

Technical Eligibility Reference Guide

Title 17 Innovative Energy Projects: Advanced Nuclear Energy



Summary of Title 17 Loan Guarantee Eligibility Criteria

- **Innovation:** LPO eligibility requirements stipulate that the Project must employ New or Significantly Improved Technology as compared to Commercial Technology in service in the United States. This “innovation” must constitute one or more meaningful and important improvements in productivity or value and NOT be “Commercial Technology.” Commercial Technology is defined as technology that has been installed in and is being used in three or more commercial projects in the United States in the same general application as in the proposed project.
- **Greenhouse Gas Emissions:** LPO eligibility requirements stipulate that the Project must avoid, reduce, or sequester anthropogenic emissions of greenhouse gases. LPO determines eligibility under this requirement for this solicitation by performing an independent greenhouse gas life cycle analysis to determine whether or not the project is an improvement over a “business-as-usual” case.
- **Reasonable Prospect of Repayment**
- **Located in the U.S.**

Advanced Nuclear Energy Summary

- The Solicitation is intended to support technologies that are catalytic, replicable, and market-ready.
- An “Eligible Project” uses advanced nuclear technologies.
- Avoids, reduces, or sequesters anthropogenic emissions of greenhouse gases or air pollutants.
- Employs *New or Significantly Improved Technology* as compared to *Commercial Technology* in service in the United States (Innovative Technology).
- Is located in the United States.
- Provides a *reasonable prospect of repayment* of the principal and interest on the Guaranteed Obligation and other Project debt.
- Has sufficient funds to carry out the Project.
- Is not benefitting from other federal assistance.

Advanced Nuclear Energy Potential Project Types

- **Large Advanced Nuclear Reactors:** Generation III (and III+) nuclear reactor designs
- **Small Modular Reactors:** nuclear reactors generally 300MWe equivalent or less, designed with modular technology using module factory fabrication, pursuing economies of series production and short construction times
- **Advanced Nuclear Component Manufacturing and Testing:** Manufacturing and testing facilities for innovative advanced nuclear reactor components
- **Advanced Nuclear Fuel Design and Manufacturing:** Facilities and equipment for Innovative nuclear fuel design and manufacture
- **Advanced Nuclear Fuel Processing:** Facilities and equipment for Innovative nuclear fuel processing

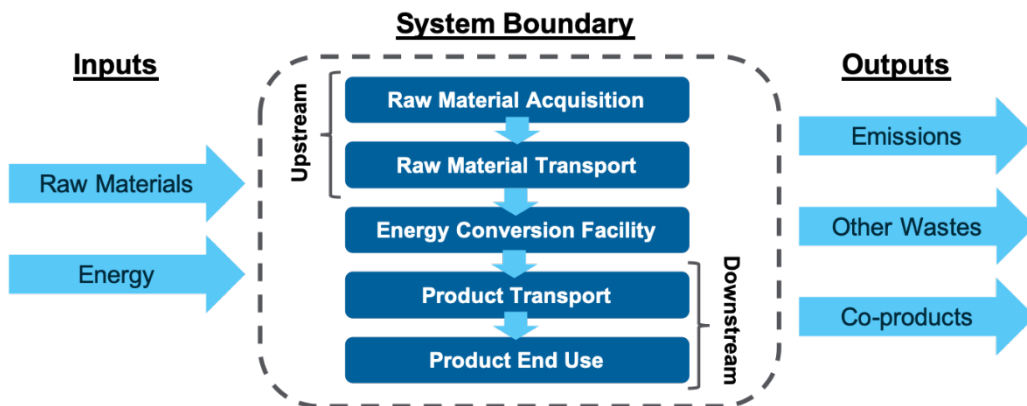
NOTE: *These examples are not intended to be, and are not, exclusive or limiting. They are mentioned solely with the intent of identifying types of projects that could be eligible, subject to technical review.*

Meeting the “Innovation” Eligibility Requirement

- LPO’s Technical and Project Management Division (TPMD) reviews the applicants case for meeting the innovation criteria in the Part 1 application.
- Through research, literature review, and consultation with private industry and/or DOE subject matter experts, TPMD evaluates the state of the relevant “Commercial Technology” to compare to the proposed project’s technology.
- Using best engineering practices, determine whether the proposed project meets the eligibility requirements.
- Typically TPMD will need to ask clarifying questions of the applicant to determine whether the proposed project fits the definition of *New or Significantly Improved Technology* and therefore *Eligible Project*.

Meeting the Eligibility Requirement for Greenhouse Gas Emissions

- Applicants must submit an Attachment C, Summary Lifecycle Greenhouse Gas Emissions Data Worksheet to help LPO complete its lifecycle greenhouse gas emissions analysis of the proposed project.
- TPMD performs a Greenhouse Gas Life Cycle Assessment (GHG LCA) to quantify the full environmental impact of a product or process relative to the business as usual baseline.



Greenhouse Gas (GHG) Life Cycle Analysis (LCA) Approach

ISO 14064 Activity	Applicant Guidance	TPMD Responsibilities
Describe the Project	<ul style="list-style-type: none"> ✓ Author according to ISO 14064 standard requirements 	<ul style="list-style-type: none"> ✓ Validate that appropriate information has been provided
Identify and Select GHG Sources, Sinks, And Reservoirs	<ul style="list-style-type: none"> ✓ Provide relevant information and data on the project 	<ul style="list-style-type: none"> ✓ Validate applicant-provided information and data ✓ Determine the appropriate GHG sources, sinks, and reservoirs for the baseline project
Determine the Baseline Scenario	<ul style="list-style-type: none"> ✓ Applicants may suggest an appropriate baseline scenario 	<ul style="list-style-type: none"> ✓ Determine an appropriate business as usual baseline scenario based on the applicant’s project
Quantifying GHG Emissions	<p>Provide data on:</p> <ul style="list-style-type: none"> ✓ Materials and energy used in the product life cycle ✓ Intended sequestration of GHG emissions during the product life cycle (if applicable) 	<ul style="list-style-type: none"> ✓ Validate applicant-provided data ✓ Supplement applicant-provided data with additional data and/or reasonable assumptions, where necessary ✓ Request additional information from applicants, where necessary ✓ Calculate the GHG emissions associated with the applicant’s project and compare this with the baseline

Legal Definitions and Interpretation (10 CFR 609.2)

- **Eligible Project** means a project located in the United States that employs a New or Significantly Improved Technology that is not a Commercial Technology.
- **New or Significantly Improved Technology** means a technology concerned with the production, consumption or transportation of energy and that is not a Commercial Technology, and that has either:
 - Only recently been developed, discovered or learned; or
 - Involves or constitutes one or more meaningful and important improvements in productivity or value, in comparison to Commercial Technologies in use in the United States at the time the Term Sheet is issued.
- **Commercial Technology** means a technology in general use in the commercial marketplace in the United States at the time the Term Sheet is issued by DOE
 - A technology is in general use if it has been installed in and is being used in three or more commercial projects in the United States in the same general application as in the proposed project; and
- Has been in operation in a commercial project for a period of at least five years.
- Link: <https://www.govinfo.gov/content/pkg/CFR-2012-title10-vol4/pdf/CFR-2012-title10-vol4-sec609-2.pdf>

Technical and Financial Evaluation of Applications (10 CFR 609.7)

- **Applications will be denied if:**
 - The project is not ready to be employed commercially in the United States.
 - The project is for demonstration, research, or development.
- **DOE will consider the following factors:**
 - Does the technology have the potential to be employed in other commercial projects.
 - Does the new or significantly improved technology used in the project involve or constitute a meaningful improvement in productivity or value, as compared to Commercial Technology.
- “Innovative Technology” and “Greenhouse Gas Emissions” eligibility criteria are reiterated.
- This section also lays some criteria for determining whether the applicant has a “reasonable prospect of repayment”.
- Link: <https://www.govinfo.gov/content/pkg/CFR-2012-title10-vol4/pdf/CFR-2012-title10-vol4-sec609-7.pdf>

More Information

Advanced Nuclear Energy Solicitation Summary & Technology Areas Information:
<https://www.energy.gov/lpo/services/solicitations>

- **Energy Policy Act of 2005, Section 1703, Title XVII:**
<https://www.govinfo.gov/content/pkg/BILLS-109hr6enr/pdf/BILLS-109hr6enr.pdf>
- **Attachment C, Summary Lifecycle Greenhouse Gas Emissions Data Worksheet:**
https://www.energy.gov/sites/prod/files/2015/02/f19/SUMMARY_GREENHOUSE_GAS_EMISSIONS_DATA_WORKSHEET_JANUARY_2015.xlsx

DISCLAIMER: This guidance does not constitute legal advice and is provided strictly for informational purposes only. It does not constitute rulemaking by DOE and may not be relied on to create a substantive or procedural right or benefit enforceable, at law or in equity, by any person. Without limitation, there can be no assurance that a Conditional Commitment will be issued to any applicant, or, if a Conditional Commitment is issued, that a loan guarantee will ultimately be issued thereto.

General features as of September 2020, subject to change.