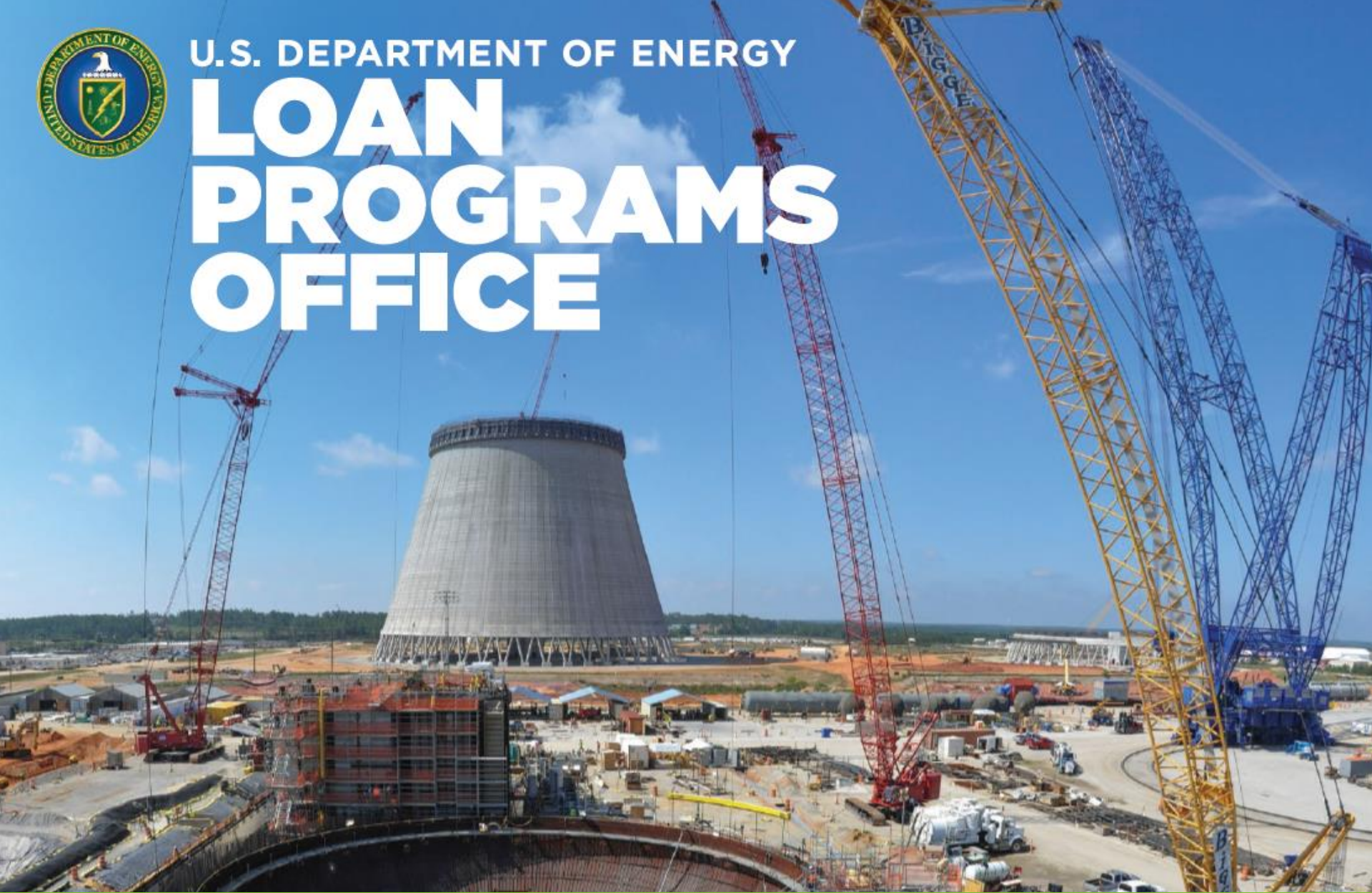




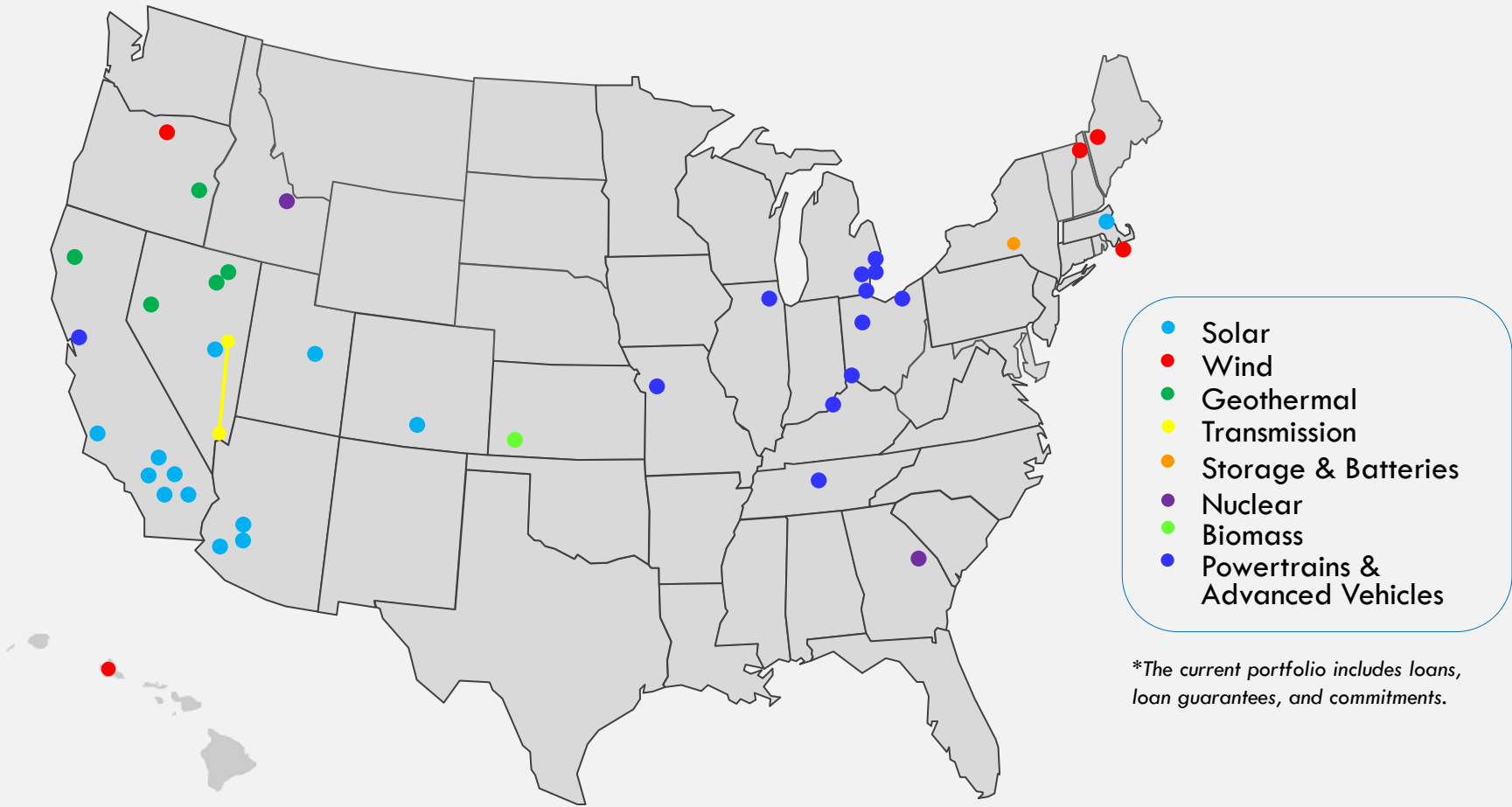
U.S. DEPARTMENT OF ENERGY

LOAN PROGRAMS OFFICE



**DRAFT ADVANCED NUCLEAR ENERGY PROJECTS
LOAN GUARANTEE SOLICITATION**

\$30 BILLION INVESTED IN AMERICAN ENERGY



**The current portfolio includes loans, loan guarantees, and commitments.*

LPO PROGRAMS

Innovative Clean Energy Projects

The Title XVII program issues loan guarantees to innovative energy projects

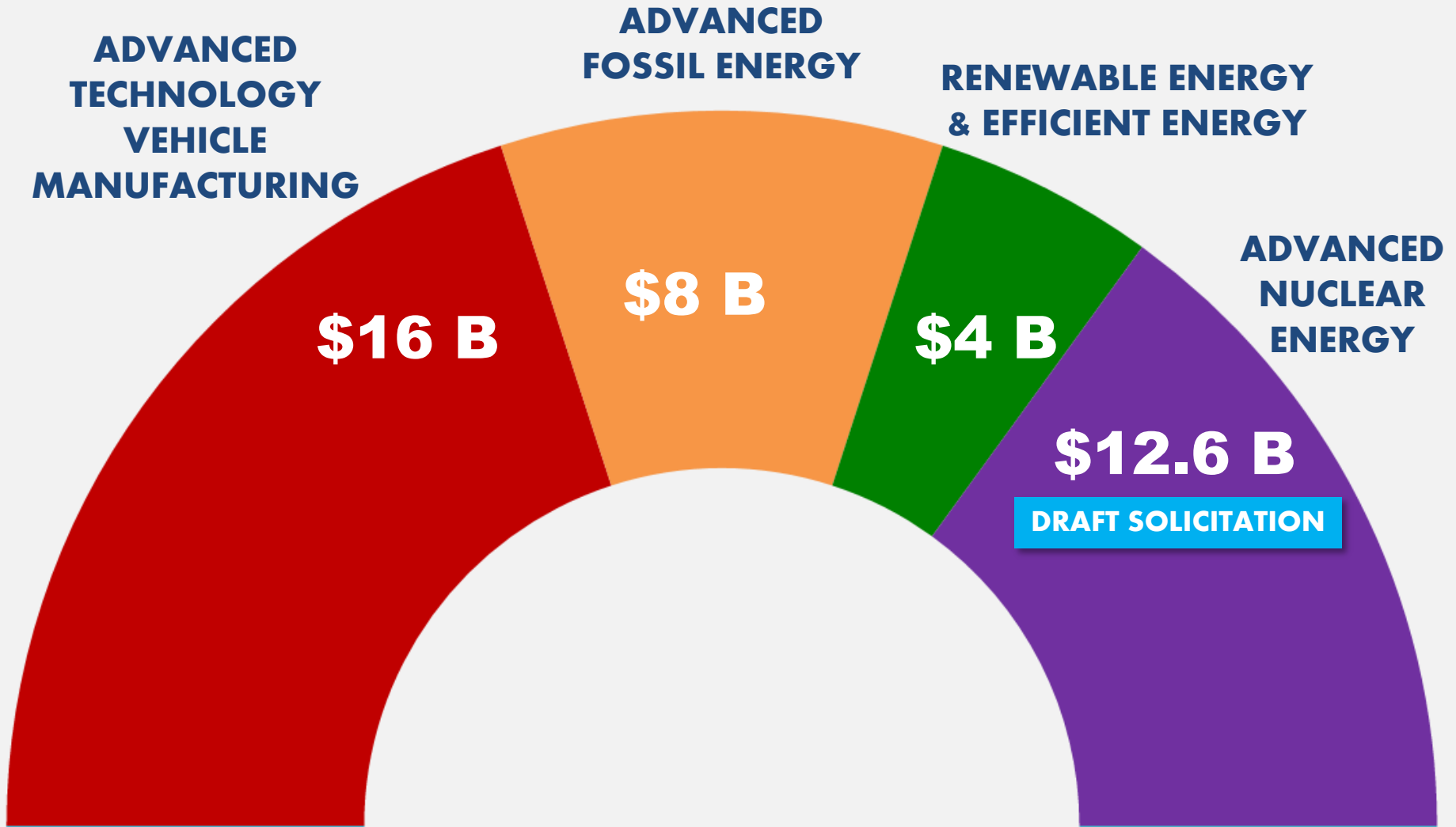


Advanced Technology Vehicle Manufacturing

The ATVM program issues direct loans to advanced vehicle and component manufacturing in the U.S.

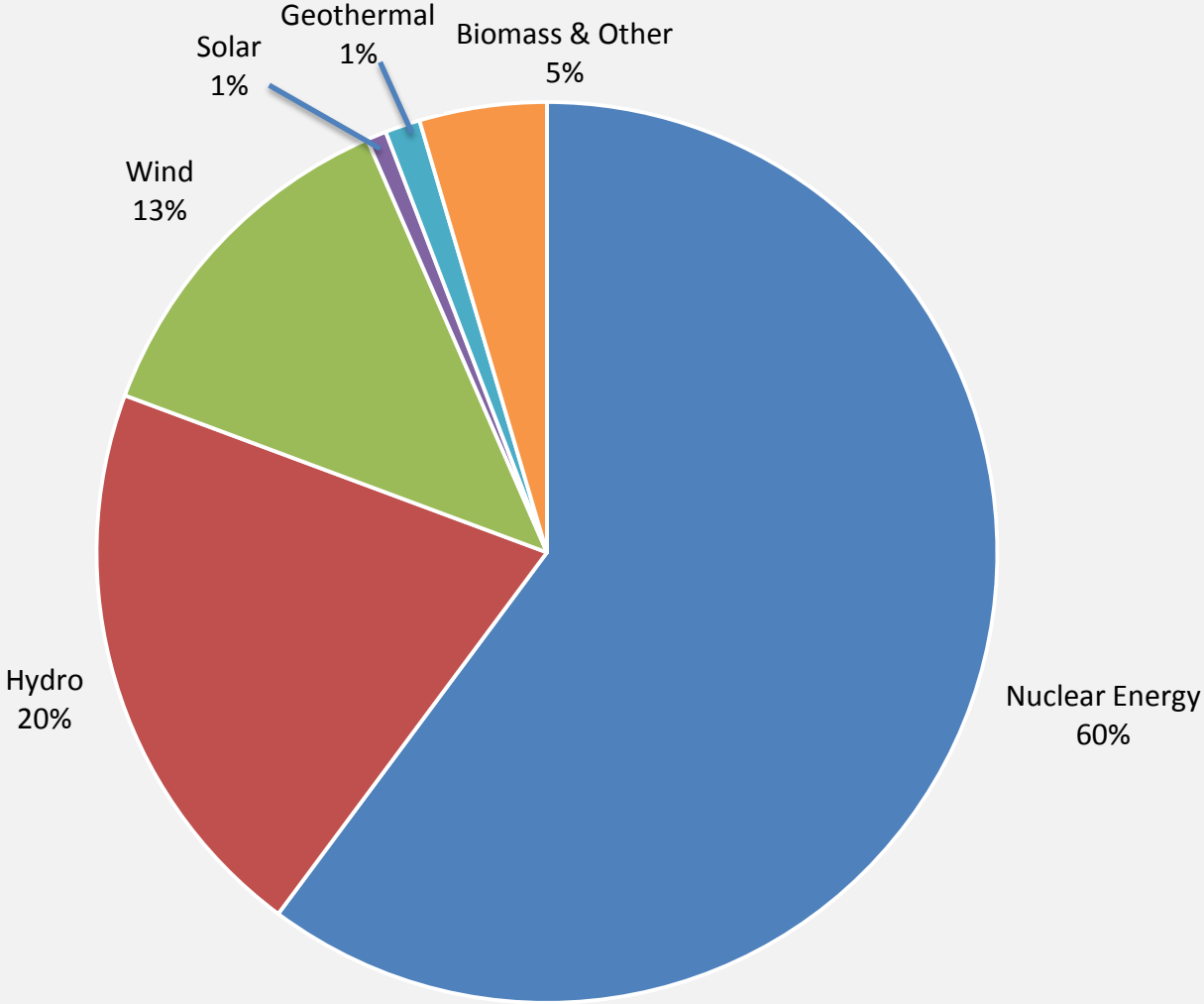


\$40 BILLION IN REMAINING AUTHORITY



NUCLEAR ENERGY

A KEY SOURCE OF CLEAN ENERGY IN THE U.S.



Clean Energy: Nuclear power provides more than half of total U.S. low-carbon electricity (1,311 million MWh)

Key Energy Source: Nuclear power provides 19 percent of total generation in the U.S. (4,068 million MWh)

LPO HAS SIGNIFICANT NUCLEAR ENERGY EXPERIENCE



Closed Financing

Vogtle Units 3&4 – 2,200 MW AP1000 reactors. \$6.5 billion loan guarantees to GPC and OPC

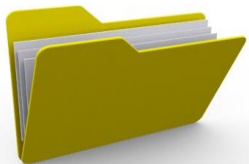
First new nuclear power plant to begin construction in U.S. in 30 years



Conditional Commitments

\$1.8 billion to MEAG for remaining portion of Vogtle project

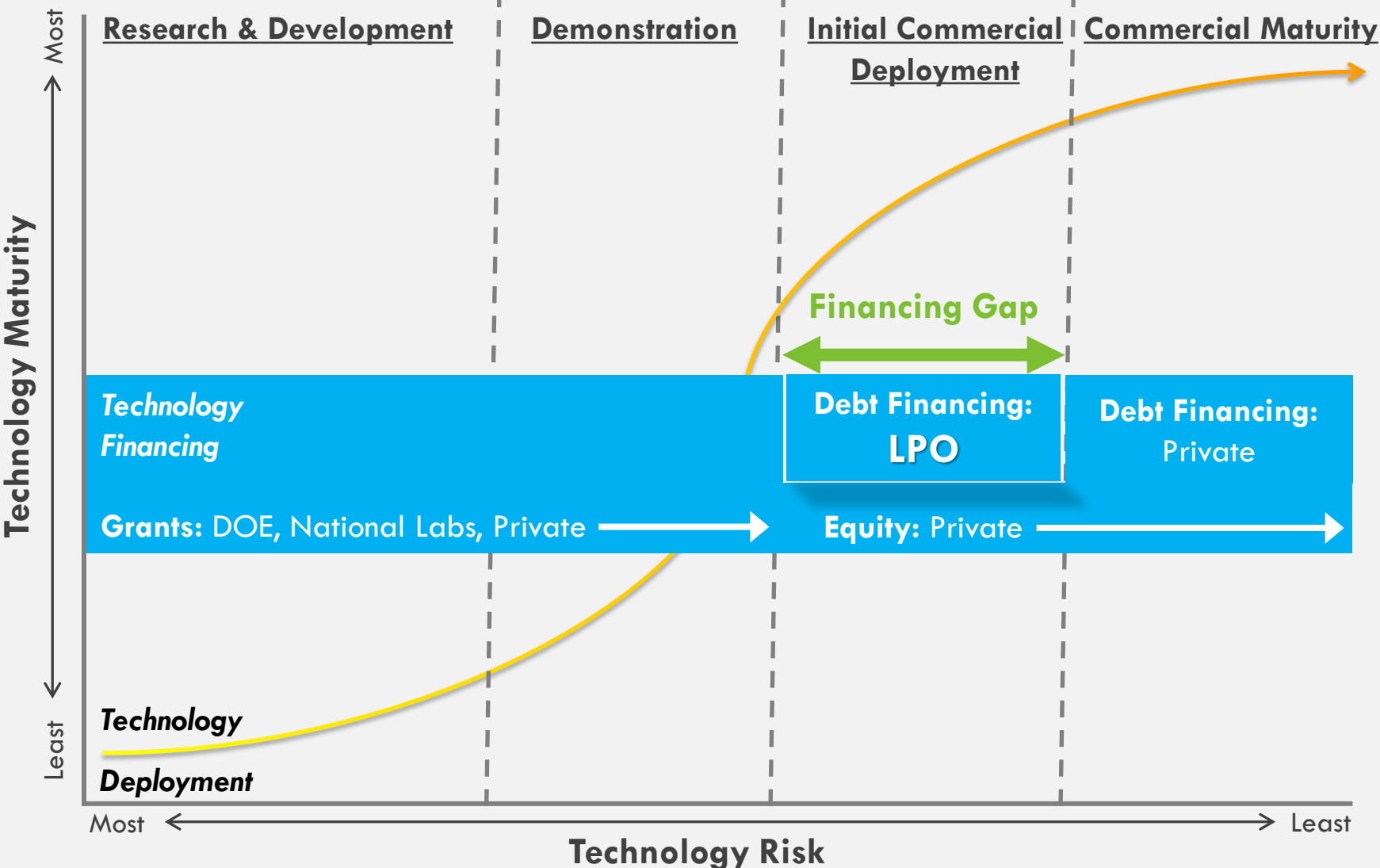
\$2 billion to Areva Eagle Rock Enrichment Facility



Pending Applications

Pending applicants would not need to reapply under the new solicitation or pay fees unless they wish to modify their proposal significantly

BRIDGING THE COMMERCIAL FINANCING GAP



DRAFT ADVANCED NUCLEAR ENERGY SOLICITATION

\$12.6 billion in loan guarantee authority

Nuclear Generation

- \$10.6 billion in remaining loan guarantee authority (2009 Appropriations).
- Eligible projects include nuclear generation.

Front End Nuclear

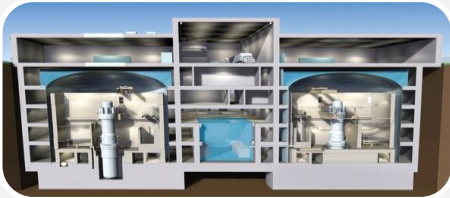
- \$2 billion in remaining loan guarantee authority (2009 Appropriations).
- Eligible projects include uranium milling, conversion, enrichment & fuel fabrication.

FOUR TECHNOLOGY AREAS OF INTEREST

The draft solicitation identifies four project areas that LPO believes are poised for technical and commercial viability.



Large Advanced Reactor Projects



Small Modular Reactor (SMR) Projects



Upgrading/Upgrading Projects at Existing Nuclear Reactors



Front End Nuclear Fuel Cycle Projects

ELIGIBILITY REQUIREMENTS

Innovative Technology

- Eligible projects must utilize an innovative technology or system.

Located in United States

- Eligible projects must be located in the U.S. but may be foreign-owned

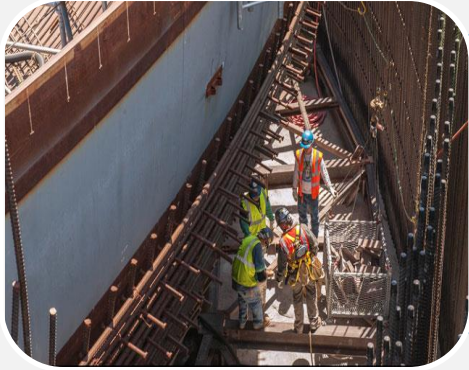
Greenhouse Gas Benefits

- Eligible projects must reduce, avoid, or sequester greenhouse gases.

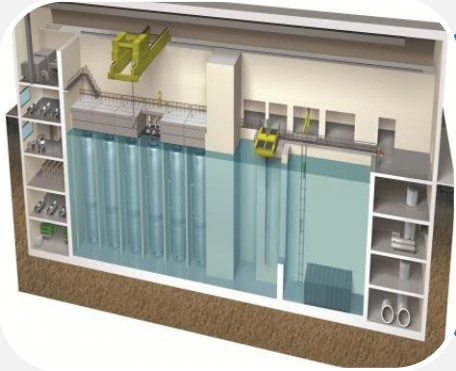
Reasonable Prospect of Repayment

- Eligible projects must be able to repay loan principal and interest.

DEFINING INNOVATIVE TECHNOLOGY



- Project must employ a new or significantly improved technology that is not a commercial technology.



- A commercial technology means a technology in general use in the commercial marketplace in the U.S. at the time the term sheet is issued by the Department of Energy.



- A technology is in general use if it has been installed in and is being used in three or more commercial projects in the U.S. in the same general application as in the proposed project, and has been in operation in each such commercial project for a period of at least five years by the time the term sheet is issued.

FINANCIAL TERMS OF THE LOAN GUARANTEES

What is a Loan Guarantee?

- Loan guarantee can support debt from a commercial lender or the Department of Treasury.

Loan Tenure

- Long term financing is available based on the useful life of the asset – up to 30 years.

Interest Rates

- Interest rates set based on equivalent U.S. Treasury rate plus a credit-based liquidity spread (~0.5-1.5%).

Equity

- LPO can only guarantee 80% of the total project cost. Most projects have at least 35% equity.

Co-Lending

- Co-lending with commercial lenders is encouraged but not required.

LPO Due Diligence Process

Part 1 Application

- Determine basic eligibility
- \$50,000 fee

Part 2 Application

- Confirmatory due diligence
- Balance of application fee (\$150,000/\$300,000)

Conditional Commitment

- Negotiate term sheet

Loan Guarantee

- Negotiate final agreements
- Remaining fees

30 DAY PUBLIC COMMENT PERIOD

The Department welcomes public comment on a range of issues and will consider public feedback in defining the scope of the final solicitation. The comment period will be open for 30 days following publication of the draft solicitation.

To submit a public comment, please email:

LPO.NuclearSolicitation.Comments@hq.doe.gov.