

SECOND SUPPLEMENT TO LOAN GUARANTEE SOLICITATION ANNOUNCEMENT

**FEDERAL LOAN GUARANTEES FOR ADVANCED NUCLEAR ENERGY PROJECTS**

**Solicitation Number: DE-SOL- DE-SOL-0007791**

**OMB Control Number: 1910-5134; OMB Expiration Date 11/30/2016**

**Announcement Type: Supplemental**

**Supplement Date: November 6, 2015**

The above-referenced Loan Guarantee Solicitation Announcement, as previously supplemented (the "Solicitation"), identifies as Eligible Projects (1) nuclear power projects and the associated nuclear reactor designs currently under Nuclear Regulatory Commission ("NRC") licensing review, and (2) nuclear power projects and associated nuclear reactor designs that are under the NRC pre-application phase for certification, construction permit, or combined construction and operating license ("COL") review (collectively, "Advanced Nuclear Facilities"). As a result, Advanced Nuclear Facilities under NRC licensing review or under COL review are considered Eligible Projects for purposes of evaluation of an application. The Solicitation further states that prior to the execution by DOE of a Loan Guarantee Agreement, the prospective borrower must have filed for, or have obtained, any required regulatory approvals for the Project. Any specific NRC licensing requirements deemed necessary for Eligible Projects will be addressed by conditions precedent to be incorporated in the project's Loan Guarantee Agreement.

**The Solicitation is supplemented as set forth below (capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Solicitation).**

**The following is inserted as a new Section IID "Early Upstream and Engineering Project Costs":**

Projects Costs are defined in Section 609.2 of the 1703 Regulations as "those costs, including escalation and contingencies, that are to be expended or accrued by Borrower and are necessary, reasonable, customary and directly related to the design, engineering, financing, construction, startup, commissioning and shakedown of an Eligible Project as specified in §609.12 of this part. Project costs do not include costs for the items set forth in §609.12(c) of this part." Subject to the exclusion of Project Costs as set forth in Section 609.12(c) of the 1703 Regulations, Projects Costs, for purposes of this Solicitation include the Project Costs identified in Section 609.12(b) of the 1703 Regulations.

In the below table, DOE has (1) identified in the column with the headings "Early Upstream Categories" and "Engineering" categories of costs that may be applicable to the development of Advanced Nuclear Facilities, and (2) in the column with the heading "Eligibility Under 10 CFR § 609.12 Project Costs", the subsection of Section 609.12(b) to which the applicable category of costs are identified as Project Costs under the 1703 Regulations. :

<b>Early Upstream Categories</b>	<b>Eligibility Under 10 CFR § 609.12 Project Costs</b>
Site Suitability/Identification (feasibility studies, access, offsets)	(b)(1)
Site Specific Investigation (site improvements, site prep)	(b)(1)

Site Characterization/Quantification Activities (met tower, core samples, flora/fauna, 2 yr data)	(b)(1)
Site Permitting (local/state/federal)	(b)(1), (b)(5)
Early Site Permitting (requires evaluation of alternative sites)	(b)(1), (b)(5)
<b>Engineering</b>	
Technology Assessment (identification and decision of technology best suited for application)	(b)(8)
Cost to support NRC COL (design and engineering)	(b)(5), (b)(8)
Other NRC licensing fees	(b)(5)
Other Professional Services and Fees, Costs of Engineering	(b)(2), (b)(8)
Site Specific Engineering (civil, geological, structural)	(b)(8)
Design Conceptual (Title I) Preliminary (Title II) Detailed (Title III)	(b)(8)

The amount of the Project Costs affects whether an Applicant is required to deliver a credit assessment and a credit rating. Additionally, the face value of the debt guaranteed by DOE is limited to no more than 80 percent of total Project Costs. The Secretary may from time to time audit any or all items of costs included as Project Costs in statements or certificates submitted to the Secretary or the servicer or otherwise, and may exclude or reduce the amount of any item which the Secretary determines to be unnecessary or excessive, or otherwise not to be an item of Project Costs.

\* \* \* \* \*