

Developer Hunts Financing For Texas Nukes

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Energy Future Holdings' subsidiary **Luminant**, together with **Mitsubishi Heavy Industries**, is seeking financing to back a portion of the \$15 billion cost of two new nuclear generation projects in Texas.

The partners are planning to build two 1.7 GW units on Luminant's 2.3 GW Comanche site near Glen Rose, Texas. **Concentric Energy Advisors** in Marlborough, Mass., is advising Luminant, says **John Reed**, chairman and ceo. He declined to specify the form and size of the financing being sought, but says the parties are in talks with undisclosed banks. Luminant has applied for financing under the U.S. **Department of Energy's** loan guarantee program. The DOE can provide up to 80% debt financing for a nuclear build, translating into at least \$3 billion provided from the sponsors for the Comanche projects.

Luminant has hired Concentric partly because of its experience, says Reed. "We've advised on a lot of nuclear and a lot of fossil," Reed says, noting the firm has worked on a number of nuclear transactions in the U.S. **Citigroup** is advising Mitsubishi on the joint venture, he adds.

Reed says other Japanese companies are looking to finance nuclear plants. "We have all of the major Japanese players mounting offenses," he says. Several are looking for financing for U.S. nuclear projects. For instance, **Marubeni**--another client of Concentric. Calls to Marubeni were not returned. The **Japanese Bank for International Cooperation** also recently redefined its policy to include loans in the nuclear sector so it can now invest in the space. An official at JBIC declined to elaborate.

Reed expects the first U.S. nuclear project will come online around 2016. Officials at the other companies and banks declined to comment or did not return calls. --**Katie Hale**