



United States Department of Energy
Office of Public Affairs
Washington, DC 20585

NEWS MEDIA CONTACT:
Joann Wardrip, (202) 586-4940

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DOE Announces Solicitation for \$8.0 Billion in Loan Guarantees
Third Round of Solicitations Targets Innovative Clean Coal Technologies

WASHINGTON, DC – The U.S. Department of Energy (DOE) today announced a solicitation for up to \$8.0 billion in federal loan guarantees for projects that employ advanced technologies that avoid, reduce or sequester emissions of air pollutants or greenhouse gases in the area of coal-based power generation, industrial gasification, and advanced coal gasification facilities. This marks the third round of solicitations for DOE’s Loan Guarantee Program, which encourages the commercial use of new or significantly improved energy technologies and is an important step in paving the way for clean energy projects.

This solicitation will make available \$6 billion in loan guarantee authority for incorporating carbon capture and storage (CCS) or other emissions-reducing carbon technologies into industrial gasification activities, retrofitted and new coal-based power generation facilities. An additional \$2 billion in loan guarantee authority will be made available for advanced coal gasification projects, which convert coal cleanly into electricity, hydrogen, and other valuable energy products.

“The Department’s fossil energy loan guarantees will provide key early support for technological innovation to curb CO₂ emissions,” Under Secretary of Energy Clarence “Bud” Albright, Jr. said. “The successful deployment of these clean coal projects will provide our nation with a greater degree of energy and economic security.”

The Loan Guarantee process is organized into four phases: application, project evaluation, term sheet/conditional commitment, and final approval and closing of a Loan Guarantee Agreement. Selection criteria for the clean energy projects under this solicitation will focus on a project’s ability to avoid, reduce, or sequester air pollutants or greenhouse gas emissions; the speed with which the technologies can be commercialized; the prospect of repayment of the guaranteed debt; and the potential for long-lasting success of these technologies in the marketplace.

Today’s solicitation builds off two previous rounds of solicitations issued by DOE, which supported energy efficiency, renewable energy, nuclear energy, and fossil energy projects. First, in October 2007, DOE invited 16 project sponsors responding to DOE’s August 2006 solicitation to submit full applications for a loan guarantee. Second, on June 30, 2008, the Department issued three additional solicitations with the potential to provide \$30.5 billion in loan guarantees. DOE is currently reviewing the applications received to date from these two solicitations.

DOE's Loan Guarantee Program, authorized by Title XVII of the Energy Policy Act of 2005 (EPAct), aims to facilitate early commercial use of new or significantly improved technologies in energy related projects. Loan guarantees issued by DOE will be backed by the full faith and credit of the United States. Projects supported by loan guarantees will help fulfill President Bush's goal of reducing our reliance on imported sources of energy by diversifying our nation's energy mix, increasing energy efficiency, and improving the environment.

For additional information on this solicitation and the Department's Loan Guarantee Program, visit www.lgprogram.energy.gov.

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