

THE DEPARTMENT OF ENERGY

Office of Public Affairs

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Department of Energy Issues Loan Guarantee Supported by Recovery Act for Nevada Geothermal Project

First Deal to Close Under DOE's Financial Institution Partnership Program

Washington D.C. --- Energy Secretary Steven Chu today announced a partial guarantee for a \$98.5 million loan to the 49.5 megawatt Blue Mountain geothermal project in Humboldt County in northwestern Nevada. The loan guarantee is being issued to John Hancock Financial Services to support a loan to a subsidiary of the Nevada Geothermal Power Company.

“Our support for the Blue Mountain project is part of the Administration’s commitment to reducing carbon emissions while creating clean energy jobs,” said Secretary Chu.

“Thanks to the leadership of Senator Reid and others in the Nevada delegation, Nevada continues to be a leader when it comes to generating clean, renewable sources of energy,” said the Secretary.

“As I led passage of the stimulus bill, I worked to include the loan guarantee program to help finance clean energy projects like Blue Mountain geothermal that will put Nevadans back to work and bring us closer to energy independence,” said Nevada Senator Harry Reid. “Secretary Chu has been to Nevada many times and I thank him for recognizing the Silver State as a leader in developing these clean energy resources.”

The Blue Mountain project consists of a geothermal well field and fluid collection and injection systems that enable energy to be extracted from rock and fluid below the Earth’s surface, and a power plant that converts geothermal energy into electricity. The energy produced by the power plant is free of greenhouse gas emissions and other air pollutants. The project has a 20-year power purchase agreement to sell electricity and renewable energy credits to the Nevada Power Company.

The loan guarantee was issued under the Financial Institution Partnership Program (FIPP), a Department of Energy program supported by the American Recovery and Reinvestment Act. FIPP is designed to expedite the loan guarantee process for renewable energy generation projects that use commercial technologies and to expand credit capacity for financing of U.S. renewable energy projects. In a FIPP financing, DOE provides a partial guarantee for up to 80 percent of a loan provided to a renewable energy project by qualified financial institutions.

Including today's announcement, the Department of Energy has issued loan guarantees or offered conditional commitments for loan guarantees to support 14 clean energy projects. For more information, please visit <http://www.lgprogram.energy.gov>.

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