



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

NEWS MEDIA CONTACT:
Bethany Shively (202) 586-4940

FOR IMMEDIATE RELEASE
Thursday, October 2, 2008

DOE Announces Loan Guarantee Applications for Nuclear Power Plant Construction

WASHINGTON, DC – The U.S. Department of Energy (DOE) today announced it has received 19 Part I applications from 17 electric power companies for federal loan guarantees to support the construction of 14 nuclear power plants in response to its June 30, 2008 solicitation. The applications reflect the intentions of those companies to build 21 new reactors, with some applications covering two reactors at the same site. All five reactor designs that have been certified, or are currently under review for possible certification, by the Nuclear Regulatory Commission (NRC) are represented in the Part I applications. DOE also has received Part I applications from two companies for federal loan guarantees to support two different Front-End Nuclear Facility Projects.

“DOE’s loan guarantee program is an important step in advancing President Bush’s goals of diversifying our energy mix, increasing energy efficiency and improving the environment, while reducing our reliance on foreign sources of energy,” Assistant Secretary for Nuclear Energy Dennis Spurgeon said. “These loan guarantees are an integral step in building up our nation’s nuclear infrastructure and will further the broader goal of enhancing national energy security through the advancement of nuclear power as a domestic, affordable and emissions-free source of energy.”

DOE and the U.S. nuclear industry have partnered to share the cost of programs to improve the design and licensing processes of the first new nuclear power plants to be constructed in the U.S. in over 20 years. Now the industry is putting the results of those programs to use and asking the Department to provide loan guarantees in the amount of \$122 billion, which significantly exceeds the \$18.5 billion in loan guarantees available under the June 30, 2008 Nuclear Power Facilities solicitation. The aggregate estimated construction cost of these 14 projects is \$188 billion. If all projects are constructed, they would add 28,800 megawatts of clean, emissions-free, base load electric generating capacity. DOE also has been asked to provide loan guarantees in the amount of \$4 billion for Front End Nuclear Facility Projects, which exceeds the \$2 billion in loan guarantees made available for this type of project in the June 30, 2008 solicitation.

License applications for the nuclear power projects are currently being reviewed by the NRC as part of the new Combined License process, which simplifies and adds more predictability to the process of licensing new nuclear facilities, thereby reducing financial risk. DOE’s Loan Guarantee Program Office (LGPO) is concurrently reviewing the financial and construction aspects of the projects as part of its initial review and selection process, and will follow closely all aspects of the NRC licensing process.

DOE will review the Part I submissions and will assign initial rankings of the projects based on the factors summarized in each solicitation. The initial project rankings of the applications will provide applicants information to help them determine whether to complete and submit to DOE a Part II application. Regardless of their position in the initial queue, all applicants who submitted Part I applications are invited to submit Part II of their applications in accordance with the solicitations issued on June 30, 2008. Part II submissions, which

are due on December 2, 2008 for the Front-End Nuclear Facilities Projects and on December 19, 2008 for Nuclear Power Facilities, will be thoroughly vetted by the LGPO. DOE will review Part II submissions, and then select final projects to enter into negotiations that will lead to the eventual issuance of loan guarantees.

The authority to offer and enter into loan guarantees for nuclear power projects and front end nuclear facilities was granted by Congress in the Consolidated Appropriations Act, 2008. Similar authority was also granted under that Act for loan guarantees for renewable energy and fossil energy projects for an overall total of up to \$38.5 billion. Pursuant to this authority, DOE issued solicitations on June 30, 2008 for up to \$30.5 billion for energy efficiency, renewable energy and advanced transmission and distribution technologies; nuclear power facilities; and advanced nuclear facilities for the 'front-end' of the nuclear fuel cycle. DOE issued a subsequent solicitation on September 22, 2008 for up to \$8 billion to support coal-based power generation, industrial gasification and advanced coal gasification facilities projects that employ advanced technologies that avoid, reduce or sequester emissions of air pollutants and greenhouse gases.

DOE's Loan Guarantee Program, authorized by Title XVII of the Energy Policy Act of 2005, 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 DOE's Loan Guarantee Program, visit www.lgprogram.energy.gov.

-DOE-

To subscribe to DOE's press release distribution list, please send a plain-text email to listserv@vm1.hqadmin.doe.gov with the following command in the body of the email: Subscribe DOENEWS firstname lastname.

To unsubscribe to DOE's press release distribution list, please send a plain-text email to listserv@vm1.hqadmin.doe.gov with the following command in the body of the email: Unsubscribe DOENEWS firstname lastname.