

THE DEPARTMENT OF ENERGY
Office of Public Affairs

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**Secretary Chu, Senator Reid Announce Department of Energy Conditional
Commitment for a Loan Guarantee for Nevada Geothermal Project**
Project Expected to Create Over 300 Jobs and Produce Clean Geothermal Power

Washington, D.C. – U.S. Energy Secretary Steven Chu and Senate Majority Leader Harry Reid today announced the offer of a conditional commitment to provide a partial guarantee for a \$350 million loan for a geothermal power generation project. The project, sponsored by Ormat Nevada, Inc., is expected to produce a total of 121 megawatts (MW) of clean, baseload power from three geothermal power facilities and will increase geothermal power production in Nevada by nearly 25 percent. The facilities are Jersey Valley in Pershing County, McGinness Hills in Lander County and Tuscarora in Elko County. The company estimates the project will create approximately 330 construction jobs and nearly 65 permanent jobs.

“Geothermal power offers consistent electricity production 24 hours a day,” said Secretary Chu. “This project will help our nation maintain its position as the world’s leader in installed geothermal capacity, while creating hundreds of jobs in Nevada.”

“This announcement is yet another sign that Nevada is becoming a global leader in clean energy jobs,” Senator Reid said. “The completion of these geothermal plants would be a significant achievement in Nevada’s development of its renewable energy potential and will ensure that our state continues to leverage its geothermal resources for sustainable economic growth that puts Nevadans back to work.”

The geothermal facilities feature Ormat Energy Converter (OEC) modules, which are in use around the world. OEC’s employ a binary organic Rankine cycle, with hot water drawn from wells deep below the Earth’s surface. The water’s thermal energy is used to heat a secondary fluid that is vaporized and then forced through a turbine to generate electricity. The OEC modules typically consist of pre-engineered units that include an integrated vaporizer, preheater,

turbine-generator set, condenser and feed pump, all of which work together to convert the geothermal energy to electric power.

Unlike coal-fired and natural gas-fired power generation plants, geothermal plants produce virtually no greenhouse gas emissions. The Ormat project is expected to avoid nearly 580,000 metric tons of carbon dioxide annually, equivalent to the greenhouse gas emissions of over 110,000 vehicles. The project is also expected to produce over one million megawatt hours of power annually, enough to power nearly 88,000 homes. The project's total output is expected to be sold to Nevada Power Company under a long-term power purchase agreement. Lender-applicant, John Hancock Life Insurance Company (USA) submitted the application under the Financial Institution Partnership Program (FIPP).

The Department of Energy's Loan Programs Office administers three separate programs: the Title XVII Section 1703 and Section 1705 loan guarantee programs, and the Advanced Technology Vehicle Manufacturing (ATVM) loan program. The loan guarantee programs support the deployment of renewable energy systems using commercial technologies, along with innovative technologies that avoid, reduce, or sequester greenhouse gas emissions, while ATVM supports the development of advanced vehicle technologies. Under all three programs, DOE has issued loans, loan guarantees or offered conditional commitments for loan guarantees totaling over \$30 billion to support 30 clean energy projects across the U.S. The program's 15 generation projects produce over 26 million megawatt-hours annually, enough to power over two million homes. To date, the program has committed over \$450 million in loan guarantees to geothermal power projects. DOE has also committed financing to support numerous other projects, such as four of the world's largest solar projects, the world's largest wind farm and the nation's first new nuclear power plant in three decades. For more information, please visit <http://www.lpo.energy.gov>.

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