



BLOG

LPO Offers First Conditional Commitment for a Virtual Power Plant to Sunnova's Project Hestia, Including Loans for Puerto Rican Homeowners for Solar Installations

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[Loan Programs Office](#)

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On Thursday, April 20, 2023 the U.S. Department of Energy (DOE) [Loan Programs Office](#) (LPO) [announced](#) a conditional commitment to Sunnova Energy Corporation's Project Hestia for an up to \$3 billion partial loan guarantee to make distributed energy resources (DERs), including rooftop solar, battery storage, and virtual power plant (VPP)-ready software available to more American homeowners. Project Hestia is expected to prioritize a focus on households in disadvantaged communities across the United States, including providing up to 20% of installed systems through its loans to homeowners in Puerto Rico. If finalized, the partial loan guarantee would enable Sunnova to provide loans for clean energy systems for approximately 75,000 to 115,000 homeowners throughout the United States, including Puerto Rico.

LPO's conditional loan commitment aligns with Puerto Rico's public energy policy to achieve 100% renewable electricity by 2050 as well as the Biden Administration's commitment to improving the reliability of Puerto Rico's electricity system. Sunnova will aim to provide up to 20% of Project Hestia loans to homeowners in Puerto Rico. All installations on the island will include both solar and battery storage, a clean and reliable energy solution that can provide power to homes during severe weather events, often when grid infrastructure on the island is damaged.

While rooftop solar has become a strong alternative to the traditional utility in Puerto Rico, not all homeowners have been able to access affordable clean energy financing, especially those with lower credit scores. This partial loan guarantee is expected to enable Sunnova and its network of local dealers to better serve households that were previously unable to readily finance energy resilience solutions like solar and battery storage loan offerings. All homeowners in Puerto Rico are eligible for financing but are required to meet certain conditions and underwriting criteria. Interested homeowners in Puerto Rico are encouraged to visit Sunnova's [website](#) to learn more about rooftop solar financing through this initiative.

Project Hestia supports the Biden-Harris Administration's [Justice40 Initiative](#) to ensure that communities with high energy burden, outage duration and events, and climate hazards benefit from the clean energy transition. LPO works with all borrowers to create good-paying jobs with strong labor standards during construction, operations, and throughout the life of the loan

and to adhere to a strong Community Benefits Plan.

LPO is offering the conditional commitment to Sunnova through the Title 17 Innovative Energy Loan Guarantee Program. While this conditional commitment demonstrates LPO's intent to issue a partial guarantee for the project, certain conditions must be satisfied before DOE issues a final partial loan guarantee, including finalization of definitive financing documents.

Biden-Harris Administration's commitment to strengthening Puerto Rico's energy resilience

LPO's conditional loan to Sunnova's Project Hestia is one of many actions the Biden-Harris Administration has taken in recent months to help strengthen Puerto Rico's grid modernization and energy resiliency.

In December 2022, President Biden authorized \$1 billion for the establishment of the [Puerto Rico Energy Resilience Fund](#) (PR-ERF), administered by DOE's Grid Deployment Office (GDO). The PR-ERF is a separate federal funding source to drive key investments in renewable and resilient energy infrastructure in Puerto Rico. GDO expects to announce a formal request for proposals (RFP) this summer.

Additionally, with funding from the U.S. Department of Housing and Urban Development, the Puerto Rico Department of Housing launched the \$350 million [New Energy Program](#) in March 2023 to assist very-low income households with solar energy and energy storage installations.

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