

**LOAN GUARANTEE
SOLICITATION ANNOUNCEMENT**



**U.S. Department of Energy
Loan Guarantee Program Office**

**FEDERAL LOAN GUARANTEES FOR NUCLEAR POWER
FACILITIES**

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Full Announcement

Loan Guarantee Solicitation for Applications for Nuclear Power Facilities

I. Solicitation Description

A. Purpose of Solicitation

This solicitation announcement (“Solicitation”) invites the submission of applications for loan guarantees under Title XVII of the Energy Policy Act of 2005, 22 U.S.C. 16511-16514 (“Title XVII”) from the United States Department of Energy (“DOE” or the “Department”) in support of debt financing for nuclear power facility projects in the United States. This Solicitation is issued in accordance with the terms and conditions of Title XVII and the implementing regulations set forth in Part 609 under chapter II of title 10 of the Code of Federal Regulations (the “Final Regulations”). All applicants are encouraged to review and become familiar with the requirements of Title XVII and the Final Regulations, the provisions of which govern this Solicitation. Copies of these authorities can be found at <http://www.lgprogram.energy.gov/> (the “Program Website”). All capitalized terms defined herein shall have the meanings ascribed to them in this Solicitation, and all capitalized terms used but not defined herein shall have the meanings ascribed to them under the Final Regulations. Neither a procurement action under Title 48 of the Code of Federal Regulations nor a financial assistance award under 10 CFR Part 600 is contemplated by this Solicitation.

DOE will make no more than eighteen billion five hundred million dollars (\$18,500,000,000) in loan guarantee authority available under this Solicitation for nuclear power facility projects. The Department’s authority to issue this amount of loan guarantee was provided by the Consolidated Appropriations Act, 2008, P.L. No. 110-161 (the “FY08 Appropriations Act”). Under the terms of that Act the availability of this loan guarantee authority under the FY08 Appropriations Act expires on September 30, 2009. DOE has requested in its FY09 budget that this loan guarantee authorization be extended through September 30, 2011. It is possible that the full loan guarantee process will not be completed with respect to an application prior to the expiration of the loan guarantee authority, whether or not such authority is extended. This Solicitation is specifically designed to provide loan guarantees under Title XVII to support those projects that have the most promising nuclear power facility technologies.

B. Background of Loan Guarantee Program

Title XVII authorizes the Secretary of Energy (“Secretary”) to make loan guarantees for projects that “avoid, reduce or sequester air pollutants or anthropogenic emissions of greenhouse gases; and employ new or significantly improved technologies as compared to commercial technologies in service in the United States at the time the guarantee is issued.” A principal goal of Title XVII is to encourage early commercial use in the United States of new or significantly improved technologies in energy projects that offer the potential to reduce, avoid or sequester air pollutants and/or anthropogenic greenhouse gas emissions. DOE believes that accelerated commercial use of these new and improved technologies will help sustain economic growth, yield environmental benefits, and produce a more stable and secure energy supply and economy. A more complete description of DOE’s loan guarantee program may be found on the Program Website. Title XVII further requires that loan guarantees shall

be based upon a determination that there is a reasonable prospect of repayment by the Borrower of the guaranteed portion of the Guaranteed Obligation and that such portion of the Guaranteed Obligation, together with amounts available to the Borrower from other sources, will be sufficient to carry out the project. Accordingly, DOE has developed an application process that will involve a thorough analysis of the applicant's ability to repay the guaranteed portion of the Guaranteed Obligation, meet statutory and policy goals established by Title XVII and the Final Regulations and satisfy DOE's loan underwriting criteria.

C. Finance Considerations for Applications

Loan guarantees issued under Title XVII must satisfy specific energy finance requirements as set forth in the Final Regulations, particularly Section 609.10(d) (3) through (10) and (13) thereof, which must be addressed by the applicant in responding to this Solicitation. For example, as required by Section 609.10 (d)(3) of the Final Regulations, the face value of the debt guaranteed by DOE under Title XVII is limited to no more than eighty percent (80%) of total Project Costs and, consistent with Sections 609.2 and 609.10(d)(5) of the Final Regulations, the Borrower and other principals involved in the project must have made or will make a significant Equity, defined by the Final Regulations as cash, investment in the project. For additional information relating to the requirements and policy considerations of the Department's loan guarantee program, please refer to the Final Regulations and the preamble published in connection therewith. See 72 Fed. Reg. 60,116 (2007).

DOE expects that the information requested, and the documentation produced as a result of negotiations, will conform substantially in scope, quality and detail with the information typically requested and documentation typically produced during the course of an arm's length, commercially negotiated project or commercial financing of this scale. DOE expects to analyze projects primarily on a limited recourse project financing basis. Under such an approach, DOE intends to assume minimal pre-construction risks which are expected to be shared among the appropriate project participants. However, applications supporting loan guarantee structures outside of the classical limited recourse project finance approach that provide a reasonable assurance of repayment and meet other Title XVII objectives are also encouraged.

II. Eligibility Information

Before seeking a loan guarantee, applicants are strongly encouraged to verify that their proposed projects are not eliminated by the threshold determinations set forth in Section 609.7(a) of the Final Regulations and that all of the eligibility requirements listed below are met:

A. Eligible Projects: Consistent with the meaning of the term "Eligible Project" under Section 609.2 of the Final Regulations, an eligible project under this Solicitation shall employ a New or Significantly Improved Technology that, as required by Section 609.10(d)(1) and (2) of the Final Regulations, (i) is not a Commercial Technology, (ii) has the potential for replicability in other commercial projects in the United States, and (iii) is likely to be available in the United States for further commercial application in order to develop a nuclear power facility constructed and operated in the United States. Such eligible projects exclude research, development or demonstration projects.

B. Eligible Applicants: An eligible applicant under this Solicitation includes any applicant meeting the definition of “Applicant” set forth in Section 609.2 of the Final Regulations and seeking a loan guarantee under Title XVII for an Eligible Project under this Solicitation.

C. Eligible Lenders: An eligible lender under this Solicitation shall satisfy the meaning set forth under the term “Eligible Lender” in Section 609.2 of the Final Regulations and meet the requirements set forth in Section 609.11 of the Final Regulations.

D. Project Costs: Project costs under this Solicitation shall have the meaning ascribed to the term “Project Costs” in Section 609.2 of the Final Regulations, and as specifically set forth in Section 609.12 of the Final Regulations.

III. Overview of the Process for Obtaining a Loan Guarantee

The loan guarantee application process is organized into the following four (4) phases; DOE will consult with the U.S. Department of the Treasury (“Treasury”) and the U.S. Office of Management and Budget (“OMB”) during these four phases as DOE deems appropriate or as required by law or regulation:

- 1) **Application:** Project Sponsors may submit applications in response to this Solicitation in accordance with the detailed instructions provided in Attachments A1 and A2. An aggregate application fee is payable in the proportionate amounts set forth in Attachment C upon the submission of Parts I and II of the application.
- 2) **Project Evaluation by DOE:** During the evaluation of an application, DOE will undertake its due diligence and project underwriting, with the assistance of its independent consultants and outside counsel. As a result, it is expected that extensive dialogue between DOE and the applicant will occur with respect to all aspects of the project. Based on the information provided by the applicant, appropriate environmental review and DOE’s due diligence results, a project evaluation report will be prepared, resulting in a recommendation to DOE’s Credit Review Board (“CRB”) with respect to the issuance of a Term Sheet to the applicant.
- 3) **Term Sheet/Conditional Commitment:** If the CRB approves the issuance of a Term Sheet to an applicant for a loan guarantee, DOE will notify the applicant and lender in writing and provide them with a proposed Term Sheet that sets forth the general terms and conditions under which DOE may enter into a Loan Guarantee Agreement. Upon the earlier of (i) the issuance of the Term Sheet to an applicant pursuant to such CRB approval or (ii) the commencement of negotiations with an applicant on a draft Term Sheet, the applicant must pay to DOE the facility fee (or Second Fee) as set forth in Attachment C for its application to be considered further. The issuance or negotiation of a Term Sheet does not constitute a commitment by DOE to issue a loan guarantee. The proposed terms and conditions of a Term Sheet are subject to negotiation. DOE will promptly notify the applicant, in writing, of any DOE decision not to finalize a Term Sheet. Any changes in the terms and conditions from the Term Sheet offered to the applicant will be reported to the CRB for approval. If the CRB approves these changes, or makes its own changes, the applicant will be presented with these revised terms and conditions. If the applicant

agrees with and executes the final Term Sheet approved by the CRB, the Term Sheet becomes a Conditional Commitment between DOE and the applicant. In accordance with Section 609.2 of the Final Regulations, the Secretary may terminate a Conditional Commitment for any reason at any time prior to the execution of the Loan Guarantee Agreement; provided, however, the Secretary may not delegate his/her authority to terminate a Conditional Commitment.

- 4) **Final Approval of the Loan Guarantee Agreement and Closing:** When the applicant has met all the terms and conditions of the Conditional Commitment to DOE's satisfaction, DOE will prepare and submit a record of decision ("ROD"), as approved by the CRB, supporting the issuance of a Loan Guarantee Agreement for the benefit of the applicant's project to the Secretary for approval of a definitive Loan Guarantee Agreement to be executed on a closing date to be agreed upon. The Department's General Counsel will advise as to whether all conditions precedent have been satisfied prior to closing. Upon the advice of the General Counsel and approval by the Secretary, DOE and the applicant will set a closing date. At or prior to such closing, the applicant must pay the Credit Subsidy Cost and the maintenance fee (Third Fee), as set forth in Attachment C. The Secretary, or his/her designee, will sign the Loan Guarantee Agreement at closing.

Requests by DOE for additional information, documentation, or briefings do not signify that a project has been selected for due diligence, underwriting and negotiation or approved for a loan guarantee. Extension of a loan guarantee is subject to, among other things, definitive negotiation of financing, guarantee, and project documents on terms and conditions satisfactory in all respects to DOE, consultation with Treasury regarding the terms and conditions of the potential loan guarantee, approval of the Term Sheet by the CRB and final approval by the Secretary.

IV. Application Phase

1. **Objectives:** In accordance with Title XVII and the Final Regulations, this Solicitation requires applicants to submit timely information in sufficient detail to support a thorough analysis of the project's compliance with the objectives and requirements established by Title XVII and the Final Regulations and this Solicitation, as well as the rigorous underwriting criteria appropriate for projects of this scale. Applicants must satisfy the "Finance Considerations for Applications" set forth in Section I.C. above, including demonstrating that there is a reasonable prospect of repaying the principal and interest on the guaranteed portion of the Guaranteed Obligation which will be incurred.
2. **General Schedule:** The application is divided into two parts, namely Parts I and II. The Part I submission is expected to provide DOE with a top level description of the project, project eligibility, financing strategy and progression to date in critical path schedules. These schedules include items such as licensing, site preparation and long lead procurements, and certain elements required to be submitted by Section 609.6 of the Final Regulations. The Part II submission consists of the items required by Section 609.6 of the Final Regulations that were not due in the Part I submission, as well as other requested items of information expected to facilitate DOE's due diligence review. Detailed instructions for the content of the Parts I and II submissions are set forth in Attachments A1 and A2, respectively, and instructions for the format requirements of Parts I and II submissions are set forth in Section V, "Application

Submission Requirements,” of this Solicitation. An entirely complete Part I submission must be received by the DOE not later than 11:59pm Eastern Time (“ET”) on September 29, 2008. Payment for the initial 25% application fee must be paid contemporaneously with applicant’s Part I submission. The application fee is non-refundable. See Attachment F for details on communication procedures.

DOE acknowledges that, given the scope and complexity of a nuclear power project, some applicants may be unable to make available to DOE certain information items required by Part II of the application by the due date for initial Part II submissions, as set forth in paragraph 6 below of this Section IV. Accordingly, under this Solicitation and subject to the qualifications set forth herein, Part II submissions may be filed, in whole or in part, at any time as long as applicant’s initial Part II submissions are filed no later than 11:59pm ET on December 19, 2008. Payment of the remaining 75% of the application fee must be paid contemporaneously with the applicant’s initial Part II submissions, the application fee is non-refundable. The Part II information initially submitted, along with any previously missing but required Part II items subsequently provided, must be updated and provided every 90 days following the due date for initial Part II submissions until a Loan Guarantee Agreement is entered into between DOE and the applicant, or DOE terminates the process and rejects the application, in order for the application to be afforded further consideration by DOE.

A fully completed Part I submission, together with a substantially complete Part II submission, shall, in the aggregate, constitute a substantially complete application. Subject to fully completed Part I submissions, initial Part II submissions and Part II follow-on submissions being filed on their respective due dates, substantially complete applications may be submitted to DOE at any time after the date of issuance of this Solicitation but must be submitted to DOE no later than six (6) months prior to the date that a Project Sponsor anticipates it will require the Term Sheet to be issued.

DOE may require that each written submission be followed with an oral presentation by the applicant (e.g., by teleconference or face-to-face meeting) to discuss and clarify the submission and agree on next steps. Moreover, DOE may request additional information to clarify information submitted by applicants. Such requests by DOE for additional information, documentation, or briefings do not signify that a project has been approved for a loan guarantee.

3. **Initial Project Ranking:** In order to encourage submissions of substantially complete applications as early as possible after the date of this Solicitation, applications will be evaluated on a continuous basis as they are received. Early applicants will enjoy a first mover’s advantage in terms of order of priority of review. Complete applications must contain the information items listed in Section 609.6 of the Final Regulations and as required by this Solicitation in Attachments A1 and A2. DOE will review the Part I submissions and assign initial rankings of the projects based on the factors summarized in Attachment A3. Based on a preliminary review and CRB approval, these initial rankings will be published on or around October 29, 2008.
4. **Self-Selection:** DOE’s initial rankings of the applications will provide applicants information to assist in their making a self-selection decision as to whether to proceed with the cost and effort of completing a full application, including Part II. The overall objective of this ranking process is to identify and accelerate the review of strong projects with substantial progress,

which is well documented in the application. At the same time, this ranking process is not intended to discourage initially less robust candidates from continuing the application process and eventually qualifying based on superior Part II submissions or, alternatively, being well positioned in the event a front runner drops out or the amount of available loan guarantee authority is subsequently increased. Applicants that are not initially selected to enter into negotiations will remain in queue with assigned rankings. In its sole discretion, DOE may also re-rank applicants based on material changes in an applicant's application or changes in an applicant's enabling and operating environments or markets.

If an applicant decides to proceed with a Part II submission, the applicant must update the information provided in its Part I submission and make an initial Part II submission not later than 11:59pm ET on December 19, 2008. On each 90th day following the due date for the initial Part II submission, an applicant must update the information provided in its application and supply all information then available which is required for the application and not previously submitted. Such 90-day updates are required throughout the loan guarantee process for the applicant to receive continued consideration.

5. **Initial Selection to Begin Due Diligence, Underwriting and Negotiation:** DOE will evaluate substantially completed applications based upon the factors summarized in Attachment A3. At any time following the due date for initial Part II submissions, the CRB may approve the selection of applicants meeting the objectives of Title XVII, the Final Regulations and the underwriting criteria for this Solicitation for due diligence, underwriting and negotiation. Each selected applicant will receive written notice from DOE of its intent to proceed with due diligence and underwriting with respect to such applicant's project. As noted above, such applicants must provide DOE with application updates every 90 days for their applications to receive continued consideration.

6. **Summary of Application Schedule:** The following table summarizes the application schedule:

Solicitation Issue Date	June 30, 2008
Part I Submissions Due	September 29, 2008
Initial Rankings Issued	October 29, 2008
Part II Initial Submission Due	December 19, 2008
Part II Follow-on Submission Due	Every 90 days following the Part II Initial Submission Due Date until execution of a Loan Guarantee Agreement or termination by DOE

Substantially complete applications, including Part I and Part II, as well as any subsequent submissions in response to DOE requests, must be submitted to DOE no later than six (6) months prior to the date that a Project Sponsor anticipates it will require the Term Sheet to be issued. At any time, DOE may establish a final date by which complete Part II submissions must be received by DOE or on which to terminate the process and reject applications.

Submissions are due not later than 11:59pm ET on each of the submission due dates set forth above. In the event that a due date falls on a Saturday, Sunday or federal holiday, then such due date shall be deemed to be the next following business day. Applicants are advised to

make proper arrangements to assure that Treasury receives applicable fees with corresponding submissions by the dates specified above.

7. **Applications Evaluation:** Part I applications and substantially complete Part II applications will be evaluated utilizing the criteria set forth in Title XVII, the Final Regulations, including Section 609.7 thereof, and this Solicitation. For the purposes of this Solicitation only, technical factors will consist of twenty percent (20%) of the total weighting, programmatic factors will form thirty percent (30%) of the total weighting and financial factors fifty percent (50%) of the total weighting in selecting projects for loan guarantees. The chart below provides details on the relative weightings.

<u>Criteria</u>	<u>Weighting</u>
Technical Review	
Technical Relevance and Merit	5.0%
Technical Approach/Work Plan	10.0%
Environmental and Energy Security Benefits	5.0%
Programmatic Review	
Construction Factors	15.0%
Legal and Regulatory Factors	15.0%
Creditworthiness of the Project	50.0%
Total	100%

The above factors are set forth more fully in Attachment A3 Tab 2 under the section entitled “Application Evaluations and Rankings.” Applicants should further familiarize themselves with the information in Attachment A3 Tab 3, entitled “Desired Outcomes,” in developing project structures and in responding to this Solicitation.

8. **Environmental Critique and Synopsis:** DOE will prepare an environmental critique and synopsis for those applications deemed to be in the competitive range in accordance with 10 CFR 1021.216 after the preliminary technical and financial review is complete. Potential environmental impacts of the project, mitigation plans, considerations under the National Environmental Policy Act (“NEPA”), site permits, site preparation and construction and commissioning of the facility will be considered. In addition, life cycle emissions, where significant, will be evaluated. See Attachment B for further details on required environmental information. Required environmental information may be extracted from an applicant’s environmental report submitted to the Nuclear Regulatory Commission (“NRC”) in support of an NRC license application.

9. **Independent Consultants and Outside Counsel to DOE:** DOE expects to utilize independent consultants and outside legal counsel in all aspects of the loan guarantee process, including, but not limited to, due diligence, underwriting, negotiation, documentation and operations. Applicants are advised that, consistent with market practice in financings, the applicant shall be responsible for paying the fees and expenses of DOE's independent consultants and outside legal counsel in connection with applicant's project under all circumstances, without recourse to DOE by the consultant, counsel, Project Sponsor, Borrower or applicant. At any time following the date on which the balance of the application fee is due (see Section V.6 below), DOE may determine in its sole discretion to engage independent consultants or outside counsel with respect to an application. Upon making such determination, DOE shall proceed in evaluating and processing of an application only upon a Project Sponsor entering into a payment agreement with each consultant or outside counsel engaged by DOE to provide services to DOE on the applicant's project. Such payment agreements are subject to review and approval by DOE and shall be executed by a Project Sponsor of creditworthiness acceptable to such consultant or counsel prior to any work being performed by the consultant or counsel in the event that a project sponsor fails to comply with the provisions of such payment agreement, DOE may stop work on the application and/or reject an application. DOE shall not be financially liable to such independent consultant or outside legal counsel for any services rendered or expenses incurred in connection with an applicant's project under any circumstances whatsoever, including whether an application is approved or a closing occurs or under circumstances in which the responsible Project Sponsor or Borrower fails to pay such fees and expenses. The payment agreements shall require that the responsible Project Sponsor or Borrower make periodic payments to DOE's independent consultants and outside counsel during the loan guarantee process, including prior to a financial closing (if any). The cost of these services incurred through financial closing may be included in the calculation of total Project Costs to the extent permitted by Section 609.12 of the Final Regulations.

DOE's independent consultants and outside counsel shall submit to the responsible Project Sponsor or Borrower periodic invoices for services rendered to DOE with respect to applicant's project. Prior to submission of any invoice to a responsible Project Sponsor or Borrower, the independent consultant or outside counsel shall have submitted the invoice to DOE for purposes of redacting any privileged attorney-client information. Responsible Project Sponsors and Borrowers shall acknowledge and pay all fees and expenses represented by such invoices upon their periodic presentation thereof, including prior to or at closing (if any).

Applicants are advised that while such services shall be rendered for the benefit of DOE in connection with an applicant's project, the invoices of DOE's independent consultants and outside counsel working on an applicant's project will be the sole responsibility of such applicant, Borrower and its responsible Project Sponsor, notwithstanding that DOE is the client of such independent consultants and outside counsel. Each applicant, Borrower and its responsible Project Sponsor must specifically disclaim any inference of confidential, fiduciary or other client relationship (including an attorney-client relationship) between such applicant, Borrower or its responsible Project Sponsor and such independent consultant or outside counsel as a result of this arrangement and shall not interfere with DOE's relationship (including any attorney-client relationship) with such independent consultants or outside counsel, including DOE's ability to terminate.

10. **Non-Selection and Future Consideration:** Pursuant to Section 609.7(d) of the Final Regulations, applicants with whom DOE decides not to proceed with further negotiations will

be informed in writing of the reason for their non-selection. This determination by DOE shall be final and non-appealable but will not prejudice the applicant from applying under a future solicitation. Non-selected applicants who are otherwise qualified will remain in queue with assigned rankings (which DOE may, in its sole discretion, reassess from time to time), pending future availability of additional loan guarantee authority or in the event a selectee is unable, for whatever reason, to conclude a loan guarantee with DOE or until DOE terminates negotiations with a selected applicant. Non-selected applicants that choose to remain in queue must update their applications on each 90th day following the initial due date for Part II submissions as set forth above in order to remain eligible for continued consideration.

11. **Multiple Applications:** More than one application may be submitted by an applicant. However, consistent with Section 609.3(a) of the Final Regulations, multiple applications may only be submitted by a single applicant for projects utilizing distinctly different technologies. Loan guarantees will be limited in issuance to one project per applicant per technology.

V. **Application Submission Requirements**

1. **Documentation:** Applications must meet all requirements of Title XVII, the Final Regulations and this Solicitation. DOE expects that the information and documentation requested will conform substantially in scope, quality and detail with that produced during the course of an arm's length, commercially negotiated project for commercial financing of this scale.
2. **Questions/Communications:** To the extent an applicant is uncertain as to the eligibility of a project or has questions relating to the application process, the applicant may set forth its question in an email to DOE at lgprogram@hq.doe.gov. Please include in the subject line "RENUPWR Solicitation Question". DOE will respond to such questions as appropriate and may make applicants' most frequently asked questions and DOE's response to such questions public, for example, by posting on the Program Website or on FedConnect.
3. **Electronic Submission of Applications:** In order for an application to be considered under this Solicitation, the Part I submission must be electronically received through FedConnect no later than 11:59pm ET, September 29, 2008, and the initial Part II submission, in whole or in part, must be electronically received through FedConnect no later than 11:59pm ET, December 19, 2008. Instructions on how to register in FedConnect, submit an application via FedConnect, and other related topics may be found at: www.fedconnect.net. The applicant must also submit two hard copies of a completed DOE application form, OMB No. 1910-5134 (see Attachment D), and an electronic copy via FedConnect. The initial portion of the non-refundable application fee (i.e., 25%) as set forth in Attachment C must be submitted at the same time on September 29, 2008, along with the applicant's Part I submission, and wired to Treasury (See Attachment C). The balance of the non-refundable application fee (i.e., 75%) as set forth in Attachment C must be submitted at the same time as applicant's initial Part II submission not later than December 19, 2008 and wired to Treasury (See Attachment C). Applicants must submit their applications in accordance with the instructions contained herein and in Attachments A1 and A2.

Further, it is the responsibility of the applicant, prior to the due date and time, to verify successful transmission. The submission completion time of the entire proposal at the FedConnect portal will constitute the time of delivery to the DOE point of entry. See Attachment F for Communications Instructions.

4. **Registrations:** In submitting applications through FedConnect, applicants must complete the following:

- Obtain a Dun and Bradstreet Data Universal Numbering System (“DUNS”) number,
- Obtain a North American Industry Classification (“NAIC”) number,
- Register with the Central Contract Registry (“CCR”), and
- Register with FedConnect.

Applicants are highly encouraged to allow at least 21 days to complete the above listed steps. When completed, applicants should contact the FedConnect support team at support@fedconnect.net to verify successful registration. Instructions for registering with CCR and FedConnect are found in Attachment F.

For questions regarding the operation of FedConnect, applicants should contact the FedConnect support team at support@fedconnect.net.

5. **Part I Application Submissions:** Part I application submissions must be prepared in accordance with the instructions in Attachment A1 and must be accompanied by the following submittals:

- Payment of 25% of the non-refundable application fee set forth in Attachment C.
- A letter of commitment from the applicant, signed by an authorized representative, stating that the applicant intends to pursue a loan guarantee to close and to submit an initial Part II submission no later than December 19, 2008 and confirming that all mandatory requirements in Attachment A1 have been met. See Attachment E.

6. **Part II Application Submissions:** Part II application submissions, in whole or in part, must be prepared in accordance with the instructions in Attachment A2 and the payment of the balance of the non-refundable application fee (i.e., 75%), as set forth in Attachment C, must be remitted contemporaneously with the initial Part II submission no later than December 19, 2008.

7. **Detailed Preparation Instructions:** Documents supporting and forming a part of applications must be submitted electronically, typed single-spaced, and must adhere to a format consisting of standard 8.5” x 11” paper with 1” margins (top, bottom, left and right) with font not smaller than Times New Roman 11 point, with exceptions for charts, graphics and similar material.

8. **Changes:** Notwithstanding the requirement for the applicant to submit comprehensive information to complete an application, DOE recognizes that certain elements of the project’s development may not be fully developed until a later time. For example, final engineering design, environmental impact statements, and other long-lead time items may need to be submitted late in the Part II submission. Regardless, the information submitted should include the applicant’s best estimate of the timing of completion of these outstanding items, recognizing that final terms and conditions cannot be presented to the CRB until all project elements have been finalized and DOE has completed its underwriting and due diligence review.

VI. **Post-Selection: Project Due Diligence, Underwriting and Negotiation**

The project due diligence, underwriting and negotiation phase of the loan guarantee process will involve DOE's detailed examination of the project, including reviews of the applicant's technical information, business and financial plans, and proposed organizational structure and staffing. DOE's due diligence will be conducted during this phase but cannot conclude until all application materials have been received in final form and have been properly evaluated. To the extent aspects of the project have changed from the information provided in the Part I and Part II submissions, DOE's analysis and conclusions regarding the project may change. Likewise, if a material change occurs following CRB approval of the Term Sheet, the applicant must submit to DOE updated project information reflecting the modifications for resubmission to the CRB for review and decision. As such, applicants should avoid submitting information that may be subject to material changes as this will slow the decision-making process.

As discussed more fully above in Section IV.9 of this Solicitation, in the course of DOE's due diligence review and negotiations with an applicant, DOE may utilize the services of independent engineering, technical, financial and marketing consultants and outside counsel. Consistent with market practice in financings, the applicant shall be responsible for paying the fees and expenses of DOE's independent consultants and outside legal counsel in connection with applicant's project under all circumstances, without recourse to DOE by such consultant, counsel, Project Sponsor, Borrower and/or applicant. However, the cost of these services incurred through financial closing may be included in the calculation of total Project Costs to the extent permitted by Section 609.12 of the Final Regulations.

DOE will undertake the following steps in the review process.

1. **Evaluate Financing Plan:** This involves a thorough review of the sources and uses of funds as proposed by the applicant. Aspects of the review will involve:
 - Analysis of the adequacy, leverage and timing of the proposed sources of funding (with equity funded either in advance of, or concurrently with, debt during the construction period);
 - Review of the terms and rights of the various funding sources and degree of commitment;
 - Determination of compliance with requirements of Title XVII, the Final Regulations and this Solicitation; and
 - Assessment of the adequacy of proposed contingency and reserve funding.
2. **Assess Financial Viability:** Based on the financing plans submitted with the application and updates, and projections for future financial performance, DOE will assess the financial viability of the project with specific emphasis on the borrower's expected ability to repay the guaranteed portion of the Guaranteed Obligation. An important consideration in the financial viability assessment will be an evaluation of the assumptions underlying projected revenues and expenses and the likelihood that assumed technical performance will be achieved.
3. **Determine Technical Efficacy:** This evaluation will commence with a thorough review of the applicant's independent engineering report (described in Attachment A2), including consideration of factors such as environmental impact and infrastructure requirements. DOE

may utilize its internal technical resources as well as independent third-party advice in reviewing the project's technical efficacy. DOE encourages each applicant to be as comprehensive as possible in obtaining the advice and services of independent engineers. Determination of the technical merit of the project will be influenced by the quality of the independent engineering report, including the professional credentials of the consultant, scope of the undertaking, and strength of the opinions provided.

4. **Review Project Legal Structure:** As part of its due diligence work, DOE will review the project's legal structure. This will involve analysis of draft and final legal agreements among project participants, including equity owners, financing sources, engineering and construction contractors, operation and maintenance contractors, equipment suppliers, host communities, and any other counter-parties of interest. Additionally, a legal review will include an analysis of the intellectual property rights of participants in the project to ensure that the project can use all of the proposed technology to be employed in the project.
5. **Evaluate Project Risks:** As part of its review, DOE will identify, assess and estimate the impact of risks associated with the project. Based on the outcome of the technical, financial and legal reviews, the analysis will determine the types and magnitude of the risks associated with the project, proper risk allocation among the parties, and the extent to which risks have been mitigated.
6. **Perform Financial Model Review and Stress-Testing:** Modeling is a critical tool in assessing the project's expected financial performance and ability to service debt. DOE will verify the applicant's calculations and quantify the impacts of risks by stress-testing the model to understand how changes in model assumptions can affect the project's capacity to make full and timely repayments of the loan. This will be accomplished through the utilization of the project financial model submitted as part of the application and through a financial model developed by DOE.
7. **Assess Strengths and Weakness of Project Sponsors:** This step of the process will examine the Project Sponsors' investment to date and capability to implement the project as proposed from both financial and managerial perspectives. Specific considerations include, but are not limited to:
 - The Project Sponsors' track record in project development and in the specific technology proposed in the application;
 - The Project Sponsors' financial strength and resources;
 - The strategic value of the project to the Project Sponsors; and
 - The experience and expertise of the management team, particularly as it relates to operation of the proposed project.
8. **Analyze Proposed Collateral:** Title XVII requires that, with respect to any property acquired pursuant to a guarantee or related agreements, the rights of the Secretary shall be superior to the rights of any other person with respect to the property. The value of the collateral will be examined in detail, particularly under default scenarios. This evaluation will be based on the nature of the collateral pledged, appraiser reports submitted by the applicant, and expected cash availability under a default scenario. Eligible Lenders or other Holders, other than the Federal

Financing Bank, may, during this analysis, initiate discussions with DOE on a plan of liquidation of the assets expected to be pledged to secure the Guaranteed Obligation. Any agreement by DOE with respect to sharing the proceeds following any liquidation shall be documented in a written agreement among DOE, the Borrower and such other collateral holders and shall be subject to the approval of the Secretary at or prior to the closing.

9. **Analyze Environmental Impact:** The applicant must provide enough information to enable DOE to determine the level of NEPA review that would be required if the applicant were selected to begin negotiations with DOE. Because loan guarantees are expected to be granted for commercial-scale projects, DOE anticipates all projects will require the preparation of an Environmental Impact Statement (“EIS”). In cases where an EIS is required, with respect to an application, DOE will prepare an EIS, or adopt an EIS prepared by other federal agencies, including the NRC, for the corresponding project, as appropriate, and issue a ROD stating what the decision is and identifying alternatives considered. The ROD will also state whether all practicable means to avoid or minimize environmental harm from the alternative selected have been adopted. The NEPA process and the list of environmental data that should be included in the application are found in Attachment B.
10. **Issuance of Term Sheet:** Based on a thorough due diligence review, risk analysis and mitigation process by DOE, and subject to DOE’s determination that a project as structured offers a reasonable prospect of repayment, which determination is in DOE’s sole discretion, DOE will negotiate terms and conditions of a loan guarantee transaction with the applicant. DOE’s Loan Guarantee Program Office (the “LGPO”) shall prepare a CRB review package (including a proposed term sheet based on negotiations with the applicant) and orally present the project to the CRB for loan guarantee consideration. The CRB shall then decide whether to issue a Term Sheet to a project “as is” or with conditions, or to reject the project. If the CRB approves issuing a Term Sheet to the applicant, a written notification expressing DOE’s intent to proceed to negotiations and documentation will be forwarded to the applicant, together with a Term Sheet, consistent with Sections 609.7 and 609.8 of the Final Regulations.

Upon the earlier of (i) the issuance of the Term Sheet to an applicant pursuant to such CRB approval or (ii) the commencement of negotiations with an applicant on a draft Term Sheet, the applicant must pay to DOE the non-refundable facility fee (or Second Fee) as set forth in Attachment C for its application to be considered further. If a project recommended by the CRB for approval subsequently undergoes a material change, a revised CRB review package will have to be re-submitted to the CRB for review and decision.

Pursuant to Section 609.7(d) of the Final Regulations, applicants with whom DOE decides not to proceed further with the issuance of a Term Sheet will be informed in writing of the reason for their non-selection. This non-selection determination by DOE shall be final and non-appealable but will not prejudice the applicant from applying under a future solicitation.

11. **Conditional Commitment:** In accordance with Section 609.8 of the Final Regulations, the applicant may request clarifications or changes to the Term Sheet. When DOE and the applicant agree on all final terms and conditions of the Term Sheet, with all changes thereto approved by the CRB, and all parties sign the Term Sheet, the Term Sheet becomes a Conditional Commitment. A Conditional Commitment will be conditionally binding and include the following additional terms:

- Material change qualifiers;
- A series of conditions precedent to the closing of the loan guarantee transaction;
- Expiration dates; and
- Termination provisions for failure to pay fees according to DOE's schedule.

VII. Closing Checklist/Satisfaction of Conditions Precedent

After all the terms and conditions of the Conditional Commitment have been met by the applicant to DOE's satisfaction, DOE will prepare a ROD report for the Secretary's final approval of the final terms and conditions and the execution of the Loan Guarantee Agreement. The Department's General Counsel will advise as to whether all conditions precedent have been satisfied prior to closing. Subject to receiving advice from the General Counsel and approval by the Secretary, DOE and the applicant will set a closing date. The Secretary may terminate a Conditional Commitment for any reason at any time prior to the closing on the Loan Guarantee Agreement, as described in Section 609.2 of the Final Regulations. At or prior to the closing, the applicant must pay the non-refundable Credit Subsidy Cost and, if applicable, pay all or part of the non-refundable maintenance fee (or Third Fee) as set forth in Attachment C. The Secretary, or his/her designee, will sign the Loan Guarantee Agreement at closing.

Specific steps include:

1. **Negotiate CRB Conditions:** If the CRB attaches conditions to its approval of the loan guarantee, DOE will work with the applicant to resolve and incorporate them into the final documentation.
2. **Update Term Sheet/Conditional Commitment:** Based on the outcome of negotiations and on the conditions precedent stipulated by the CRB, DOE will update the Term Sheet/Conditional Commitment.
3. **Facility Fee Payment:** Upon the earlier of (i) the issuance of a Term Sheet to an applicant pursuant to the CRB's approval or (ii) the commencement of negotiations with of an applicant of a draft Term Sheet, a non-refundable payment of the facility fee (Second Fee) will be due in full from the Project Sponsors. Receipt by DOE of the payment will be a precondition to moving forward.
4. **Definitive Financing Documentation:** DOE will negotiate and finalize all finance and guarantee agreements and definitive project documents, based on the updated Conditional Commitment.
5. **Develop Closing Checklist:** Based on the Conditional Commitment, definitive financing documentation, and any conditions imposed by the CRB for its approval, DOE will develop a closing checklist, identifying each condition precedent and step required before financial closing may occur. This process will involve actions required of the applicant and steps that DOE will need to take in coordinating its internal activities as well as activities of other agencies, such as Treasury and OMB.

6. **Obtain Final Credit Rating:** Based on the project's final characteristics, the applicant shall deliver to DOE a final credit rating from a nationally recognized credit rating agency no later than 30 days prior to the closing.
7. **Obtain Final DOE Calculation of Credit Subsidy:** Upon delivery of the final credit rating from a nationally recognized credit rating agency, DOE will consider this information in its final calculation of the credit subsidy amount.
8. **Prepare Signature Package for Secretary:** Once all of the items on the closing checklist have been satisfied and the Department's General Counsel has advised that all conditions precedent have been satisfied, the LGPO will submit the transaction documents for the Secretary's approval. The ROD will be executed after the Loan Guarantee Agreement has been signed.
9. **Close Transaction:** Transaction closing shall commence with receipt by DOE of the non-refundable Credit Subsidy Cost payment and, if applicable, all or part of the non-refundable maintenance fee (or Third Fee) as set forth in Attachment C and shall conclude when the Secretary has given final approval and all project documentation has been signed by the appropriate parties.

VIII. Fees, Credit Subsidy Cost Payment and Extraordinary Expenses

1. **Fees:** Section 1702(h) of Title XVII requires DOE to "charge and collect fees ... sufficient to cover applicable administrative expenses" of the loan guarantee program but affords DOE discretion with respect to how to impose such fees. The Final Regulations specify the stages of the loan guarantee process at which applicants must pay to DOE the Administrative Costs of Issuing a Loan Guarantee. Section 609.10(c) of the Final Regulations provides that "no funds obtained from the Federal Government, or from a loan or other instrument guaranteed by the Federal Government may be used to pay...administrative fees, or other fees charged by or paid to DOE." A fee schedule and payment instructions for this particular Solicitation are presented in Attachment C. These fees are non-refundable and will be due in full as specified below:
 - **Application Fee:** Twenty-five percent (25%) of the aggregate application fee (or First Fee) set forth on Attachment C must be remitted to DOE with the applicant's submission of Part I of its application no later than September 29, 2008. The balance of seventy-five percent (75%) of the aggregate application fee is due when the applicant's initial Part II submission is made to DOE but no later than December 19, 2008.
 - **Facility Fee:** The facility fee (or Second Fee) is due upon the earlier of (i) the issuance of a Term Sheet to an applicant pursuant to CRB approval or (ii) the commencement of negotiations with an applicant on a draft Term Sheet.
 - **Maintenance Fee:** The maintenance fee (or Third Fee) is payable to cover DOE's administrative expenses in servicing and monitoring the Loan Guarantee Agreement during the construction, startup, commissioning and operational phases of a project. The amount of such fee is expected to be in the range of \$200,000 to \$400,000 per year and shall be either (i) payable each year in advance, commencing upon the closing date of the Loan Guarantee Agreement, in the amount specified in the Loan Guarantee

Agreement, or (ii) if provided for in the Loan Guarantee Agreement, payable as a one time fee at the closing in a lump sum amount equal to aggregate sum of such annual fees specified in the Loan Guarantee Agreement for the entire term of the loan guarantee, discounted to net present value.

2. **Loan Guarantee Credit Subsidy Cost:** Section 1702(b) of Title XVII provides that DOE must receive either an appropriation for the Credit Subsidy Cost of a loan guarantee or, in lieu of an appropriation, a cash payment of such cost directly from the applicant. The Credit Subsidy Cost is the net present value of the estimated long-term cost to the U.S. government of the loan guaranteed as determined under the applicable provisions of the Federal Credit Reform Act of 1990, as amended (“FCRA”). Applicants are advised that DOE does not expect to request or receive appropriated amounts from Congress to cover the Credit Subsidy Costs associated with the potential loan guarantees issued under this Solicitation. Therefore, DOE anticipates that the project(s) approved pursuant to this Solicitation will require the applicant to directly pay the non-refundable Credit Subsidy Cost at or before the closing. DOE is committed to providing a preliminary estimate of the Credit Subsidy Cost for the desired loan guarantee no later than at the issuance of a Term Sheet to the applicant. See 72 Fed. Reg. at 60,129. The final Credit Subsidy Cost determination must be made at or prior to the closing of the Loan Guarantee Agreement and may differ from the preliminary estimate of the Credit Subsidy Cost, depending on project-specific and other relevant factors including final structure, the terms and conditions of the debt supported by the Title XVII guarantee and risk characteristics of the project. In accordance with Section 609.10(c) of the Final Regulations, the applicant may not finance the payment of the Credit Subsidy Cost through funds obtained from the federal government or through a loan made or guaranteed by the federal government, unless otherwise explicitly authorized by an Act of Congress. In accordance with FCRA and the Final Regulations, DOE must consult with, and obtain the approval of, OMB for DOE’s calculation of the Credit Subsidy Cost of each loan guarantee prior to entering into any Loan Guarantee Agreement. DOE must also consult with Treasury on the terms and conditions of the Loan Guarantee Agreement.
3. **Extraordinary Costs and Expenses.** In accordance with Section 1702(h) of Title XVII, the Loan Guarantee Agreement shall also provide that in the event that a project experiences technical, financial, legal or other events (e.g., engineering failure or financial workouts) which require DOE to incur time or expenses beyond standard monitoring, DOE shall be entitled to payment in full from the Borrower of such additional internal administrative costs and of related fees and expenses of its independent consultants and outside counsels, to the extent that such third parties are not paid directly by the applicant, Borrower or a Project Sponsor.

IX. Additional Information

1. **Government Right to Reject or Negotiate:** DOE reserves the right, without qualification, to reject any or all applications received in response to this Solicitation and to select any application, in whole or in part, as a basis for negotiation.
2. **Commitment of Public Funds:** DOE shall not be bound by oral representations made during the applications stage or during any negotiations. No binding commitment, agreement, obligation, or right of any kind may be assumed or enforced by any applicant or Project Sponsor against DOE other than in accordance with an executed Loan Guarantee Agreement,

as executed by the appropriate DOE authorizing official and upon payment of the Credit Subsidy Cost at the closing of the Loan Guarantee Agreement.

3. **Restrictions on Disclosure and Use of Information:** Title XVII authorizes the collection of the information requested in the application. The primary use of this information is by DOE in its review of applications for loan guarantees under Title XVII. Additional disclosures of this information may be made as required by law. Where the information provided is a social security number, the provision of the information is voluntary but failure to disclose may result in disapproval of the application.

All information collected will be handled in accordance with the Freedom of Information Act (5 U.S.C. 552) and all applicable laws.

Patentable ideas, trade secrets, proprietary, or confidential commercial or financial information, disclosure of which may harm the applicant, should be included in an application only when such information is necessary to convey an understanding of the proposed project. The use and disclosure of such data may be restricted, provided the applicant specifically identifies and marks such data in accordance with the following:

- a. Applicant includes the following statement in the DOE application form which specifies the application sections containing proprietary data in the legend as it appears in its application form:

“Sections ____ of this Application contain data which have been submitted in confidence and contain trade secrets or proprietary information, and such data shall be used or disclosed only for evaluation purposes; provided that, if this applicant is issued a loan guarantee under Title XVII of the Energy Policy Act of 2005 as a result of or in connection with the submission of this Application, DOE shall have the right to use or disclose the data herein, other than such data that have been properly reasserted as being trade secret or proprietary in the loan guarantee agreement. This restriction does not limit the Government’s right to use or disclose data obtained without restriction from any source, including the applicant.”

- b. Applicant includes the following legend on the first or cover page of each document or electronic file submitted as part of the application that contains such data, which specifies the page numbers from such document or electronic file that contains the proprietary data:

“The data contained in pages _____ of this document or electronic file which hereby forms a part of the Application have been submitted in confidence and contain trade secrets or proprietary information, and such data shall be used or disclosed only for evaluation purposes; provided that, if this applicant is issued a loan guarantee under Title XVII of the Energy Policy Act of 2005 as a result of or in connection with the submission of this Application, DOE shall have the right to use or disclose the data herein, other than such data that have been properly reasserted as being trade secret or proprietary in the loan guarantee agreement. This restriction does not limit the Government’s right to use or disclose data obtained without restriction from any source, including the applicant.”

- c. Applicant includes the following legend on each page of a document or electronic file containing such data (a) as a header on the page or (b) specifically identifying and marking each line or paragraph on the page containing such data:

“The following contains proprietary information that (name of applicant) requests not be released to persons outside the Government, except for purposes of review and evaluation.”

4. **References:** This Solicitation was developed pursuant to the following statutes and regulations, which can be found at the Program Website:
 - a) Energy Policy Act of 2005
Public Law 109-58 (August 8, 2005)
Title XVII Incentives for Innovative Technologies
22 USC 16511- 16514 (August 8, 2005)
 - c) 10 CFR Part 609 Loan Guarantees for Projects That Employ Innovative Technologies
(October 20, 2007)
 - d) Consolidated Appropriations Act, 2008, P.L. No. 110-161, Division C-Energy and Water Development – Title III – Department of Energy

Attachment A1

Requirements for Part I Application Submission

**UNITED STATES
DEPARTMENT OF ENERGY**

**APPLICATION INSTRUCTIONS FOR NUCLEAR POWER FACILITY PROJECTS
Title XVII Loan Guarantee Program**

Background These instructions set forth the information to be submitted under Title XVII of the Energy Policy Act of 2005, 22 U.S.C. 16511-16514 (Title XVII), for an application to receive a loan guarantee from the United States Department of Energy (“DOE”). Title XVII authorizes the Secretary of Energy (“Secretary”) to issue loan guarantees only for projects that avoid, reduce, or sequester air pollutants or anthropogenic emissions of greenhouse gases and employ new or significantly improved technologies as compared to commercial technologies in service in the United States at the time the guarantee is issued. DOE will use the information submitted by applicants to evaluate and select projects for a loan guarantee issued under Title XVII. Applicants may be asked to provide additional information during the review and negotiation process. If there are material changes to the project after either of the original Parts I and II application submissions are filed with DOE, the applicant must promptly provide DOE with written notice of such change but in no event later than three (3) business days after such change and shall provide DOE with any updated information no later than ten (10) business days after such notice, regardless of when the next 90-day period update is due.

Application Fee A non-refundable application fee of \$800,000 must be paid to DOE with the submission of the application, \$200,000 of which is payable upon the submission of Part I of the application and the remaining \$600,000 of which is payable upon the initial submission of Part II of the application. No funds for the payment of these fees shall be obtained from the federal government or from a loan or other instrument guaranteed by the federal government. (Final Regulations, Section 609.10(c).)

Format Applicant must provide all requested information in the following format:

1. The application is divided into two parts:
 - A. Part I – Initial Information/Overview
 - B. Part II – Due Diligence Information Requirements
2. Each part is organized into six identical sections. The data in Part II builds on the information submitted in Part I.
3. Each data element in each section is named and numbered using the following format:

Project Short Name/Part Number/Section/Data Number/Name

Example: Project XXX /I /C / 3 / Potential Environmental Impacts (for this example see page I-C-1).

4. Each data change or correction requires a complete new data entry instead of hand written mark ups. The changed information in the New Entry must be underlined or otherwise identified and the New Entry dated.
5. Parts I and II together represent the complete application.

Part I Submissions: Part I submissions shall be prepared in accordance with Section 609.6 of the Final Regulations and the instructions in Attachment A1 and must be accompanied by the following submittals:

- A. Initial portion (25%) of the application fee payable with the submission of Part I as set forth in Attachment C and as required by Section 609.6(b)(2) of the Final Regulations.
- B. A DOE application form as appears in Attachment D and as required by Section 609.6(b)(1) of the Final Regulations that is fully completed and signed and submitted no later than 11:59pm ET on September 29, 2008. Submissions should include an electronic version of DOE Application Form – OMB No. 1910-5134 (Attachment D) through FedConnect and two signed paper copies to be submitted to the address contained on the form. Applicants are encouraged to submit the application form as soon as practical after receipt of the solicitation. Other supporting documentation can be submitted through FedConnect at a later date as long as all required information for Part I and Part II is submitted when due.
- C. A letter of commitment from the applicant, signed by an authorized representative, in the form of Attachment E stating that the applicant intends to pursue a loan guarantee under Title XVII to close and provide to DOE a Part II submission no later than 11:59pm ET on December 19, 2008 and a date by which the applicant expects that it will be able to close a loan guarantee with DOE. If applicant has not established an expected closing date, applicant will commit in such letter to notify DOE of its expected closing date at least six months in advance of the date a Term Sheet would be needed.

Part II Submissions: Part II submissions shall be prepared in accordance with Section 609.6 of the Final Regulations and the requirements in Attachment A2 and include the remaining portion of the application fee as set forth in Attachment C (75%) payable when the Part II submission is first provided to DOE, in whole or in part, but in no event later than December 19, 2008.

Electronic Format: The application must be submitted in electronic form in the following Microsoft Office formats: Word, Excel, Adobe PDF or PowerPoint. Please do not encrypt, compress or zip the files. Applications and supporting documentation must be submitted electronically through the FedConnect site at www.fedconnect.net. (See Attachment F).

Registrations: In submitting applications through FedConnect, applicants must complete the following:

- Obtain a Dun and Bradstreet Data Universal Numbering System (“DUNS”) number,
- Obtain a North American Industry Classification (“NAIC”) number,
- Register with the Central Contract Registry (“CCR”), and
- Register with FedConnect.

Applicants are highly encouraged to allow at least 21 days to complete the above listed steps. Contact the FedConnect support team by email at support@fedconnect.net to verify successful registration. Instructions for registering with CCR and FedConnect are found in Attachment F. If you have questions regarding the operation of FedConnect, please contact the FedConnect support team by email at support@fedconnect.net.

Warning: It is a crime to knowingly make false statements to a federal agency. Penalties upon conviction can include a fine and imprisonment. For details, see 18 U.S.C. 1001. Misrepresentation of material facts may also be the basis for denial of an application for a loan guarantee from DOE.

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Application Information: Section A – Part I

1. **Project Name:** Assign a short project name for purposes of identification.
2. **Evidence of Authority:** Submit evidence that the signatory of the application has full authority to bind the Project Sponsors to the commitments and representations made in the application and attests as to the accuracy of the information provided both written and oral in the application process and that binds the Project Sponsors.
3. **Applicant Validation Statement:** Provide a written statement that based on the project information provided by the applicant for DOE consideration of issuance of a loan guarantee, the applicant hereby attests that there is a reasonable prospect that the guaranteed portion of the Guaranteed Obligation will be repaid on time and in full (including interest) from project cash flow according to the terms proposed in the application, as required by Section 609.6(b)(28) of the Final Regulations.
4. **Eligible Lender / Holder Statement:** Provide a written affirmation from an officer of an eligible lender or other holders expressing commitment to provide or interest in providing the required debt financing necessary to construct and fully commission the project.
5. **Equity Commitment Letters:** Provide a copy of the equity commitment letters from each project investor and a description of the sources of equity.
6. **Project Participants:** List the parties involved with the project, their function and contact information, including name of contact person (first, middle and last), Position/Title, Phone Number, Fax Number, E-mail Address, Street Address, City, State, 9 Digit Zip code.
7. **Applicant Point of Contact Information:** Provide the mailing address of the applicant and phone, fax and e-mail address of the applicant's project point of contact for DOE.

Project Description: Section B – Part I

1. **Executive Summary:** Provide a description of the nature and scope of the proposed project including the purpose, design features, capacity and estimated total capital cost. Provide a top level description of the site location, facility and construction plans. Include your target date to close a loan guarantee, to commence site preparation, for first fuel date and for grid connection. Describe any potential legal or regulatory risks to the project. Describe status of NRC license application and any submissions to NRC.
2. **Technology Description:** Provide a description of the new technology to be employed and its commercial feasibility. Discuss why it is not now in general use and how the applicant intends to employ such technology in the project. Describe the applicant's rights to such technologies, including the status and expiration date of all licensing agreements required for the project. Finally, explain how the applicant intends to assure, to the extent possible, the further commercial availability of the technology(ies) in the United States. (See Section 609.7(a) and (b) of the Final Regulations.)
3. **Project Eligibility:** Provide a detailed explanation of how and to which measure the proposed project will meet all applicable requirements of Section 1703 of Title XVII, especially with respect to:
 - a. Achieving substantial environmental benefits (i.e., avoid, reduce or sequester air pollutants and/or anthropogenic emissions of greenhouse gases) and describing how to measure and verify those benefits, and
 - b. Employing new or significantly improved technology compared to commercial technologies currently in service in the U.S. (See Sections 609.2 and 609.7 of the Final Regulations.)
4. **Organization:** Provide a current organizational chart showing the applicant's structure, relationship to any subsidiaries or affiliates, and to the project. Advise if there are any proposed changes to the current organizational structure. List the full names (including middle name or initial), home address (including zip code), date of birth and taxpayer identification/social security number of key staff to be involved with the project. DOE will use this information for background check purposes and, with respect to certain key staff providing credit support to the project, for credit history verification purposes. DOE may request additional documentation as part of the project evaluation process.
5. **Prior Experience:** Describe the prior experience of each organization that comprises the project team as it relates to carrying out projects similar to the one being proposed. Include the applicant's track record of completing projects on time and on budget, and operational results.
6. **Project Sponsors' Capabilities:** Describe the Project Sponsors' capabilities, financial strengths and investment both in the project to date and as anticipated during the operational phase of the project (e.g. continuing financial support). Detail the project's strategic significance to the Project Sponsors.

7. **Proposed Project Location:** Identify the proposed location and the rationale for the site location.
8. **State and Local Support:** Describe the status of potential and actual forms, amounts and conditions of state and local support for the project. Provide timelines for such assistance.
9. **Project Time Lines:** Provide a time line of the estimated start and completion dates of each major phase or key milestone of the project from construction through start of operations. Include early site preparation start, first fuel, and first grid connection. Indicate current progress on time lines.
10. **Key Material Components:** Describe the key material components in the success of the project and describe any risk in availability (e.g., water, construction materials, site access, power distribution infrastructure, and fuel).
11. **List and Status of Licenses/Permits/Approvals:** Provide a list of Federal, state and local licenses, permits and approvals that will be required to complete this project and the current status and estimated approval date for each. Include status of construction and operating license (“COL”) approval, site approval and reactor design certification. Explain whether governmental entities (other than DOE) are required to approve the activities of the applicant under this Solicitation, the funding of activities or the carrying out of activities described in the application. Include relevant documentation.
12. **Detailed Total Project Cost:** Provide an estimated total cost of the project and an estimated breakdown by cost category and purpose.
13. **Loan Guarantee Impact:** Provide an explanation of what estimated impact the loan guarantee will have on the interest rate, debt term and overall financial debt structure of the project.

Technical Information: Section C – Part I

1. **Key Contracts and Agreements:** Provide a top level description, schedule and current status of all critical path contracts and agreements, whether entered into or proposed, relevant to the investment, design, engineering, financing, construction, startup commissioning, shakedown, operation and maintenance of the project, including:
 - a. Engineering Procurement Construction (EPC) Contract
 - b. Long Lead Procurements
 - c. Fuel Supply Agreements
 - d. Operations and Maintenance (O&M) Contracts

2. **Major Project Plans:** Provide a description, status and associated costs of key project plans, including:
 - a. Construction Plan
 - b. O&M Plan
 - c. Spent Fuel Disposition Plan
 - d. Decommissioning Plan

3. **Potential Environmental Impacts:** Provide an outline of potential environmental impacts of the project and how impacts will be mitigated. Details on required environmental information are contained in Attachment B, NEPA Guidance.

Business Plan: Section D – Part I

1. **Potential Project Offtake:** Provide your forecast for nuclear power plant capacity. Describe any potential offtake or other revenue-generating agreements that will provide a primary source of revenues for the project including repayment of debt obligations. Discuss whether the facility will be a rate base facility and any provisions in state or other law regarding cost recovery, rate treatment or other financial matters with respect to the facility.
2. **Summary Business Plan:** Provide a top level review of the following elements of your business plan:
 - a. Financing Plan, including timing and amount of expected equity and debt funding
 - b. Market Analysis
 - c. Management Planning
 - d. Operational Risks and Mitigation Strategies

Financial Plan: Section E – Part I

1. **Background and Legal Structure:** Describe the applicant's history, ownership, and legal structure (e.g., state governmental agency, local governmental agency, corporation, or partnership) and the relationship between the applicant and the Borrower. Include a copy of the statutory authority under which the entity was created.
2. **Legal Authority:** Describe the legal authority of the applicant to carry out the proposed project activities (e.g., issuing debt, charging fees). Provide supporting documentation.
3. **Financial Statements:** Provide audited financial statements and associated notes for the past three years (or during the full time in operation, if less), prepared in U.S. GAAP by an independent certified public accountant firm acceptable to DOE. Include the applicant's quarterly or interim financial statements and associated notes for the current fiscal year of applicant and parties providing applicant's financing backing, supported by a letter from the appropriate company financial official certifying their correctness.
4. **Credit History:** Include a credit history of the applicant and any party owning or controlling, by itself and/or through individuals in common or affiliated business entities, a five percent or greater interest in the project or the applicant. Provide their full names (including middle name or initial), home or business address as appropriate (including zip code), date of birth and taxpayer identification/social security number. DOE will use such information to verify the credit history of such applicant and party. DOE may also request additional documentation as part of the project evaluation process.
5. **Litigation and/or Conflicts:** Disclose any current, threatened, or pending litigation involving the applicant related to permitting, public involvement, environmental issues, construction defects, securities fraud, conflict of interest, failure to perform under a local, state or Federal contract, or other charges which may reflect on the applicant's financial position or ability to complete the project.
6. **Financial Model:** Include a financial model (Microsoft Excel), with pro-forma financial statements in their preparation, range of revenue, operating cost and credit assumptions considered. The model must include detailed assumptions for the proposed term of the guaranteed portion of the Guaranteed Obligation, including income statements, balance sheets, and cashflows, which will allow DOE to utilize the model for a wide range of sensitivity analysis.

Application Certifications: Section F – Part I

1. **Certifications and Assurances:** In submitting an application for a loan guarantee under Title XVII, applicants must provide certain certifications and assurances contained in the form entitled U.S. Department of Energy Loan Guarantee Certifications and Assurances. It may be downloaded from the DOE website:

http://www.management.energy.gov/business_doe/business_forms.htm

DOE may require that applicants provide additional certifications or supporting documentation as part of the project evaluation process.

Attachment A2

Requirements for Part II Application Submission

**UNITED STATES
DEPARTMENT OF ENERGY**

**APPLICATION INSTRUCTIONS FOR NUCLEAR POWER FACILITY PROJECTS
Title XVII Loan Guarantee Program**

Background These instructions set forth the information to be submitted under Title XVII of the Energy Policy Act of 2005, 22 U.S.C. 16511-16514 (Title XVII) for an application to receive a loan guarantee from the United States Department of Energy (“DOE”). Title XVII authorizes the Secretary of Energy (“Secretary”) to issue loan guarantees only for projects that avoid, reduce, or sequester air pollutants or anthropogenic emissions of greenhouse gases and employ new or significantly improved technologies as compared to commercial technologies in service in the United States at the time the guarantee is issued. DOE will use the information submitted by applicants to evaluate and select projects for a loan guarantee issued under Title XVII. Applicants may be asked to provide additional information during the review and negotiation process. If there are material changes to the project after either of the original Parts I and II application submissions are provided, the applicant must promptly provide DOE with written notice of such change but in no event later than three (3) business days after such change and shall provide DOE any updated information no later than ten (10) business days after such notice, regardless of when the next 90-day period update is due.

Application Fee A non-refundable application fee of \$800,000 must be paid to DOE with the submission of the application as set forth in Attachment C, \$200,000 of which is payable upon the submission of Part I of the application and the remaining \$600,000 of which is payable upon the initial submission of Part II of the application. No funds for the payment of these fees shall be obtained from the federal government or from a loan or other instrument guaranteed by the federal government. (Final Regulations, Section 609.10(c).)

Format Applicant must provide all requested information in the following format:

1. The application is divided into two parts:
 - A. Part I – Initial Information/Overview
 - B. Part II – Due Diligence Information Requirements
2. Each part is organized into six identical sections. The data in Part II builds on the information submitted in Part I.
3. Each data element in each section is named and numbered using the following format:

Project Short Name/Part Number/Section/Data Number/Name

Example: Project XXX /I /C / 3 / Potential Environmental Impacts (for this example see page I-C-1).

4. Each data change or correction requires a complete new data entry instead of handwritten mark ups. The changed information in the New Entry must be underlined or otherwise identified and the New Entry dated.
5. Parts I and II together represent the completed application.

Part I Application Submissions: Part I submissions shall be prepared in accordance with Section 609.6 of the Final Regulations and the instructions in Attachment A1 and must be accompanied by the following submittals:

- A. Initial portion (25%) of the application fee payable with the submission of Part I as set forth in Attachment C and as required by Section 609.6(b)(2) of the Final Regulations.
- B. A DOE application form as appears in Attachment D and as required by Section 609.6(b)(1) of the Final Regulations that is fully completed and signed and submitted no later than 11:59pm ET on September 29, 2008. Submissions should include an electronic version of DOE Application Form – OMB No. 1910-5134 (Attachment D) through FedConnect and two signed paper copies to be submitted to the address contained on the form. Applicants are encouraged to submit the application form as soon as practical after receipt of the solicitation. Other supporting documentation can be submitted through FedConnect at a later date as long as all required information for Part I and Part II is submitted when due.
- C. A letter of commitment from applicant, signed by an authorized representative, in the form of Attachment E stating that the applicant intends to pursue with DOE a loan guarantee under Title XVII to close and submit a Part II submission no later than 11:59pm ET on December 19, 2008 and a date by which the applicant expects that it will be able to close a loan guarantee with DOE. If applicant has not established an expected closing date, applicant will commit in such letter to notify DOE of its expected closing date at least six months in advance of the date a Term Sheet would be needed.

Part II Application Submissions: Part II submissions shall be prepared in accordance with Section 609.6 of the Final Regulations and the instructions in this Attachment A2 and include the remaining portion of the application fee as set forth in Attachment C (75%) payable when the Part II submission is first provided to DOE, in whole or in part, but in no event later than December 19, 2008.

Electronic Format: The application must be submitted in electronic form in the following Microsoft Office formats: Word, Excel, Adobe PDF or PowerPoint. Please do not encrypt, compress or zip the files. Applications and supporting documentation must be submitted electronically through the FedConnect site at www.fedconnect.net. (See Attachment F).

Registrations: In submitting applications through FedConnect, applicants must complete the following:

- Obtain a Dun and Bradstreet Data Universal Numbering System (“DUNS”) number,
- Obtain a North American Industry Classification (“NAIC”) number,
- Register with the Central Contract Registry (“CCR”), and
- Register with FedConnect).

Applicants are highly encouraged to allow at least 21 days to complete the above listed steps. Contact the FedConnect support team by email at support@fedconnect.net to verify successful registration. Instructions for registering with CCR and FedConnect are found in Attachment F. If you have questions regarding the operation of FedConnect, please contact the FedConnect support team by email at support@fedconnect.net.

Warning: It is a crime to knowingly make false statements to a federal agency. Penalties upon conviction can include a fine and imprisonment. For details, see 18 U.S.C. 1001. Misrepresentation of material facts may also be the basis for denial of an application for a loan guarantee by the U.S. Department of Energy.

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Application: Section A – Part II

1. **Changes/Additions to Part I Submission:** Provide a detailed description of all material amendments, modifications, and additions to the information provided in Part I of the application, including any changes in the proposed project’s financing structure or other terms, the rationale for such changes and the expected impact on the project.
2. **List of Requirements:** Pursuant to Section 609.6(b)(27) of the Final Regulations, provide a list of all requirements contained in Part 609 under chapter II of title 10 of the Code of Federal Regulations and under this Solicitation and where in the application these requirements are addressed.

Project Description: Section B – Part II

1. **Detailed Total Cost:** Provide a detailed estimate of total project costs, including a breakdown by cost category, year of expenditure and basis for amounts and include a description of the methodology and assumptions used to make such estimate. Also indicate whether these costs are firm or subject to change. Distinguish between program eligible and non-eligible costs as determined for the loan guarantee program in Section 609.12 of the Final Regulations.
2. **Legal Opinions/Material Reports:** Provide a copy of all legal opinions, and other material reports, analyses and reviews concerning the project.

Technical Information: Section C – Part II

1. **Engineering and Construction Plans:** List the engineering and design contractor(s), construction contractor(s), and equipment supplier(s) to be involved in the project, their major activity and cost milestones, and performance guarantees (e.g., bonds, liquidated damages provisions and equipment warranties to be provided). Provide their experience and qualifications as they relate to the proposed project. Include construction schedules for the project.
2. **Operating and Maintenance Plans:** Describe the plans for operating and maintaining the project, including the proposed providers, their expected staffing requirements, parts inventory, major maintenance schedules, estimated annual downtime, and any performance guarantees and related liquidated damages provisions.
3. **Decommissioning Plan:** Provide a detailed description of the project decommissioning, deconstruction and disposal plans, the anticipated costs, and arrangements to ensure the necessary funding will be available when needed.
4. **Permits and Approvals:** The applicant shall provide a complete list of federal, state and local permits and approvals required to site, construct, implement and operate the project, including environmental authorizations or reviews necessary to commence construction. For approvals already received, provide the filing and approval dates and parties involved; for those not yet received, provide the filing date, steps to be taken to obtain them, and expected date(s) they will be obtained.
5. **Engineer's Report:** Include as an appendix an independent engineering report prepared by an engineer with experience in the industry and familiarity with similar projects. The report should comprehensively evaluate the project's siting and permitting, engineering and design, contractual requirements and arrangements, environmental compliance, testing and commissioning, and operations and maintenance.
6. **Environmental Report:** The National Environmental Policy Act ("NEPA") requires all federal agencies to consider the potential impacts of their proposed actions. Discuss in detail expected timelines for project regulatory approvals, current NEPA status and state and local reviews, existing or anticipated legislation/regulation or litigation that could impact the project, current administrative or court proceedings, and the status of any appeals. Also describe the project's anticipated air pollution or greenhouse gas reduction benefits and ability to avoid, reduce, or sequester air pollutants or anthropogenic emissions of greenhouse gases. The resulting Environmental Report ("ER") will not be point scored but will be used to prepare a critique and synopsis under 10 C.F.R. 1021.216' which will be considered by DOE in selecting projects for due diligence, underwriting and negotiation. The ER will also be used to assist DOE in determining the appropriate level of NEPA review and to facilitate DOE's preparation of any required EA or EIS.

The application must provide sufficient information to enable DOE to determine the level of NEPA review/approval that will be required for loan guarantee consideration (i.e., whether an environmental assessment ("EA") or an environmental impact statement ("EIS") is required). DOE will consider any environmental review and assessment of the project prepared by the NRC in support of the license application. If DOE determines that either an EA or an EIS,

other than that produced by the NRC or other federal agency in respect of a given project, is necessary, the applicant will hire an independent engineering firm, satisfactory to DOE, with specific expertise in preparing the type of assessment and a report evaluating the potential environmental impacts of the project. Detailed information on required environmental information can be found in Attachment B. Required environmental information may be extracted from an applicant's environmental report submitted in support of an NRC license application.

Business Plan: Section D – Part II

The applicant shall provide a business plan demonstrating its expertise, financial strength and management capability to undertake and operate the project as proposed. The business plan shall also present a detailed analysis of the construction and performance-related risks associated with the project (e.g., cost escalation or overruns, obtaining approvals and litigation) and safeguards/risk mitigation strategies (e.g., fixed price contracts, liquidated damages, warranties or other incentive/disincentive arrangements) to be employed, as well as a comprehensive project implementation plan for integrating and monitoring the various phases of the project. Taken together, the components of the business plan shall provide analyses demonstrating that, at the time of the application, there is reasonable prospect that the applicant will be able to repay the guaranteed portion of the Guaranteed Obligation (including interest) according to their terms, and a complete description of the operational and financial assumptions and methodologies on which this demonstration is based. The conclusions of the business plan shall include a statement from the applicant that it believes there is a reasonable prospect that the guaranteed portion of the Guaranteed Obligation will be fully paid from project revenue according to the terms proposed in the application.

1. **Financial Analysis:** Provide a detailed description of the overall financial plan for the proposed project, including quarterly sources and uses of funding, equity and debt statement for the construction period, prepared in accordance with U.S. GAAP, showing the timing and amount of expected equity and debt funding by institution, as well as a full set of financial projections (income statements, balance sheets and cash flow statements) prepared according to U.S. GAAP for the tenor of the proposed guaranteed portion of the Guaranteed Obligation. List the major assumptions in a separate worksheet of the model. Calculate at a minimum the current, leverage and debt service coverage ratios of the parties associated with the project based on the expected tenor of the guaranteed portion of the Guaranteed Obligation. Discuss the principal factors that could impair the project's ability to meet its debt service obligations.
2. **Market Analysis:** Include an analysis of the market for each product to be produced or sold by the project. Also discuss the prevailing economic and demographic trends in the target market, justification for revenue projections (price and volume), and potential competitors/substitutes. Provide evidence that a market exists for the products and an assessment of the market potential for the proposed technology beyond the project currently being proposed by the applicant. Describe any sales arrangements (e.g., off-take agreements) that exist or are contemplated, including summaries of their key terms and conditions and executed letters of intent, as applicable. Discuss whether the facility will be a rate base facility and any provisions in state or other law regarding the cost recovery, rate treatment or other financial matters with respect to the facility. DOE will conduct its own market analysis of the project.
3. **Project Sponsors' Capabilities:** Describe each Project Sponsor's capabilities, financial strength and investment both in the project to date and as anticipated during the operational phase of the project (e.g., continuing financial support). Detail the project's strategic significance to each Project Sponsor.
4. **Contractual Arrangements:** Provide a copy of all material agreements (whether entered into or proposed) for the design, construction, start-up and operation of the project (e.g., engineering, raw material supply, commissioning and maintenance).

5. **Management Plan:** Provide an organizational chart showing the staff and positions expected to operate the project, their qualifications and track record. Describe the plan for operating the project.
6. **Operational Risks and Mitigation Strategies:** Based on the business plan information above, prepare an analysis showing the Strengths, Weaknesses, Opportunities and Threats for successful operation of the project (e.g., price declines, scarcity of raw materials, dependence on a particular technology supplier) and mitigation strategies.
7. **Progress Reports:** The applicant shall provide project progress reports to DOE or its Agent(s) during the construction and start-up phases on a monthly basis (the first such report to be submitted within 30 calendar days of notification of CRB approval of the issuance of the Term Sheet), comparing actual timing, cost and financing against the original budget and previous month. Each report shall explain the reason(s) for any significant variance(s) during the quarter and likely impact on the project going forward. During the operational phase of the project, the applicant shall provide financial statements, prepared in accordance with U.S. GAAP, to DOE on a quarterly basis (consisting of an income statement, balance sheet and cash flow statement), with certification by the applicant that the statements are true and correct. At all times, from receipt by DOE of an application, until the guaranteed portion of the Guaranteed Obligation is fully re-paid, the applicant will be obligated to inform DOE expeditiously (but in no event later than three (3) business days business days after discovery) of any condition having, or potentially having, a material adverse effect on either the project or the ability of the parties to carry out their obligations. DOE reserves the right to require submission of additional information as it deems necessary.

Financing Plan: Section E – Part II

1. **Sources of Funds:** List all proposed sources of funding by provider, aggregate amount and type. Include a schedule showing the expected amount and timing of disbursements.
2. **Letter(s) of Intent:** For financing other than from the Federal Financing Bank (FFB), provide an executed letter of intent from the applicant's debt and equity financing sources, which include the terms and the conditions precedent to funding. Submission of financing documents, and acceptance of terms and conditions by DOE, will be a condition precedent for closing of a loan guarantee transaction.
3. **Closing Checklist:** Provide a copy of the financial closing checklist for all sources of financing to the extent available.
4. **Information on Other Borrowed Funds:** Provide information on the other types of expected borrowing financing the project, including type(s) of credit instrument(s) to be issued, security to be pledged for such borrowing, its priority with respect to the security pledged to the loan guarantee program instrument, and details of structuring.
5. **Collateral:** Describe and value all assets associated, or to be associated, with the project and any other assets that will serve as collateral for the Guaranteed Obligations. Valuations must be supported by independent, third-party appraisals for existing assets, and/or adequate cost substantiation for assets to be constructed for the purpose of the project, and in all cases acceptable to DOE. An appraisal of real property must be performed by a licensed or certified appraiser consistent with the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of the Appraisal Foundation. Provide information on the useful life of all physical assets, including a depreciation schedule (in accordance with Generally Accepted Accounting Principles in the United States (U.S. GAAP)), associated, or to be associated, with or to serve as collateral.
6. **Preliminary Credit Assessment:** For projects where the estimated total Project Costs exceeds \$25 million, provide a preliminary credit assessment for the project (without giving effect to the DOE loan guarantee) from a nationally recognized rating agency. The assessment shall examine the project as structured but in the absence of a loan guarantee from DOE and shall identify any material assumptions utilized by the rating agency in its analysis. DOE will require, as a condition of financial close, a final credit rating no later than 30 days prior to closing, as required by Section 609.9(f) of the Final Regulations. For projects where the estimated total cost is \$25 million or less, in the sole discretion of the Department, DOE may require such an assessment as well.
7. **Eligible Lender or Holder Statement:** If funds are to be provided by lenders other than FFB, provide the name of each such lender, the amount, terms and conditions of their expected financing, documentation detailing their financial strength, experience with other federal programs, and any other information deemed material to the application. If such a lender intends to sell participations in the loan, include a plan of syndication giving the lender's approach and track record with similar transactions.

If such a lender contemplates a bond financing, include the lender's plan regarding size and timing of issuance, use of any registration with the U.S. Securities and Exchange Commission, key terms and conditions, and marketing strategy. Also provide the lender's qualifications and track record in undertaking similar size financings in the capital markets. Include with the application written affirmation from an officer of the Eligible Lender or other Holder: (i) describing its current involvement with DOE's and other federal agencies loan guarantee programs; and (ii) that it is in good standing with all such programs.

Application Certifications: Section F – Part II

1. **Certifications and Assurances:** In submitting an application for a loan guarantee under Title XVII, applicants must provide certain certifications and assurances contained in the form entitled U.S. Department of Energy Loan Guarantee Certifications and Assurances. It may be downloaded from the DOE website:

http://www.management.energy.gov/business_doe/business_forms.htm

DOE may require that applicants provide additional certifications or supporting documentation as part of the project evaluation process.

Attachment A3

Part I Application Initial Ranking Guidance

- **Tab 1 - Initial Ranking Criteria**
- **Tab 2- Application Evaluations and Rankings**
- **Tab 3- Desired Outcomes**

(Attachment A3)

Tab 1

Initial Ranking Criteria

1. Mandatory Requirements:

- a. Application for a construction and operating license (COL) must be submitted to the Nuclear Regulatory Commission (NRC), or the applicant shall have provided evidence sufficient to demonstrate that an application for a COL will have been submitted not later than December 31, 2008.
- b. Application must include a previously NRC approved reactor design or if the certification is not approved the proposed design, must be in a filed application by either an applicant or the reactor vendor that has been accepted for technical review by the NRC.
- c. The final plant site is identified.

2. General Project Strength:

- a. Technical Approach
- b. Construction Plan
- c. Legal and Regulatory Risk
- d. Credit Worthiness

3. Status:

- a. Engineering Procurement Construction (“EPC”) Agreement
- b. Long Lead Components
- c. Fuel Supply and Other Supporting Contracts
- d. Public Utility Commission (“PUC”) Agreements, or Other Offtake Agreements
- e. Operations and Maintenance Contracts
- f. Spent Fuel Disposition Plan
- g. Decommissioning Plan

4. Schedules:

- a. Commencement Early Site Preparations
- b. Estimated First Fuel Load Date
- c. Estimated Grid Connection Date

5. Strength of:

- a. Demand for Plant Capacity
- b. Local Community Support
- c. Proforma Financial Statements

(Attachment A3)

Tab 2

Application Evaluations and Rankings

The following discussion summarizes the principal review and analysis criteria that DOE anticipates will be applied to evaluation of applications responsive to the Solicitation.

Financial Review

Major areas of focus in the financial review will include, among other considerations, the following.

Creditworthiness of the Project (Weighting: 50%)

DOE will consider the proposed project's capacity to provide a reasonable prospect of repayment (e.g., its economic viability, its ability to generate sufficient cash flow to service the borrower's debt obligations over the life of the loan guarantee, etc.). DOE also will consider Project Sponsor capability, financial commitment to the project, financial strength, including the ability to pay transaction costs arising out of the project (e.g., fees and expenses for DOE's independent consultants and outside counsel as they are presented for payment on a periodic basis as discussed in Section IV.9 of the Solicitation) on a timely basis, and credibility of the business and financial plans, as well as overriding market factors that could significantly influence the success of the project. In accordance with Section 609.7(a) of the Final Regulations, greater weight will be given to applications that rely upon a smaller guarantee percentage, all else being equal.

Programmatic Factors

Construction Factors (Weighting: 15%)

The Department will evaluate the project's construction plan based on the cost and the completion date certainty, giving particular consideration to whether the guaranteed portion of the Guaranteed Obligation, together with amounts available to the applicant from other sources, will be sufficient to carry out the project.

Legal and Regulatory Issues (Weighting: 15%)

The Department will evaluate the project's capacity to mitigate risk from potential legal and regulatory issues that could jeopardize the success of the project. Areas of review will include intervener, permitting and public acceptance risks.

Technical Review

Consideration will be given to environmental benefit, particularly avoidance, reduction or sequestration of the emissions of air pollutants and/or greenhouse gases, the period of time required to place the project into service and/or to be commercialized, the potential for reducing costs to consumers, and the commercial scale of the project. Consideration also will be given to creating a balance in the types of nuclear power projects and technologies that are included in DOE's loan guarantee portfolio. Major areas of focus in the technical review will include, among other considerations, the following:

Technical Relevance and Merit (Weighting: 5%)

DOE will evaluate the extent to which the project would (1) employ new or significantly improved technologies as compared to commercial technologies in service in the U.S. at the time the Term Sheet is issued and (2) advance other Title XVII objectives.

Technical Approach/Work Plan (Weighting: 10%)

Projects will be evaluated based on the clarity and technical strength of the approach to achieve the project objectives, including but not limited to (1) the potential for replication of commercial use of the technology in the United States, (2) technical readiness for near-term commercial application, (3) life-cycle and sustainability of the primary technology and project facility, and (4) timeframe required to achieve results contemplated in the application.

Environmental and Energy Security Benefits (Weighting: 5%)

Projects will be evaluated in terms of the capacity of the project to avoid, reduce or sequester air pollutants or anthropogenic emissions of greenhouse gases, and the potential for the project and the use of the proposed New or Significantly Improved technologies employed in the project to improve the energy security of the United States. Potential environmental impacts of the project, mitigation plans, NEPA considerations, site permits, site preparation and construction and commissioning of the facility will be considered. Finally, the domestic energy security benefits of the project will be reviewed and compared to existing technologies or systems

(Attachment A3)

Tab 3

Desired Outcomes

Applications Evaluation – Desired Outcomes

1. Reasonable Assurance of Repayment
2. Optimization of Technology Diversity
3. Project Structures That:
 - a. Accelerates Deployment of New Nuclear Capacity
 - b. Addresses Load Demand/Pricing Issues in Critical Markets
 - c. Provides best use of the DOE’s Loan Guarantee Authority in supporting this and other nuclear power projects

Notes:

Reasonable Assurance of Repayment and Sufficiency of Financing to Carry Out Project

Applicants are reminded that the loan guarantee program is not a federal procurement (e.g., government contracts) or assistance program (e.g., grants and cooperative agreements) and that DOE is mandated by Title XVII to ensure that projects financed have a reasonable assurance of repayment and that the guaranteed portion of the Guaranteed Obligation, together with amounts available to the applicant from other sources, will be sufficient to carry out the project. DOE is prepared to consider a variety of financing structures as presented by applicants as long as the proposed structure provides DOE with a reasonable assurance of repayment and that the guaranteed portion of the Guaranteed Obligation, together with amounts available to the applicant from other sources, will be sufficient to carry out the project. Loan guarantee structures that fall outside the classical limited recourse project finance approach, described below, but that meet the above criteria and assist both DOE and the applicant in efficiently meeting the objectives of Title XVII, are encouraged. Included in such loan structures is the potential for the utilization of parallel loan structures with credit support provided by third parties with interest in supporting the project, or from credit markets traditionally used by the applicant that may require some level of direct or indirect DOE support.

DOE is assuming a classical limited recourse project finance (“LRPF”) approach where DOE takes minimal pre-completion risks, which are expected to be shared among the appropriate project participants.

As with a classical approach to LRPF, DOE will be willing to assume the post-completion operating risks associated with these “new technologies”. This presumes that the major risks (e.g., feedstock, offtake, etc.), are appropriately mitigated via project contracts. This further assumes strong NRC oversight of the licensing, construction and operational life of the project.

The assumption is that the capital markets will not assume these “new technology” operating risks -- the reason for the creation of the Title XVII loan program. This approach is consistent with Title

XVII's mandate to facilitate the commercialization of new technologies that are eligible to receive loan guarantees.

How well these pre- and post-completion project risks are identified, quantified and contractually allocated to appropriate project participants will be one of the major evaluation criteria in determining the relative ranking of projects with "reasonable assurance of repayment".

Attachment B

National Environmental Policy Act (NEPA) Guidance

NEPA Guidance Attachment B

Overview

The National Environmental Policy Act (“NEPA”) requires Federal agencies to consider the potential environmental impacts of their proposed actions. DOE will prepare an environmental critique for applications determined to be in the competitive range in accordance with 10 CFR 1021.216 after the preliminary technical and financial review is complete. The critique will contain a brief comparative evaluation of the potential environmental impacts of the proposed projects. The environmental critique will not be available to the public. DOE will consider environmental information and assessment of these projects contained in any Environmental Report prepared for the Nuclear Regulatory Commission (“NRC”) pursuant 10 CFR 51 and any environmental analyses prepared by the NRC in support of the license applications.

DOE will also prepare a publicly available environmental synopsis, based on the environmental critique, to document the consideration given to environmental factors and to record that the relevant environmental consequences of reasonable alternatives have been evaluated in the selection process. The synopsis will not contain business, confidential, trade secret or other information that DOE otherwise would not disclose pursuant to 18 U.S.C. 1905, the confidentiality requirements of the competitive procurement process, 5 U.S.C. 552(b) and 41 U.S.C. 423. After a preliminary selection has been made, the environmental synopsis will be filed with the U.S Environmental Protection Agency (“EPA”) and shall be incorporated in any DOE NEPA documents associated with the project.

Because loan guarantees are expected to be granted for commercial-scale projects, categorical exclusions under NEPA are not expected to apply. If DOE invites a Project Sponsor to negotiate after the preliminary technical, financial and environmental review is complete, and if an Environmental Assessment (“EA”) or Environmental Impact Statement (“EIS”) is not otherwise available from NRC with respect to the given project, DOE will evaluate each project to determine the appropriate level of NEPA review required (i.e., whether an EA or EIS should be prepared). If appropriate, DOE would adopt the NRC EIS.

Selection of a NEPA Contractor

Should an EA or EIS be necessary DOE may choose to use a third party contract arrangement. Under a third party contract arrangement the applicant will be required to pay the contractor cost of NEPA compliance. The environmental firm preparing the EA or EIS will work exclusively under the direction of DOE. DOE will be solely responsible for the contents of the EA or EIS. The applicant may propose an environmental firm to DOE, but DOE will make the ultimate selection. Information on firms that hold DOE-wide NEPA indefinite delivery/indefinite quantity contracts is available on the DOE NEPA website at <http://www.eh.doe.gov/nepa>, under “DOE-wide NEPA Contracting.”

The applicant will hire a firm to prepare the EA or EIS once a third-party agreement or memorandum-of-understanding (“MOU”) has been signed by DOE, the environmental firm, and the applicant. The firm DOE selects must sign a conflict of interest form indicating that it has no financial or other interest in the outcome of the project. DOE will not be involved in the fee and contractual negotiations between the applicant and the NEPA contractor.

NEPA Process and Preparation of an EIS

The following outlines the NEPA process at DOE following the decision to invite an applicant to negotiate. The first step involves determining the appropriate level of NEPA review for each project.

If it is determined that an EIS prepared by DOE would be required (e.g., EIS from NRC is not available or not appropriate for adoption), DOE must publish in the Federal Register a Notice of Intent (“NOI”) to prepare an EIS. The NOI states the need for action, opens a minimum 30-day scoping process, and provides preliminary information on the proposed EIS scope, including the alternative actions to be evaluated and the kinds of potential environmental impacts to be analyzed in the EIS. During the scoping period, DOE will hold one or more public meetings in the vicinity of the proposed project site.

During the public scoping process DOE requests comments from the public on the scope of the EIS in regards to what alternatives should be evaluated and what potential environmental impacts should be analyzed. DOE then considers scoping comments and prepares a draft EIS (“DEIS”), which will, at a minimum, meet the requirements in the Council on Environmental Quality (“CEQ”)’s NEPA regulations at 40 CFR Parts 1500-1508 and DOE NEPA regulations at 10 CFR Part 1021.

The DEIS is distributed to Members of Congress, other Federal Agencies, Indian Tribes, state and local governments and organizations and individuals known to be potentially affected or have an interest in the project and is filed with the EPA. EPA then publishes a Notice of Availability (“NOA”) in the Federal Register announcing the availability of the DEIS beginning a minimum 45-day public comment period. DOE may publish its own NOA describing how the public may comment, including the location and schedule of public hearings on the DEIS.

After receiving comments, a final EIS (“FEIS”) is prepared that includes public comments on the draft and DOE responses describing how the comments were addressed in the EIS. The same distribution process as the DEIS follows, including a filing with EPA. EPA issues a NOA in the Federal Register, and DOE can issue a Record of Decision (“ROD”) no sooner than 30 days after publication of the NOA. The ROD describes the agency's decision regarding the proposed action and is published in the Federal Register.

Information to be Submitted to DOE in the Application

Under 10 CFR Part 609.6(b)(23) of DOE’s Final Regulations, an application must include a report containing an analysis of the potential environmental impacts of the project that will enable DOE to assess whether the project will comply with all applicable environmental requirements and will enable DOE to complete any necessary reviews under NEPA. Accordingly, each applicant should submit the following information to assist DOE in preparing the environmental critique and the environmental synopsis under 10 CFR 1021.216, to assist DOE in determining the appropriate level of NEPA review (EA or EIS), and in preparing the EA or EIS.

1. Facilities – describe and, as appropriate, identify and quantify:
 - new facilities to be constructed, existing facilities to be modified, and materials and equipment to be used in construction;

- size of the new and modified facilities and of the total project site (including support facilities needed, such as parking lots and treatment facilities, and associated land uses, such as agricultural production areas);
- extent of necessary site clearing and excavation;
- associated construction of transport infrastructure (e.g., access roads, railroad links, docks, pipelines, electrical transmission facilities) or waste treatment facilities;
- air emissions, water effluents, use of borrow areas, and solid or other liquid waste that would result from construction (include quantitative estimates); and
- any existing facility that is part of the proposed project.

2. Project Location – describe and, as appropriate, identify, quantify, or provide a map:

- project site and location;
- ownership of or jurisdiction over the land by Federal, state, regional, or local agency;
- existing transportation corridors and infrastructure;
- nearby land use and features (e.g., residences, industrial facilities, parks, surface water, soils, geology, hydrology);
- areas with special designation both on the project location and nearby (e.g., National Forests, National Historic Properties, wetlands, floodplains, critical habitat for designated threatened or endangered species);
- ambient air quality; and
- near-by populations (including minority and low-income).

3. Proposed Project Construction and Operation –

(a) describe and, as appropriate, identify and quantify, project operations, including:

- material resources to be used, including how they would be transported;
- source(s) and rates of water consumption and adequacy of water supply sources;
- materials produced, including how they would be transported;
- onsite and offsite releases (air emissions, including carbon dioxide, odors; water effluents; and solid and other liquid waste streams), including rate and duration of such substances as criteria pollutants, greenhouse gases, and hazardous substances;
- onsite and offsite waste treatment and disposal;
- number of on-site workers; and
- any mitigating measure(s) to be used or considered to be used to reduce environmental impacts.

(b) present an overall schematic process diagram that identifies all inputs and outputs; and

(c) identify a spectrum of scenarios that could result from process upsets, human error, and accidents/intentional destructive acts.

4. Project progression – provide information on:

- construction milestones;
- expected operating cycle and any aspects of the project that could result in impacts that vary over time (e.g., with time of day or season of the year); and
- expected project lifetime, including expansion of initial project at the proposed site and to other sites.

5. Status of other environmental and regulatory reviews, including permitting
 - if the proposed project would require review or permitting by another Federal agency or by a state, regional, or local agency, identify the required reviews and permits and tell the status of each; and
 - if an environmental impact review (e.g. NEPA documentation, agency consultations) has been prepared (or is in the process of being prepared or is anticipated) for the proposed project (by another Federal agency or a state agency), provide a summary or copy of the review.
6. Alternative sites or operating parameters:
 - identify any other sites considered for the proposed project, and state whether they remain options or give the reasons for not proposing them;
 - identify any alternative operating parameters for the proposed project (e.g., materials to be used, emissions controls or carbon sequestration) and state whether they remain options or give the reasons for not proposing them.
7. Post-operational requirements – to the extent possible:
 - describe any reasonably foreseeable future requirements, including site close-out and site restoration; and
 - describe any related decontamination and decommissioning activities, including associated waste streams.
8. Other actions in the project area:
 - describe current or other possible future industrial-or other facilities and activities (for example, coal-fired electrical plants or biomass facilities), including those by other companies, in the same geographic area(s).

DOE recommends that applicants also consider NEPA references on DOE's website at http://www.eh.doe.gov/nepa/guid_tools.html -- "Recommendations for the Preparation of Environmental Assessments and Environmental Impact Statements" and the "Environmental Assessment Checklist" and "Environmental Impact Statement Checklist." Applicants may also want to refer to existing EA's and EIS's published on DOE's website to understand the level of analysis that DOE will need to carry out in its NEPA review.

Attachment C

Schedule of Fees

**UNITED STATES
DEPARTMENT OF ENERGY**

**FEE SCHEDULE FOR NUCLEAR POWER FACILITY PROJECTS
Title XVII Loan Guarantee Program**

Note: All fees appearing on this schedule are non-refundable.

LOAN GUARANTEE FEE STRUCTURE:

<u>Type of Fee</u>	<u>Fee Amount</u>
I. Application (First Fee)	\$800,000 payable as follows: 1. with Part I submission: \$200,000 (25%) 2. with initial Part II submission: \$600,000 (75%)
II. Facility (Second Fee)	1/2 of 1% of Guaranteed Portion of Guaranteed Obligation
III. Maintenance (Third Fee)	Expected to be in the range of \$200,000 to \$400,000 per year, the amount and payment due dates to be specified in the Loan Guarantee Agreement as described in Section VIII of this Solicitation

Fee payments will only be credited by wire transfers to the following address:

**U.S. Treasury Department
ABA No. 0210-3000-4 TREASNYC/CTR/BNF=D89000001
OBI=LGPO Solicitation # DE-PS01-08LG00002 Application Fee for (applicant name)**

Once the initial portion of the application fee received with respect to Part I submission, DOE will contact the applicant directly to obtain further required information.

Attachment D

Loan Guarantee Application Form

U.S. Department of Energy Loan Guarantee for Projects that Employ Innovative Technologies

This form is for use by Applicants seeking a U.S. Department of Energy Loan Guarantee pursuant to Title XVII of the Energy Policy Act of 2005, Public Law 109-58 (22 USC 16511, et seq.) and is governed by 10 CFR Part 609. (Social Security numbers are requested for purposes of verifying whether the Applicant has any tax delinquent accounts with the IRS as required by OMB Policy Circular A-129.) After completing this form, please print two copies and send to the address below. It is highly recommended that all mail be sent via Express Mail. Full Applications should be uploaded using Fed Connect at www.fedconnect.net. For more information on the program, please visit our website at <http://www.lgprogram.energy.gov>.

Mail All Paper Copies to:
 Director
 U.S. DOE Loan Guarantee Program Office
 1000 Independence Ave, SW
 Washington, DC 20585-0121

If you need assistance or have any questions please contact the Loan Guarantee Program Office at (202) 586-8336 or email us at lgprogram@hq.doe.gov.

In reference to DOE Solicitation No. _____

Invitation No. _____

GENERAL INFORMATION

Organization Name	Federal Tax ID or Social Security No.

Contact Last Name	First Name	Position/Title

Phone Number	Fax Number

Address

--

City	State	9 Digit Zip Code

Email	DUNS Number	NAIC Number

Project Location – City	State	9 Digit Zip Code

PROJECT SPONSORS (ASSET HOLDERS) WITH EQUITY OF 5 PERCENT OR MORE

Organization Name	Federal Tax ID or Social Security No.

Contact Last Name	First Name	Position/Title

Phone Number	Fax Number

Phone Number	Fax Number

Address

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City	State	9 Digit Zip Code

Organization Name	Federal Tax ID or Social Security No.

Contact Last Name	First Name	Position/Title

Phone Number	Fax Number

Address

--	--	--

City	State	9 Digit Zip Code

Organization Name	Federal Tax ID or Social Security No.

Contact Last Name	First Name	Position/Title

Phone Number	Fax Number

Address

--	--	--

City	State	9 Digit Zip Code

Organization Name	Federal Tax ID or Social Security No.

Contact Last Name	First Name	Position/Title

Phone Number	Fax Number

Address

--	--	--

City	State	9 Digit Zip Code

Organization Name	Federal Tax ID or Social Security No.

Contact Last Name	First Name	Position/Title

Phone Number	Fax Number
---------------------	-------------------

Address		
City	State	9 Digit Zip Code

SUMMARY OF LOAN GUARANTEE REQUEST

Requested Period of Guarantee	yrs	Total Project Costs*	\$
Equity*	\$	Proposed Guaranteed Amount*	\$
Debt*	\$	Requested Loan Guarantee to Debt Instrument	%
Debt to Equity Ratio	:	Requested Loan Guarantee to Total Project Costs	%

* Please indicate dollars in millions

CATEGORY OF PROJECT

Category	Description	Check Box
1	Renewable Energy Systems	
2	Advanced Fossil Energy Technology (including coal gasification meeting the criteria in paragraph 1703 (d) of EPAct 2005)	
3	Hydrogen fuel cell technology for residential, industrial or transportation applications	
4	Advanced nuclear energy facilities	
5	Carbon capture and sequestration practices and technologies, including agricultural and forestry practices that store and sequester carbon	
6	Efficient electrical generation, transmission and distribution technologies	
7	Efficient end-use energy technologies	
8	Production facilities for fuel efficient vehicles including hybrid and advanced diesel vehicles	
9	Pollution control equipment	
10	Refineries, meaning facilities at which crude oil is refined into gasoline	

RESTRICTIONS ON DISCLOSURE AND USE OF INFORMATION

Title XVII of the Energy Policy Act of 2005 authorizes the collection of this information. The primary use of this information is by the Loan Guarantee Program Office of the Department of Energy in its review of applications for loan guarantees under Title XVII. Additional disclosures of this information may be made as required by law. Where the information provided is a social security number, the provision of the information is voluntary but failure to disclose may result in disapproval of the application.

All information collected will be handled in accordance with the Freedom of Information Act (5 U.S.C. 552) and all applicable laws.

Patentable ideas, trade secrets, proprietary, or confidential commercial or financial information, disclosure of which may harm the applicant, should be included in an Application only when such information is necessary to convey an understanding of the proposed project. The use and disclosure of such data may be restricted, provided the applicant specifically identifies and marks such data in accordance with the following provisions:

1. Applicant hereby discloses that (fill in the blank below in this Application Form with the specific Application Sections containing proprietary data):

“Sections ___ of this Application contain data which have been submitted in confidence and contain trade secrets or proprietary information, and such data shall be used or disclosed only for evaluation purposes; provided that, if this applicant is issued a loan guarantee under Title XVII of the Energy Policy Act of 2005 as a result of or in connection with the submission of this Application, DOE shall have the right to use or disclose the data herein, other than such data that have been properly reasserted as being trade secret or proprietary in the loan guarantee agreement. This restriction does not limit the Government’s right to use or disclose data obtained without restriction from any source, including the applicant.”

2. Include the following legend on the first or cover page of each document or electronic file submitted that contains such data (be sure to specify the page numbers from such document or electronic file that contains the proprietary data):

“The data contained in pages _____ of this document or electronic file which hereby forms a part of the Application have been submitted in confidence and contain trade secrets or proprietary

information, and such data shall be used or disclosed only for evaluation purposes; provided that, if this applicant is issued a loan guarantee under Title XVII of the Energy Policy Act of 2005 as a result of or in connection with the submission of this Application, DOE shall have the right to use or disclose the data herein, other than such data that have been properly reasserted as being trade secret or proprietary in the loan guarantee agreement. This restriction does not limit the Government’s right to use or disclose data obtained without restriction from any source, including the applicant.”

3. Include the following legend on each page of a document or electronic file containing such data (a) as a header on the page or (b) to specifically identify and mark each line or paragraph on the page containing such data:

“The following contains proprietary information that (name of applicant) requests not be released to persons outside the Government, except for purposes of review and evaluation.”

BURDEN DISCLOSURE STATEMENT

This data is being collected to support applications for loan guarantees from the Department of Energy under Title XVII of the Energy Policy Act of 2005 (22 USC 16511, *et seq.*). The data you supply will be used for the review of business and credit risks relating to projects which qualify for loan guarantees under Title XVII.

Public reporting burden for this collection of information is estimated to average 10.36 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of the Chief Information Officer, Records Management Division, IM-23, U.S. Department of Energy, 1000 Independence Ave SW, Washington, DC, 20585-1290; and to the Office of Management and Budget, OIRA, Washington, DC 20503.

Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

Submission of this data is required to obtain a guarantee of the repayment of principal and interest on loans relating to projects that qualify for such guarantees under Title XVII of the Energy Policy Act of 2005 (22 USC 16511, *et seq.*).

CERTIFICATION

The undersigned certifies that the data and information submitted and the representations made in this Application and any attachments to this Application are true and correct, to the best of the Applicant's knowledge and belief after due diligence, and that the Applicant has not omitted any material facts.

The undersigned further certifies to having full authority to bind the Applicant.

Applicant (Organization Name)

--

Name of Applicant's Authorized Officer (*will fulfill on-line certification*) Title

--	--

Signature of authorized officer (*for paper copy only*)

Date

--	--

Attachment E

Letter of Commitment

(Attachment E)

Director, DOE LGPO

This is to confirm that it is our intent to seek a Loan Guarantee pursuant to your solicitation serial no. DE-PS01-08LG00002, dated June 30, 2008. This confirms we have met all mandatory requirements as specified in the Solicitation including Attachments A1 to A3 of the Solicitation. Our Part I Application fee was wired as per your instructions on xx/xx/xx.

We intend to submit our initial Part II submission, in whole or in part, when due as required by the Solicitation. [If expected financial closing date known: Based on the Application process as delineated in the Solicitation, we intend to be prepared to close with respect to the financing on or about xx/xx/xx.] [If expected financial closing date is not known: We hereby agree to notify DOE of the date on which we intend to be prepared to close with respect to the financing at least six months in advance of the date a Term Sheet would be needed.]

Should we decide to withdraw from consideration for a loan guarantee at any time prior to the initial Part II submission date, we will notify DOE in writing of that decision.

Attachment F

Communication Instructions

Responses to this Solicitation

1. FEDCONNECT

Potential applicants that receive this solicitation through sources other than FedConnect should immediately register with FedConnect .

In order to register you will need:

- Your company's DUNS (including plus 4 digit extension if applicable).

(If you don't know your company's DUNS or if your company does not have a DUNS you can search for it or request one at <http://fedgov.dnb.com/webform/displayHomePage.do>)

- A Federal Contractor Central Registration ("CCR") account.

(If your company is not currently registered with CCR, please register at www.ccr.gov before continuing with your FedConnect registration.) In completing the CCR, utilize the "Grants" format unless you have reason to use any of the other formats.

- Other details on registering at FedConnect are available at the website – www.fedconnect.net

VERY IMPORTANT: Applicants are highly encouraged to obtain such numbers and complete such registrations as soon as possible and should allow at least 21 days to complete these processes. Contact the FedConnect support team at support@fedconnect.net to verify successful registration. If you have questions regarding the operation of FedConnect, please contact the FedConnect support team at support@fedconnect.net.

Important subsequent information may be posted concerning this solicitation that will only be available at FedConnect and/or the Program Website. For example, applicants' most frequently asked questions and responses of general interest to all potential applicants may be available at FedConnect and/or the Program Website.

Applicants that intend to respond to this solicitation should pay careful attention to the instructions contained in Section V.3 of the Solicitation as well as the instructions in Attachment D. The form set forth in Attachment D, OMB No 1910-5134, must be completed, signed and submitted along with the application, no later than 11:59pm ET on September 29, 2008. Such form must be submitted both as hard copies (2) and electronically through FedConnect.

Applicants should provide a "short name" or other identifier that will allow for easy identification of the company or the project. Applicants may ask questions or seek clarification prior to submitting a partial or complete application through FedConnect or by contacting DOE at lgprogram@hq.doe.gov in accordance with the procedures set forth in Section V.2. of this Solicitation. DOE will respond to such questions as appropriate and may make applicants' most frequently asked questions and DOE's responses to such questions public by posting them on the Program Website or on the FedConnect website.

If an applicant needs to make substantive changes or additions to its application prior to the application submission deadline, the applicant must clearly identify and date the new version of the submission in its file name and upload it through the FedConnect website.

2. ALTERNATIVE COMMUNICATIONS

During the application Submission period, the preferred method of communication with DOE is through FedConnect. Alternate communication channels include:

- Regular or express mail, including private carriers at

Director
U.S. DOE Loan Guarantee Program Office CF 1.3
1000 Independence Ave., SW
Washington, DC 20585-0121

- E-mail at:

lgprogram@hq.doe.gov

subject line must include “Renupwr Solicitation Question”

- Telephone at: 202-586-8336

Additional information on the loan guarantee program may also be available at www.lgprogram.energy.gov, including Frequently Asked Questions and Responses.

3. SINGLE POINT OF CONTACT

Upon receipt of a completed Part I application and a decision by DOE to begin negotiations with an applicant, DOE will assign a single point of contact for individual questions and/or discussions on matters relevant to the application. This single point of contact will arrange for follow-up discussions. DOE may request that each submission to DOE be followed with an oral presentation to discuss and clarify the submission and agree on next steps. A teleconference instead of face-to-face meeting can suffice by mutual agreement.