

**LOAN GUARANTEE  
SOLICITATION ANNOUNCEMENT**



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

**FEDERAL LOAN GUARANTEES FOR COAL-BASED POWER  
GENERATION AND INDUSTRIAL GASIFICATION  
FACILITIES THAT INCORPORATE CARBON CAPTURE AND  
SEQUESTRATION OR OTHER BENEFICIAL USES OF  
CARBON AND FOR ADVANCED COAL GASIFICATION  
FACILITIES**

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## Full Announcement

### FEDERAL LOAN GUARANTEES FOR COAL-BASED POWER GENERATION AND INDUSTRIAL GASIFICATION FACILITIES THAT INCORPORATE CARBON CAPTURE AND SEQUESTRATION OR OTHER BENEFICIAL USES OF CARBON AND FOR ADVANCED COAL GASIFICATION 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 coal based power generation, industrial gasification and advanced coal gasification facilities 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 Six Billion dollars (\$6,000,000,000) in loan guarantee authority available under this Solicitation for coal-based power generation and industrial gasification activities at retrofitted and new facilities that incorporate carbon capture and sequestration or other beneficial uses of carbon. Additionally, DOE will make no more than Two Billion dollars (\$2,000,000,000) in loan guarantee authority available for advanced coal gasification projects. The Department’s authority to issue this amount of loan guarantees 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, 2010. 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 technologies for coal based power generation, industrial gasification and advanced coal gasification facilities.

**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(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 make a significant equity investment, defined by the Final Regulations as cash, 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.

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. Applications supporting loan guarantee structures outside of the classical limited recourse project finance approach that provide a reasonable prospect 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 an advanced coal based power

generation, industrial gasification or advanced coal gasification facility constructed and operated in the United States.

**B. Eligible Project Emission Limits:** In addition to any other applicable Federal or State emission limitation requirements, in accordance with Section 1703(d) of Title XVII, a project shall attain at least-

(1) Total sulfur dioxide emissions in flue gas from the project that do not exceed 0.05 lb/MMBtu;

(2) A 90-percent removal rate (including any fuel pretreatment) of mercury from the coal-derived gas, and any other fuel, combusted by the project;

(3) Total nitrogen oxide emissions in the flue gas from the project that do not exceed 0.08 lb/MMBtu; and

(4) Total particulate emissions in the flue gas from the project that do not exceed 0.01 lb/MMBtu.

**C. Eligibility of Project Receiving Tax Credits:** In accordance with Section 1703(d) of Title XVII, a project that receives tax credits for clean coal technology shall not be disqualified from receiving a guarantee under Title XVII.

**D. 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.

**E. 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.

**F. 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.

**G. Eligible Project Coal Utilization:** Coal based projects are required to use coal (or refuse coal) to account for 50 percent of the annual heat input.

**III. Overview of the Process for Obtaining a Loan Guarantee:** The loan guarantee application process is organized into the four (4) phases described below. 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.

**A. 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.

**B. 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.

**C. 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 non-refundable 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.

**D. 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 a loan decision, 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 submit all or part of 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**

**A. 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.

**B. 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. The schedules required in the Part I submission 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 of the 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 December 22, 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.

Subject to a fully complete Part I submission being filed by its due date, an applicant's Part II submission 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 11:59pm ET on March 23, 2009. Payment of the remaining 75% of the application fee must be paid contemporaneously with the applicant's Part II submission. The application fee is non-refundable. A fully completed Part I submission, together with a substantially complete Part II submission, shall, in the aggregate, constitute a substantially complete application.

DOE may require that each written submission (including Part I submissions) 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.

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

Solicitation Issue Date	September 22, 2008
Part I Submission Due	December 22, 2008
Part II Submission Due	March 23, 2009

Submission 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, 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.

**D. Applications Evaluation:** Substantially complete 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-five percent (25%) of the total weighting; programmatic factors will form twenty-five percent (25%) 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.

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

The above factors are set forth more fully in Attachment A3 Tab 1 under the section entitled “Application Evaluations and Review.” Applicants should further familiarize themselves with the information in Attachment A3 Tab 2, entitled “Desired Outcomes,” in developing project structures and in responding to this Solicitation.

Applicants are advised that non-DOE personnel, including but not limited to National Laboratory personnel and DOE Contractors, may assist DOE during the evaluation of applications. These organizations and/or individuals shall be authorized access to only those portions of the proposal data and discussions that are necessary to enable them to provide



specific technical advice on specialized matters or on particular problems. The individuals from these organizations will be required to protect the confidentiality of any specifically identified trade secrets and/or privileged or confidential commercial or financial information obtained as a result of their participation in this evaluation as set forth in Section X.

**E. 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. DOE’s analysis will include consideration of life cycle emissions. See Attachment B for further details on required environmental information.

**F. Initial Selection to Begin Due Diligence, Underwriting and Negotiation:** DOE will evaluate substantially completed applications based upon the factors summarized in Section IV, Paragraph D above and Attachment A3. At any time following March 23, 2009 when Part II submissions are due, 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 discussed more fully in Section IX, in the course of DOE’s due diligence review and negotiations with an applicant, DOE expects to utilize the services of independent engineering, financial, environmental 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.

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

**H. 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

- A. 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 or commercial financing of this scale.
- B. 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 questions in an email to DOE at [lgprogram@hq.doe.gov](mailto:lgprogram@hq.doe.gov). Please include in the subject line "REFCOAL Solicitation Question". DOE will respond to such questions as appropriate and may make applicants' most frequently asked questions and DOE's responses to such questions public, for example, by posting them on the program website or on FedConnect.
- C. 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 on December 22, 2008 and the Part II submission must be electronically received through FedConnect no later than 11:59pm ET on March 23, 2009. Instructions on how to register in FedConnect, submit an application via FedConnect, and other related topics may be found at: [www.fedconnect.net](http://www.fedconnect.net). The applicant must also submit two hard copies of a completed DOE application form OMB No. 1910-5134 (Attachment D) and an electronic copy via FedConnect. A portion of the non-refundable application fee (i.e. 25%) as set forth in Attachment C must be wired to Treasury (as described in Attachment C) at the same time as the applicant submits its Part I submission, but no later than 11:59pm ET on December 22, 2008. The balance of the non-refundable application fee (i.e., 75%) as set forth in Attachment C must be wired to Treasury (as described in Attachment C) at the same time as the applicant submits its Part II submission, but no later than 11:59pm on March 23, 2009. Applicants must submit their applications in accordance with the instructions contained herein and in Attachments A1 and A2.

Furthermore, 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.

**D. 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](mailto: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](mailto:support@fedconnect.net).

**E. Part I Submissions:** Part I 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 (see attachment E1) from the applicant, signed by an authorized representative, stating that:
  - (1) the applicant intends to pursue a loan guarantee under Title XVII to close and provide DOE a Part II submission no later than 11:59PM ET on March 23, 2009, together with payment of the remaining 75% of the non-refundable application fee set forth in Attachment C;
  - (2) the applicant has met all mandatory requirements in Attachments A3, Tab 1;
  - (3) the date by which the applicant expects that it will be able to close a loan guarantee with DOE. If the applicant has not established an expected closing date, the applicant will commit in such letter to notify the DOE of its expected closing date at least six (6) months in advance of the date a term sheet would be needed; and
  - (4) the project category the applicant has selected in the authorization under which the loan guarantee will be requested.
- A consent to public disclosure of information from the applicant, signed by an authorized representative, in the form set forth in Attachment E2, together with an undertaking to provide DOE with an abstract of the project as described in Attachment E2.

**F. Part II Submissions:** Part II submissions 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 Part II submission no later than 11:59pm ET on March 23, 2009.

**G. 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.

**H. 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 later. Regardless, the information submitted in the Part I and Part II submissions should represent 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, staffing and possible visits to the proposed site, design centers and key vendor facilities. 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 in Section IX, in the course of DOE's due diligence review and negotiations with an applicant, DOE expects to utilize the services of independent engineering, , financial, environmental 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.

- A. 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 during the preconstruction, construction, and operational phases of the project (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.
- B. 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.

**C. Determine Technical Efficacy:** This evaluation will commence with a thorough review of 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 applicant's independent engineering report, including the professional credentials and experience of the applicant's consultant, scope of the undertaking, and strength of the opinions provided.

**D. 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.

**E. 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.

**F. 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.

**G. Assess Strengths and Weakness of Project Sponsor:** 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.

**H. 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 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.

**I. 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 that almost 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, for the corresponding project, as appropriate, and issue a Record of Decision (“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.

**J. 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 (“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 will 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. 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. If a project recommended by the CRB for approval subsequently undergoes a material change, a revised CRB review package will have to be submitted to the CRB for review and decision.

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.

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.

**K. Conditional Commitment:** In accordance with Section 609.8 of the Final Regulations, the applicant may request clarification 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:

- A. 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.
- B. 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.
- C. Facility Fee Payment:** Upon the earlier of (i) the issuance of a Term Sheet pursuant to CRB approval or (ii) the commencement of negotiations with an applicant on 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.
- D. Definitive Financing Documentation:** DOE will negotiate and finalize all finance and guarantee agreements and definitive project documents, based on the updated Conditional Commitment.
- E. 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.
- F. 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.
- G. 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.
- H. 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 as to whether all conditions precedent have been satisfied, the LGPO will submit the transaction documents for the Secretary's approval. In cases where an EIS is required, the ROD will be executed prior to or in connection with execution of the Loan Guarantee Agreement and will be published in the Federal Register.
- I. 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:**

**A. 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 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 for this particular Solicitation is 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 contemporaneously with the applicant’s submission of Part I of its application, which is due no later than 11:59pm ET on December 22, 2008. The remaining seventy-five percent (75%) of the aggregate application fee is due contemporaneously with the applicant’s Part II submission, which is due to DOE no later than 11:59pm ET on March 23, 2009.
- **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 a Loan Guarantee Agreement, in the amount specified in the Loan Guarantee Agreement, or (ii) if provided in the Loan Guarantee Agreement, payable as a one-time fee at the closing in a lump sum amount equal to the 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.

**B. 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.

**C. 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 DOE's additional internal administrative costs and of related fees and expenses of its independent consultants and outside counsel, to the extent that such fees and expenses are incurred directly by DOE.

**IX. Independent Consultants and Outside Counsel to DOE:** DOE expects to utilize independent technical/environmental 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 consultants, counsel, Project Sponsor, Borrower or applicant. At any time following the date on which the balance of the application fee is due, 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 by DOE for the purposes of assuring that DOE is not in any way liable for the payment of any fees and expenses 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 an 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' 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 review with a view to possible redaction of privileged, sensitive or confidential 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.

## **X. Additional Information**

**A. 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.

**B. 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.

**C. 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 provisions:

1. 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.”

2. 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.”

3. 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.”

**D. References:** This Solicitation was developed pursuant to the following statutes and regulations, which can be found at the Program Website:

1. 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)
2. 10 CFR Part 609 Loan Guarantees for Projects That Employ Innovative Technologies  
(October 20, 2007)

**3. 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**

**FEDERAL LOAN GUARANTEES FOR COAL-BASED POWER GENERATION AND  
INDUSTRIAL GASIFICATION FACILITIES THAT INCORPORATE CARBON  
CAPTURE AND SEQUESTRATION OR OTHER BENEFICIAL USES OF CARBON  
AND FOR ADVANCED COAL GASIFICATION FACILITIES**

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**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.

**Application Fee:** A non-refundable application fee of \$800,000 must be paid to the 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 submission of Part II of the application. No funds for the payment of these fees shall be obtained from the Federal Government or from any 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 31).

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, 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 December 22, 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 (see attachment E1) from the applicant, signed by an authorized representative, stating that:

- (1) the applicant intends to pursue a loan guarantee under Title XVII to close and provide DOE a Part II submission no later than 11:59PM ET on March 23, 2009, together with payment of the remaining 75% of the non-refundable application fee set forth in Attachment C;
- (2) the applicant has met all mandatory requirements in Attachment A3, Tab 1;
- (3) the date by which the applicant expects that it will be able to close a loan guarantee with DOE. If the applicant has not established an expected closing date, the applicant will commit in such letter to notify the DOE of its expected closing date at least six (6) months in advance of the date a term sheet would be needed; and
- (4) the project category the applicant has selected in the authorization under which the loan guarantee will be requested.

D. A consent to disclosure of public disclosure of information from the applicant, signed by an authorized representative, in the form set forth in Attachment E2, together with an undertaking to provide DOE with an abstract of the project as described in Attachment E2.



**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, but in no event later than 11:59 pm ET on March 23, 2009.

**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](http://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](mailto: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](mailto: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 and Loan Allocation:** Identify which loan allocation under which this application is being submitted. 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 production test run and full production. Describe any potential legal or regulatory risks to the project.
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 Regulation.)
3. **Project Eligibility:** Provide a detailed explanation of how and to which measure the proposed project will meet all applicable requirements of the loan allocation and of Section 1703 of Title XVII, especially with respect to:
  - a. Achieving substantial environmental benefits (i.e., avoid, reduce or sequester air pollutants 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 project development team structure, and 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.

**NOTE:** To the extent key staff are employees not shareholders of project sponsors, they need not provide SSN or other sensitive information. However, DOE reserves the right to request such information as part of its due diligence.
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 project location and the rationale for the site location. Additionally, projects with key physical or logistical elements that require close integration with another system for the project to succeed should provide information on all integrated systems regardless of where they are located. Example 1: a power plant designed to operate exclusively on coal from a to-be-opened mine should provide supporting documentation for the new mine. Example 2: an oxygen-blown IGCC plant planning to purchase oxygen from a third party who will construct a plant exclusively for this project should provide site documentation for the oxygen plant.
8. **Proposed Processes:** Provide an end to end diagram of each proposed process and a written description of all steps involved. Identify the technical and engineering risks, the potential impacts and your associated mitigation strategies.
9. **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.
10. **Project Time Lines:** Provide a timeline of the estimated start and completion dates of each major phase or key milestone of the project from construction through start of operations. Include environmental approvals, early site preparation start and first grid connection. Indicate current progress on time lines.
11. **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).
12. **Staffing Plans:** Identify project staffing requirements by general job description (e.g., quality control, certified welder, etc.). Describe plans to resource and ramp up to support plans and schedules.
13. **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. 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.
14. **Detailed Total Project Cost:** Provide an estimated total cost of the project and an estimated breakdown by cost category and purpose.
15. **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. Preliminary Front End Engineering Agreement
  - b. Key Technology License and Teaming Agreements
  - c. Engineering Procurement Construction (EPC) Contract
  - d. Long Lead Contracts for Equipment/Services
  - e. Supply Agreements for major feedstock materials and key site infrastructure requirements (e.g., fuel, electricity, and water)
  - f. Operations and Maintenance (O&M) Contracts
  - g. Plant Off-take Agreements (i.e. power, fuels, chemicals, byproducts, CO<sub>2</sub>)
  
2. **Major Project Plans:** Provide a description, status and associated costs of key project plans, including:
  - a. Construction Plan
  - b. O&M Plan
  - c. Waste Disposition Plan
  - d. Preliminary Risk Assessment and Risk Management Plan for Development and Construction Phases
  
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.
  
4. **Carbon Capture and Sequestration:** With respect to those applications for coal based power generation activities at retrofitted and new facilities that incorporate carbon capture and sequestration or other beneficial uses of carbon, the applicant shall provide preliminary estimates regarding: the quantity of carbon captured and sequestered or beneficially reused as a function of carbon in the raw syngas or flue gas.

The applicant shall also provide preliminary estimates regarding any additional carbon capture and sequestration or beneficially reuse possibilities for the project in the future and shall show how at least 50 percent capture of the plant's CO<sub>2</sub> could be achieved.

### **Business Plan: Section D – Part I**

1. **Potential Project Offtake:** Provide your financial forecast for plant production/generation 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.
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 US 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 cash flows, which will allow DOE to utilize the model for a wide range of sensitivity analysis. The model should include the pre-construction period, and identify all sources of project development funding during this period, include a detailed explanation of the pre-construction project costs.

## 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](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**

Application Instructions  
Attachment A2

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**UNITED STATES  
DEPARTMENT OF ENERGY**

**FEDERAL LOAN GUARANTEES FOR COAL-BASED POWER GENERATION AND  
INDUSTRIAL GASIFICATION FACILITIES THAT INCORPORATE CARBON  
CAPTURE AND SEQUESTRATION OR OTHER BENEFICIAL USES OF CARBON  
AND FOR ADVANCED COAL GASIFICATION FACILITIES**

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**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 with any updated information no later than ten (10) business days after such notice.

**Application Fee:** A non-refundable application fee of \$800,000 must be paid to the 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 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 31).

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, 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 on December 22, 2008. Submissions should include an electronic version of DOE Application Form – OMB No. 1910-5134 (Attachment D) through Fed Connect 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 (see attachment E1) from applicant, signed by an authorized representative, stating that:
- (1) the applicant intends to pursue a loan guarantee under Title XVII to close and provide DOE a Part II submission no later than 11:59PM ET on March 23, 2009, together with payment of the remaining 75% of the non-refundable application fee set forth in Attachment C;
  - (2) that the applicant has met all mandatory requirements in Attachment A3, Tab 1;
  - (3) the date by which the applicant expects that it will be able to close a loan guarantee with DOE. If the applicant has not established an expected closing date, the applicant will commit in such letter to notify the DOE of its expected closing date at least six (6) months in advance of the date a term sheet would be needed
  - (4) the project category the applicant has selected in the authorization under which the loan guarantee will be requested

D. A consent to disclosure of public disclosure of information from the applicant, signed by an authorized representative, in the form set forth in Attachment E2, together with an undertaking to provide DOE with an abstract of the project as described in Attachment E2.

**Part II Application Submissions:** Part II submissions shall be prepared in accordance Section 609.6 of the Final Regulations and with 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, but in no event later than 11:59pm ET on March 23, 2009.

**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](http://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](mailto: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](mailto: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 pursuant to 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), key technology and equipment supplier(s) to be involved in the project, their major activity and cost milestones, license agreements 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:** If applicable, 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 EA or an EIS is required). DOE will consider any environmental review and assessment of the

project prepared by another Federal agency. If DOE determines that either an EA or an EIS, other than that produced by another 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 another Federal license application.

7. **Environmental and Energy Security Benefits:** The applicant shall complete Table II-C-7 that follows on page 43 in full and include the response in the required Part II application submission.
8. **Carbon Capture and Sequestration:** With respect to those applications for coal based power generation activities at retrofitted and new facilities that incorporate carbon capture and sequestration or other beneficial uses of carbon, the applicant shall provide details regarding: the quantity of carbon captured and sequestered or beneficially reused as a function of carbon in the raw or flue gas.

The applicant shall also provide details regarding any additional carbon capture and sequestration or beneficially reuse possibilities for the project in the future and shall show how at least 50 percent capture of the plant's CO<sub>2</sub> could be achieved.

## Energy Benefits and Emissions Table Table II-C-7

<a href="http://www1.eere.energy.gov/industry/bestpractices/software.html">http://www1.eere.energy.gov/industry/bestpractices/software.html</a>		<b>Existing Technology or Industry Practice</b>		<b>New Technology or Industry Practice</b>	
<b>Calculated items from Plant Energy Profiler or documented source*</b>	<i>Units - trillions of btu</i>	<i>Units - \$</i>	<i>Units - trillions of btu</i>	<i>Units - \$</i>	
Energy use per unit of Production					
Energy cost per unit of Production					
Annual Purchased energy in 2008					
Annual Consumed energy in 2008					
	For 2012 assume no change in practices and market growth as projected by EIA, Chemical Economics Handbook or other citable sources for 2012. Assume inflationary cost growth		Represent growth by the number of plants estimated to be built or implementation of technologies by the applicant as a result of this proposed plant or technology improvement, with specific output capacity as a percentage of the output that would meet the needs for projected markets in 2012. Use EIA market projections, Chemical Economics Handbook values or other citable source for 2015 numbers. Please provide citations for your values. Assume inflationary cost growth.		
<b>Calculated items from Plant Energy Profiler or documented source*</b>	<i>Units - trillions of btu</i>	<i>Units - \$</i>	<i>Units - trillions of btu</i>	<i>Units - \$</i>	
Annual Projected Purchased energy in 2012					
Annual Projected Consumed energy in 2012					

<a href="http://www.energetics.com/ies_tool/">http://www.energetics.com/ies_tool/</a>		<b>Existing Technology or Industry Practice</b>		<b>New Technology or Industry Practice</b>	
<b>Calculated emissions from ITP Industrial Energy Systems Project Evaluation Tool or documented source*</b>	<i>Units - metric tons</i>		<i>Units - metric tons</i>		
Total Sum of Annual Emissions of Greenhouse Gases (CO <sub>2</sub> , SO <sub>x</sub> , NO <sub>x</sub> , CO) for 2008					
Total sulfur dioxide emissions 2008					
Total nitrogen dioxide emissions 2008					
Total particulate emissions 2008					
	For 2012 assume no change in practices and market growth as projected by EIA, Chemical Economics Handbook or other citable sources for 2012. Assume inflationary cost growth		Represent growth by the number of plants estimated to be built or implementation of technologies by the applicant as a result of this proposed plant or technology improvement, with specific output capacity as a percentage of the output that would meet the needs for projected markets in 2012. Use EIA market projections, Chemical Economics Handbook values or other citable source for 2015 numbers. Please provide citations for your values. Assume inflationary cost growth.		
<b>Calculated emissions from ITP Industrial Energy Systems Project Evaluation Tool or documented source*</b>	<i>Units - metric tons</i>		<i>Units - metric tons</i>		
total Sum of Projected Annual Emissions of Greenhouse Gases (CO <sub>2</sub> , SO <sub>x</sub> , NO <sub>x</sub> , CO) for 2012					
Total sulfur dioxide emissions 2012					
Total nitrogen dioxide emissions 2012					
Total particulate emissions 2012					

\* If an applicant has completed their own Life Cycle analysis, they can employ data from the analysis

## 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 pre-construction and construction periods, 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. 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, startup 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. **Project Risks and Mitigation Strategies:** Based on the business plan information above, prepare an analysis showing the strengths, weaknesses, opportunities and threats for successful development, construction, startup and operation of the project (e.g., price changes (declines/growths), 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 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 includes 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 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 and 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](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**

## **APPLICATION EVALUATION CRITERIA**

- **Tab 1- Application Evaluations and Review**
- **Tab 2- Desired Outcomes**

**Attachment A3**  
**Tab 1**

**Application Evaluations and Review**

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

**Mandatory Requirements:**

- a. The generation/production process must be: successfully in use, meeting all required emission standards in a similar existing facility; or, at a minimum, successfully demonstrated as a production prototype.
- b. The ability to meet or exceed the emissions standards delineated in Title XVII, Section 1703(d) Emission Levels must be demonstrated in the proposed generation/production process or a similar existing facility or production pilot.
- c. Final plant site is identified.
- d. Provide the verification that construction will commence not later than 6 months after NEPA approval.
- e. Provide confirmation that there are no known potential environmental issues associated with the project.

**Financial Review:** Major areas of focus in the financial review will include, among other considerations, the following:

1. **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 for pre-construction 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 VI 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.
2. **Programmatic Factors** (Weighting 25%)
  - (a) **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 fully implement the project.

(b) **Legal and Regulatory Issues** (Weighting: 10%)

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 intervenor, permitting and public acceptance risks.

3. **Technical Review** (Weighting 25%)

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 projects, technologies, and markets 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 technical strength of the approach to achieve the project objectives on time and within budget, including but not limited to (1) technical readiness for near-term commercial application, (2) the potential for replication of commercial use of the technology in the United States, (3) life-cycle and sustainability of the primary technology and project facility, and (4) timeframe required to achieve results contemplated in the application.

**Environmental Benefits** (Weighting: 10%)

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 meet specified emissions levels in Title XVII Section 1703(d) 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. A completed Table II-C-7 (see page 43 of this solicitation) is required for evaluation of these benefits. The following subcriteria will be used:

- a. Adequacy and completeness of the life-cycle and sustainability data related to the primary technology and project facility.

- b. Adequacy and completeness of the emissions data in addressing the improvement of the proposed technology in avoiding, reducing or sequestering air pollutants and/or greenhouse gases.
- c. Reasonableness of the data that shows the energy security benefits of the project.
- d. Efficacy of the data provided in addressing project metrics and performance metrics.
- e. Adequacy of the completion of the Table II-C-7 data fields for benchmark and performance metrics.

Potential environmental impacts of the project, mitigation plans, NEPA considerations, site permits, site preparation, and construction and commissioning of the facility will be considered.

**Attachment A3**  
**Tab 2**

**Desired Outcomes**

**Applications Evaluation – Desired Outcomes**

1. Reasonable Prospect of Repayment (see note)
2. Optimization of Technical and Market Diversity
3. Project Structures That:
  - a. Meet or exceed the environmental requirements in Title XVII, Section 1703 (d).
  - b. Validate the future commercial viability of advanced coal initiatives in the complex energy market of numerous competitive alternatives and potential carbon regulations.
  - c. Provide best use of the DOE's loan guarantee authority in supporting this and other coal based projects.
  - d. Projects with high equity to debt (including DOE loan guarantee) ratios.

**Notes:**

**Reasonable Prospect of Repayment and Sufficiency of Financing to Carry Out Project**

1. 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 prospect 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 prospect 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 ("LRPF") 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.
2. DOE is assuming a classical LRPF approach where DOE takes minimal pre-completion risks, which are expected to be shared among the appropriate project participants.
3. As with a classical approach to LRPF, following completion DOE will look to the cash flows from the project as the primary source of repayment. This presumes that the major risks (e.g., feedstock, off-take, etc.), are appropriately mitigated via project contracts.

4. 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.

5. 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 prospect 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 any Federal agency pursuant to 10 CFR 51.

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 into any DOE NEPA documents associated with the project.

Because loan guarantees are expected to be issued 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 another Federal agency 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 an EIS that has been prepared by another agency, or, if timely, become a cooperating agency in an EIS currently being prepared by another agency.

**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.gc.energy.gov/NEPA>, under “NEPA Contracting.”

The applicant will hire a firm to prepare the EA or EIS once a third-party agreement or memorandum-of-understanding 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. 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 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.

**Environmental Report shall include description of the following:**

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.gc.energy.gov/NEPA> (under “Guidance”)-- “Recommendations for the Preparation of Environmental Assessments and Environmental Impact Statements,” “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**

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**UNITED STATES  
DEPARTMENT OF ENERGY**

**FEDERAL LOAN GUARANTEES FOR COAL-BASED POWER GENERATION  
AND INDUSTRIAL GASIFICATION FACILITIES THAT INCORPORATE  
CARBON CAPTURE AND SEQUESTRATION OR OTHER BENEFICIAL USES  
OF CARBON AND FOR ADVANCED COAL GASIFICATION FACILITIES  
Title XVII Loan Guarantee Program**

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

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**LOAN GUARANTEE FEE STRUCTURE:**

<u>Type of Fee</u>	<u>Fee Amount</u>
<b>I. Application (First Fee)</b>	<b>\$800,000 payable as follows: 1. with Part I submission: \$200,000 (25%) 2. with Part II submission: \$600,000 (75%)</b>
<b>II. Facility (Second Fee)</b>	<b>1/2 of 1% of Guaranteed Portion of the Guaranteed Obligation</b>
<b>III. Maintenance (Third Fee)</b>	<b>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</b>

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-FOA-000008 Application Fee for (applicant name)**

Applicants should be advised that they must include all information above in order for proper credit to be assigned to applicant.

Once the initial portion of the application fee is 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](http://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](mailto:lgprogram@hq.doe.gov).

In reference to DOE Solicitation No. DE-FOA-0000008  
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 Number	DUNS Number	NAIC

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.**

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Contact Last Name	First Name	Position/Title



**Phone Number**

**Fax Number**

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**Address**

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**City**

**State**

**9 Digit Zip Code**

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**Organization Name  
Security No.**

**Federal Tax ID or Social**

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**Contact Last Name**

**First Name**

**Position/Title**

--	--	--

**Phone Number**

**Fax Number**

--	--

**Address**

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**City**

**State**

**9 Digit Zip Code**

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**Organization Name  
Security No.**

**Federal Tax ID or Social**

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**Contact Last Name**

**First Name**

**Position/Title**

--	--	--

**Phone Number**

**Fax Number**

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**Address**

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**City**

**State**

**9 Digit Zip Code**

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**Organization Name  
Security No.**

**Federal Tax ID or Social**

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**Contact Last Name**

**First Name**

**Position/Title**

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**Phone Number**

**Fax Number**

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**Address**

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**City**

**State**

**9 Digit Zip Code**

--	--	--

**Organization Name** **Federal Tax ID or Social Security No.**

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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 EPAAct 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 their 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.*).

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**CERTIFICATION**

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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.

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Applicant (Organization Name)

--

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

--	--

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

Date

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# **Attachment E1**

## **Letter of Commitment**

## Attachment E1

Director, DOE LGPO

This is to confirm our intent to seek a loan guarantee pursuant to your solicitation No. DE-FOA-0000008, dated September 22, 2008. We have met all mandatory requirements of this solicitation as specified in Attachment A3, Tab 1 of the solicitation. Our Part I fee was wired as per your instructions on XX/XX/XXXX. We intend to submit our Part II application no later than 11:59PM ET on March 23, 2009 together with the remaining 75% of the non-refundable application fee set forth in Attachment C.

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/xxxx. [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.]

We have carefully reviewed the eligibility requirements under each project category lineated in the authorization and we are requesting a loan guarantee under  
**[select appropriate statement below]**

(the \$6,000,000,000 loan guarantee authority for coal-based power generation and industrial gasification activities at retrofitted and new facilities that incorporate carbon capture and sequestration or other beneficial uses of carbon.)

**or**

(the \$2,000,000,000 loan guarantee authority for advanced coal gasification projects.)



# **Attachment E2**

## **Consent to Public Disclosure**

**(Attachment E2)**

**CONSENT TO PUBLIC DISCLOSURE OF CERTAIN ADVANCED FOSSIL ENERGY TECHNOLOGY LOAN GUARANTEE APPLICATION INFORMATION**

In the event that the loan guarantee application of (Insert name of applicant here) (the Applicant), for a loan guarantee under Solicitation Number: DE-FOA-0000008 Federal Loan Guarantees for Coal-Based Power Generation, Industrial Gasification Facilities that incorporate carbon capture and sequestration or other beneficial uses of carbon and for Advanced Coal Gasification Facilities is selected by the Department of Energy's (DOE) Credit Review Board for due diligence, underwriting and negotiation, the Applicant through its undersigned authorized representative hereby consents to the disclosure by the DOE through publication of an abstract of the proposed project in a DOE press release.

Upon the request of DOE, Applicant hereby agrees to promptly provide DOE with an abstract (which DOE shall have the right to use as described above in the form provided or as revised by DOE in its sole discretion) meeting the following requirements: The abstract must contain a summary of the proposed project suitable for dissemination to the public. It should be a self-contained document that identifies the name of the applicant, the project director/principal investigator(s), the project title, the objectives of the project, a description of the project, including methods to be employed, the potential impact of the project (i.e., benefits, outcomes), major participants (for collaborative projects), total project cost, and the Federal Loan Guarantee amount. This document must not include any proprietary or sensitive business information as the Department may make it available to the public. The project summary must not exceed one page when printed using standard 8.5" by 11" paper with 1" margins (top, bottom, left and right) with font not smaller than Arial 11 point.

The undersigned understands that this information might be published, broadcast, discussed, or otherwise disseminated in the public record. This authorization shall become effective upon the execution thereof. Except to the extent disclosure is authorized herein, all other application information of the undersigned applicant will be handled in accordance with the Freedom of Information Act (5 U.S.C. 552) and all applicable laws.

I certify that I have the authority to execute this consent to disclose on behalf of the applicant named below.

Date:

Signature:

Print name:

Title:

Name of Applicant and Applicant's Address:

# **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](http://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](http://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](mailto: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](mailto: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 document 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 11:59 ET on December 22, 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 any partial or complete application through FedConnect or by contacting DOE at [lgprogram@hq.doe.gov](mailto: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](mailto:lgprogram@hq.doe.gov)

subject line must include “refcoal solicitation question”

- Telephone at: 202-586-8336

Additional information on the loan guarantee program may also be available at [www.lgprogram.energy.gov](http://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 discussions 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.