



Department of Energy

Washington, DC 20585

September 21, 2018

Oglethorpe Power Corporation (An Electric Membership Corporation)
2100 East Exchange Place
Tucker, Georgia 30084

Attention: Elizabeth B. Higgins, Executive Vice President, Chief Financial Officer

Ladies and Gentlemen:

In light of the upcoming vote by the owners on continuing construction of Vogtle 3&4, and the recent correspondence we have seen from various parties regarding this important issue, I wanted to ensure you have the perspective of the Department of Energy (the Department) on Vogtle, the current loan guarantees that are in place and the conditional commitment that is pending.

As the owners face a critical decision on the future of Vogtle, the Department recognizes it is a commercial decision in determining what happens with Vogtle 3&4. But that decision will have a profound impact on the U.S. nuclear industry and a reputational mark on the ability of American industry to complete important and complex infrastructure projects. If the owners decide to cancel the project, the Department is prepared to move swiftly to fully enforce its rights under the terms of the Loan Guarantee Agreements, including the repayment provisions.

When Vogtle 3&4 comes online, it will be the first large scale nuclear utility project in America completed in more than thirty years and a linchpin in the all-of-the-above energy strategy required to sustain our nation's economic strength and energy independence. The decision each owner makes should be made with an understanding of the ripple effect this project is already having, including job creation and the positive signal of the continued value and viability of commercial nuclear power in our county. What cannot be understated are the far reaching implications your decision will have beyond Georgia's borders, including our national security and the viability of the American commercial nuclear industry in the international markets.

The significant policy implications mentioned above have been a factor in the Department's continued willingness to guarantee loans that represent a major portion of the project's costs and should be considered in any deliberations about the project's future.



To date, the Department has disbursed to the Vogtle owners approximately \$5.6 billion of an \$8.3 billion DOE loan guarantee. As you know, disbursements on this loan were halted in early 2017 until the Department had assurances that the project owners were committed to complete Vogtle and the owners had the required finances to reach completion. We fully support the project, but, the Department will continue to hold further disbursements, and will not move forward on the pending \$3.7 billion conditional commitment, until there are firm assurances that all necessary components are in place to complete Vogtle, as stipulated in the Loan Guarantee Agreements.

We understand that a project of this size and scope presents a complex mesh of risk and responsibility for all involved, from board chairmen to utility rate payers, and deserves the highest degree of fiscal discernment. The Department reminds the owners of the repayment provisions that are part of the existing Loan Guarantee Agreements with the borrowers. As mentioned above, the Department will move to fully enforce its rights under the terms of the Loan Guarantee Agreements to ensure the true guarantors of those funds, the U.S. taxpayers, are protected and made whole, including the repayment provisions.

In the end, we are hopeful that construction on Vogtle 3&4 will continue, and when completed, this important project will not only provide a reliable source of power for decades, but will serve as a reminder of what American technology and vision can accomplish.

Very Truly Yours,

U.S. Department of Energy

By: _____

A handwritten signature in blue ink, appearing to read "John Sneed", is written over a horizontal line.

John Sneed
Executive Director, Loan Programs Office
U.S. Department of Energy