

Energy Department Offers Conditional Commitment to Support Nevada Geothermal Development with Recovery Act Funds

Conditional Commitment to John Hancock Financial Services for Financing of NGP Blue Mountain Geothermal Project is First to Use DOE's Financial Institution Partnership Program

Washington D.C. --- Energy Secretary Steven Chu today announced a conditional commitment to provide a partial guarantee for a \$98.5 million loan by John Hancock Financial Services to the Nevada Geothermal Power Company (NGP) for a 49.5 megawatt geothermal project in Humboldt County in northwestern Nevada.

The NGP Blue Mountain ("Blue Mountain") project consists of a geothermal well field, fluid collection and injection systems that enable energy to be extracted from rock and fluid below the Earth's surface, and a power plant that converts geothermal energy into electricity. The project has a 20-year power purchase agreement to sell electricity and renewable energy credits to Nevada Power Company.

"The United States leads the world in geothermal electricity production with just over 3,000 megawatts of installed capacity," said Secretary Chu. "Our support of the Blue Mountain project demonstrates our continued commitment to realize the potential in geothermal so that we can achieve our nation's clean energy goals."

"I am glad to see economic recovery funding being used to put Nevadans to work on a project that will help us achieve energy independence," U.S. Senator Harry Reid said. "Northern Nevada is the Saudi Arabia of geothermal energy and I thank Secretary Chu for recognizing the Silver State's enormous job-creating potential to produce plenty of clean and affordable energy."

NGP's Blue Mountain project and John Hancock Financial Services, lender-applicant and lead lender, are the first to access a Department of Energy (DOE) loan guarantee through the Financial Institution Partnership Program ("FIPP"), a program supported by the 2009 American Recovery and Reinvestment Act. In a FIPP financing, DOE provides a guarantee for up to 80 percent of a loan provided to a renewable energy project by qualified financial institutions. These long-term lenders apply on behalf of the project sponsors or developers and are required to hold at least 20 percent of the credit exposure to the project, aligning their interests with DOE and project sponsors. FIPP was designed to expedite the loan guarantee process for renewable energy generation projects that use commercial technologies and to expand credit capacity for financing of U.S. renewable energy projects.

Nevada Geothermal Power Company is a renewable energy development company with four other projects in development in Nevada and Oregon. John Hancock Financial Services is a leading institutional energy lender with experience in fixed rate utility lending, project financing and private equity investments, including nine prior geothermal financings. The company holds more than \$1 billion in renewable energy investments.

Including the conditional commitment announced today, the Department has issued conditional commitments for loan guarantees to support 11 clean energy projects. This conditional commitment is another step toward making the United States a worldwide leader in the generation of clean energy technology. For more information on this program, please visit www.lgprogram.energy.gov.

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