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BLOG

LPO Announces Conditional Commitment to Viejas Microgrid to Build Renewable, Utility-Scale Generation and Storage on Tribal Lands

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[Loan Programs Office](#)

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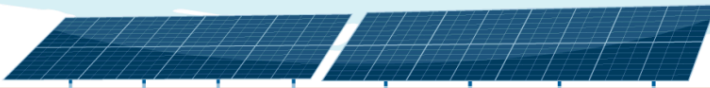
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VIEJAS MICROGRID

ALPINE, CALIFORNIA

The Viejas Microgrid project will provide the Viejas Band of Kumeyaay Indians with renewable, utility-scale generation and storage infrastructure.



THE POWER OF NATIVE ENERGY

Today, the U.S. Department of Energy's (DOE) [Loan Programs Office](#) (LPO) announced a conditional commitment for an up to \$72.8 million partial loan guarantee to finance the development of a solar-plus long-duration [energy storage](#) microgrid on the Tribal lands of the Viejas Band of the Kumeyaay Indians near Alpine, California.

This project is the first to be offered a conditional commitment through the [Tribal Energy Financing Program](#), which was [expanded](#) and provided new loan authority by President Biden's [Inflation Reduction Act](#) (IRA). The IRA takes the largest action on climate and clean energy in American history, including by providing funding specifically for Tribes to plan for and adapt to climate change. This conditional commitment underscores the Biden-Harris Administration's deep commitment to working with Tribal Nations and communities to build an inclusive, equitable, and resilient clean energy future.

The Viejas Microgrid project will provide the Viejas Band with reliable utility-scale renewable energy generation and storage infrastructure through the installation of a 15 MW photovoltaic solar generation system and a 38 MWh battery long-duration energy storage system. The Viejas Band will purchase electricity through a subsidiary in a long-term power purchase agreement (PPA) to help operate various commercial businesses including gaming, hospitality, and retail facilities. When complete, the project will allow the Tribe to benefit from a lower [cost of energy](#), allowing additional resources to be redirected toward investments by the Tribe in infrastructure maintenance, operation of the fire department, Tribal culture and educational programs, and other Tribal member services.

Projects like Viejas Microgrid support President Biden's efforts to enhance [Tribal](#) energy sovereignty by promoting Tribes' ownership of clean energy assets or their deployment on Tribal lands and from the sale of their output to other off-takers. This project—and others supported by DOE—will help promote Tribal energy and economic development by helping Native communities unlock the benefits that come with the deployment of clean energy.

This project is expected to create 250 construction jobs and eight permanent operations jobs, including prioritizing Tribal-, minority-, and veteran-owned contractors—reinforcing President Biden's [Investing in America](#) agenda to deliver new high-quality job opportunities and help workers benefit from the nation's growing clean energy economy.

The project company is owned by Indian Energy, Turtle Mountain Band of Chippewa, and the Sault Ste Marie Band of Chippewa Indians. The project developer, Indian Energy, is a 100% Native American owned energy development firm. The borrower, IE VEM Managing Member LLC, is a Tribal energy development organization (TEDO) owned by Indian Energy.

The project also supports President Biden's [Justice40 Initiative](#), which established the goal that 40% of the overall benefits of certain federal investments, including LPO financing, flow to disadvantaged communities, which includes the Viejas Tribal Lands. In addition, 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.

The project demonstrates how state and federal resources can come together for large-scale Tribal energy projects. The project developers have previously received over \$30M in state financial assistance through a grant from the California Energy Commission for the development of the cutting-edge, long-duration energy storage system that will provide renewable backup power to the Tribe and support statewide grid reliability in the event of an emergency. The Viejas Microgrid project supported by this conditional commitment would build on the state's financial support.

The Tribal Energy Financing Program supports Tribal investment in energy-related projects by providing loan guarantees to [Federally Recognized](#) Tribes, including Alaska Native villages or regional or village corporations, or a TEDO that is wholly or substantially owned by a Federally Recognized Indian Tribe or

Alaska Native Corporation. The program was authorized in the Energy Policy Act of 1992 and first funded by Congress in 2017. More recently, IRA increased the program's available loan authority from \$2 billion to \$20 billion, and changes from both IRA and the Consolidated Appropriations Act, 2022 made permanent the ability for applicants to apply for direct loans from U.S. Treasury's Federal Financing Bank through the program.

While this [conditional commitment](#) demonstrates the Department's intent to finance the project, several steps remain for the project to reach critical milestones, and certain technical, legal, and financial conditions must be satisfied before the Department enters into definitive financing documents and guarantees the loan.

Learn more about LPO's [Tribal Energy Financing Program](#) and DOE's efforts to promote [Tribal energy development](#).

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