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October 8, 2010

Department of Energy Offers Conditional Commitment for a Loan Guarantee to Support World's Largest Wind Project

Recovery Act-Supported Loan Will Create Jobs and Avoid Over 1.2 Million Tons of Carbon Pollution Annually

Washington D.C. --- U.S. Energy Secretary Steven Chu today announced a conditional commitment to provide a partial guarantee for a \$1.3 billion loan in support of the world's largest wind farm to date. The loan will finance the Caithness Shepherds Flat wind project, an 845 megawatt wind-powered electrical generating facility located in eastern Oregon sponsored by Caithness Energy LLC and General Electric (GE) Energy Financial Services.

"Thanks to the Recovery Act, we are creating the clean energy jobs of the future while positioning the U.S. as a world leader in the production of renewable energy," said Secretary Chu. "This project is part of the Administration's commitment to doubling our renewable energy generation by 2012 while putting Americans to work in communities across the country."

The Caithness Shepherds Flat wind project consists of 338 wind turbines supplied by GE. The project will use GE's 2.5xl turbines, which are designed to provide high efficiency and increased reliability, maintainability and grid integration. The wind farm is the first in North America to deploy these turbines, which have been used in Europe and Asia. Once completed, the project will sell 100 percent of the power generated to Southern California Edison through 20-year fixed price power purchase agreements. The wind facility will avoid 1,215,991 tons of carbon dioxide per year, equivalent to the annual greenhouse gas emissions from 212,141 passenger vehicles. According to Caithness, the project will directly create 400 construction jobs, followed by 35 permanent jobs on site.

The Caithness Shepherds Flat project is the largest project to date to receive an offer of a conditional commitment for a loan guarantee under the Financial Institution Partnership Program (FIPP), a Department of Energy program supported by the American Recovery and Reinvestment Act. In a FIPP financing, the Department of Energy guarantees up to 80 percent of a loan provided to a renewable energy project by qualified financial institutions. The \$1.3 billion loan is expected to be funded by a group of institutional investors and commercial

banks led by Citi, as lender-applicant and joint lead arranger, and three other joint lead arrangers, the Bank of Tokyo-Mitsubishi UFJ, Ltd., RBS Securities and WestLB Securities Inc.

The Department of Energy, through the Loan Programs Office, has issued loan guarantees or offered conditional commitments for loan guarantees to support 15 clean energy projects, resulting in \$15.9 billion in total loan guarantees. For more information, please visit the [Loan Programs Office](#).

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