

THE DEPARTMENT OF ENERGY

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Department of Energy Offers \$102 Million Conditional Commitment for Loan Guarantee to U.S. Geothermal, Inc.

Oregon Project is First Geothermal Project to Receive Conditional Commitment

Washington, D.C. --- Energy Secretary Steven Chu today announced the offer of a \$102.2 million conditional commitment for a loan guarantee to U.S. Geothermal, Inc. to construct a 22 megawatt geothermal power project in Malheur County, in southeastern Oregon. U.S. Geothermal estimates that the planned project will create 150 jobs during the 20-month construction period and employ 10 skilled full-time workers when it begins operating in 2012.

The project will use an improved technology to extract energy from rock and fluids in the earth's crust more efficiently. The technology, referred to as a supercritical binary geothermal cycle, is estimated to be more efficient than traditional geothermal binary systems, allowing lower-temperature geothermal resources to be used for power generation.

"Our nation needs to transition to cleaner energy sources, and supporting innovative projects and new technologies like this is an important part of the equation," said Secretary Chu. "This project will create jobs while providing clean, baseload energy to help power America's homes," said Chu.

"With U.S. Geothermal, Inc., Oregon will be home to another renewable energy company that is not only producing green power to meet current and future energy demands but it is also an innovator within the geothermal industry," said Governor Ted Kulongoski. "We welcome Geothermal, Inc. to Malheur County as a part of eastern Oregon's growing renewable energy economy."

"There is tremendous potential for renewable geothermal energy and the jobs for Oregon that come with it," said Senator Ron Wyden. "The announcement today helps make commercial development of geothermal energy in Malheur County a reality. This is good news for Oregon and the environment."

"This project will create jobs and reduce our dependence on fossil fuels - high priorities for Oregon and our nation. I am thrilled that U.S. Geothermal will be helping the Malheur County economy by creating jobs and taking advantage of the region's unique renewable energy

resources," Senator Jeff Merkley said. "Whether it is wave, wind, solar, biomass, or geothermal, Oregon has abundant renewable energy sources and I'm excited about the impact this new investment in Malheur County will have on our nation's ability to develop further geothermal energy."

In typical binary geothermal power projects, hot water is drawn from wells as deep as 4,500-6,000 feet 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. U.S. Geothermal's supercritical binary geothermal cycle is more efficient than other systems in extracting heat from the hot water which directly increases the output of the power plant. As a result, more energy can be extracted from existing sites in addition to new sites that previously would not have been considered for geothermal projects.

One hundred percent of the project's output will be sold to Idaho Power Company under a long-term power purchase agreement (PPA). With the 25-year PPA in place, the project is well-positioned to accommodate anticipated population growth and renewable energy demand in the region. About 95 percent of the power plant's infrastructure and parts are expected to be supplied by U.S.-based manufacturers, according to the company.

Including the conditional commitment announced today, the Department has issued conditional commitments for loan guarantees to support ten clean energy projects. This conditional commitment is another step toward making the United States a worldwide leader in the manufacture and deployment of clean-energy technology. For more information, please visit www.lgprogram.energy.gov.

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