power in the United States going forward. But these programs are not functioning as a system; instead, they operate as an inefficient mess with overlapping and competing priorities.

Projects that require multiple instruments, cross multiple agency mission areas, or need a bridge from demonstration to commercial deployment encounter a fragmented landscape without connective tissue: no shared intake, no unified strategy, no common risk framework, and no broad government-wide accountability at the portfolio level.

The energy transition, the buildout of domestic critical mineral supply chains, the modernization of the electric grid, and the deployment of capital-intensive technologies like nuclear and geothermal all require federal

financing assistance as a durable and credible market signal. When the federal financing system is unreliable, unpredictable, or simply too difficult to navigate, private capital does not fill the gap; it goes elsewhere or waits on the sidelines.

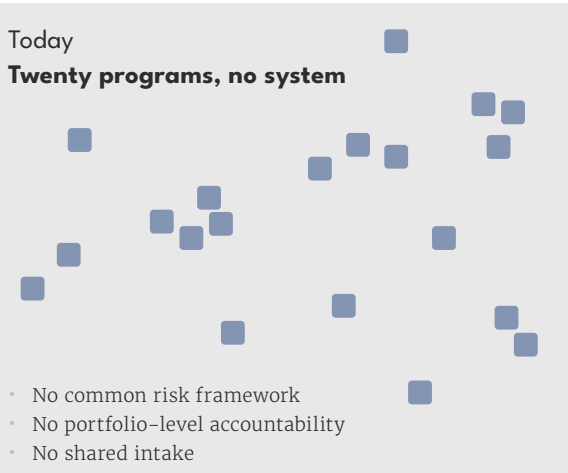
Modernization does not require wholesale consolidation or dismantling of existing programs. It requires building modest institutional infrastructure that has thus far been missing: shared line of sight across programs, clearer rules for when projects move across instruments and agencies, better visibility into portfolio risk and performance, and more durable cross-government priority setting.

The three reform areas identified in this report—strengthening program administration, developing a unified credit strategy, and improving resource efficiency—offer a starting point. What is needed now is the institutional will to move from diagnosis to action.

What Modernization Actually Requires

Connective tissue—the modest institutional infrastructure that has historically been missing.

Today
Twenty programs, no system



- No common risk framework
- No portfolio-level accountability
- No shared intake

With Connective Tissue
The same programs, run as a system



- A published cross-agency investment framework
- One reporting schema across every program
- Shared underwriting, legal, and monitoring

VI. Endnotes

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