



U.S. DEPARTMENT OF **ENERGY**

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DOE Announces Nearly \$1.4 billion in Conditional Loan Guarantees for BrightSource Energy

Innovative solar energy projects expected to create more than 1,000 jobs

Washington D.C. --- Energy Secretary Steven Chu today announced conditional commitments for more than \$1.37 billion in loan guarantees under the American Recovery and Reinvestment Act to BrightSource Energy, Inc. to support the construction and start-up of three utility-scale concentrated solar power plants. The new plants will generate approximately 400 megawatts (MW) of electricity using the company's innovative, proprietary technology. This would nearly double the existing generation capacity of this type of renewable energy in the U.S.

"This is an investment in American jobs and the clean, renewable energy our economy needs," said Secretary Chu. "We're not going to sit on the sidelines while other countries capture the jobs of the future – we're committed to becoming the global leader in the clean energy economy," said Secretary Chu.

The three-plant Ivanpah Solar Complex will be located on federally-owned land in the Mojave Desert in southeastern California, near the Nevada border, and will be the world's largest operational concentrated solar power complex. Once operational, the project will supply clean electric power to approximately 140,000 California homes.

BrightSource estimates that the construction of this complex will employ approximately 1,000 people, and its operation will create 86 permanent jobs. BrightSource's construction contractor has entered into project labor agreements with various trade unions for the construction of the project.

The loan guarantee is conditioned on financial and environmental requirements BrightSource must meet before closing on the loan, including local, state and federal regulatory approvals. The Bureau of Land Management will continue leading a National Environmental Policy Act (NEPA) review with support from the Department of Energy. Today's announcement does not affect that process.

BrightSource's technology will use thousands of "heliostats" on three solar fields. Each heliostat has two mirrors that track the sun in two dimensions, allowing the capture of a

greater percentage of solar energy than other solar thermal technologies.

The first plant is expected to begin construction in the second half of 2010 and come on line in 2012. Commercial operation for the second plant is slated for mid-2013 and the third later in 2013. Electricity from the project will be sold under long-term power purchase agreements with Pacific Gas & Electric and Southern California Edison Company (SCE). The project will be interconnected to the electricity grid via an upgraded SCE transmission line.

The conditional commitments contemplate that the Federal Financing Bank will provide the financing for the project.

Before offering a conditional commitment, DOE takes significant steps to ensure risks are properly mitigated for each project prior to approval for closing of a loan guarantee. The Department performs due diligence on all projects, including a thorough investigation and analysis of each project's financial, technical and legal strengths and weaknesses. In addition to the underwriting and due diligence process, each project is reviewed in consultation with independent consultants.

This is the sixth conditional commitment for a loan guarantee for clean and renewable energy projects entered into by the Department's Loan Programs Office, which manages the nation's green energy loan portfolio. This conditional commitment is another step toward making the United States a worldwide leader in the manufacture and deployment of green-energy technology. For more information on this program, please visit www.lgprogram.energy.gov.

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