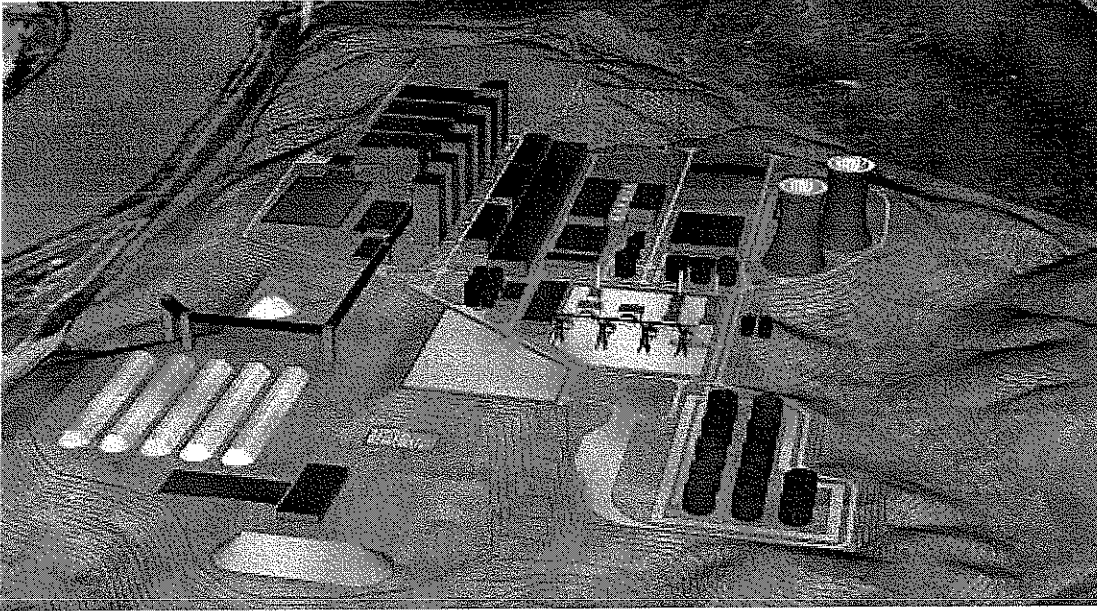


Application to:  
**United States Department of Energy**  
FEDERAL LOAN GUARANTEES FOR COAL-BASED POWER GENERATION AND  
INDUSTRIAL GASIFICATION FACILITIES THAT INCORPORATE CARBON CAPTURE  
AND SEQUESTRATION OR OTHER BENEFICIAL USES OF CARBON AND FOR  
ADVANCED COAL GASIFICATION FACILITIES  
Solicitation Number: DE-FOA-0000008



**Volume 2**  
**Part I – Initial Information/Overview**

December 22, 2008

Submitted by:

*Ohio River Clean Fuels, LLC*

*Baard Energy, LLC*

“The data contained in all pages of this document or electronic file, including all attachments and supplemental documents, which hereby forms a part of the Application have been submitted in confidence and contain trade secrets or proprietary information, and such data shall be used or disclosed only for evaluation purposes; provided that, if this applicant is issued a loan guarantee under Title XVII of the Energy Policy Act of 2005 as a result of or in connection with the submission of this Application, DOE shall have the right to use or disclose the data herein, other than such data that have been properly reasserted as being trade secret or proprietary in the loan guarantee agreement. This restriction does not limit the Government’s right to use or disclose data obtained without restriction from any source, including the applicant.”

Table of Contents

Cover Page ..... 1

ORCF Part I - SectionE: Financial Plan ..... 2

    ORCF/I/E/1 Background and Legal Structure..... 2

    ORCF/I/E/2 Legal Authority ..... 2

    ORCF/I/E/3 Financial Statement..... 2

    ORCF/I/E/4 Credit History..... 2

    ORCF/I/E/5 Litigation and/or Conflicts ..... 3

    ORCF/I/E/6 Financial Model ..... 4

ORCF Part I - SectionF: Application Certifications ..... 17

    ORCF/I/F/1 Certifications and Assurances ..... 17

List of Figures

Figure E-1 - Income Statement ..... 9

Figure E-2 - Balance Sheet ..... 10

Figure E-3 - Cash Flow Statement..... 11

Figure E-4 - Volumes and Pricing ..... 12

Figure E-5 - Revenue and Expense Detail (\$/Bbl)..... 13

Figure E-6 - Revenue and Expense Detail (Millions \$)..... 14

Figure E-7 - Coal and Oil price affect on Debt Service Coverage Ratio ..... 15

Figure E-8 - Coal and Oil price affect on 15 year Pre-tax IRR..... 15

Figure E-9 - DOE Loan % affect on Debt Service Coverage Ratio..... 15

Figure E-10 - DOE Loan % affect on 15 year Pre-tax IRR ..... 16

Figure E-11 - EPC costs and Oil Price affect on Debt Service Coverage Ratio ..... 16

Figure E-12 - EPC costs and Oil Price affect on 15 year Pre-tax IRR..... 16

Acronyms and Abbreviations

|                 |                                   |
|-----------------|-----------------------------------|
| BTU             | British Thermal Unit              |
| bbbl            | barrel                            |
| CBTL            | Coal/Biomass to Liquids           |
| CCPA            | Columbiana County Port Authority  |
| CEC             | Civil & Environmental Consultants |
| CO              | carbon monoxide                   |
| CO <sub>2</sub> | Carbon Dioxide                    |
| CTL             | Coal to Liquids                   |
| EOR             | Enhanced Oil Recovery             |
| FEED            | Front End Engineering and Design  |
| F-T             | Fischer-Tropsch                   |
| GHG             | Greenhouse Gases                  |
| Hg              | Mercury                           |
| INL             | Idaho National Laboratory         |
| lb              | Pound                             |
| LPG             | Liquefied petroleum gas           |
| MMBtu           | Million British Thermal Unit      |
| MWH             | Megawatt hour                     |
| NOx             | nitrogen oxide                    |
| ORCF            | Ohio River Clean Fuels, L.L.C.    |
| SOx             | sulfur dioxide                    |
| tph             | Tons per hour                     |

12/22/2008

Solicitation Number: DE-FOA-000008

*The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.*

---

## Cover Page

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

---

## ORCF Part I - Section E: Financial Plan

### ORCF/ I / E / 1 Background and Legal Structure

*Describe the applicant's history, ownership, and legal structure (e.g., state governmental agency, local governmental agency, corporation, or partnership) and the relationship between the applicant and the Borrower. Include a copy of the statutory authority under which the entity was created.*

Ohio River Clean Fuels, L.L.C. was formed on July 21, 2004 under the name of Cleveland Generation, L.L.C. for the purpose of developing an advanced coal gasification project. The name of the company was later changed to Ohio River Clean Fuels to better reflect the emphasis of the business to generate ultra clean liquid transportation fuels. Ohio River Clean Fuels is a Delaware limited liability company formed under the laws of the Delaware Limited Liability Company Act.

For the purposes of this application, the Applicant (Ohio River Clean Fuels, L.L.C.) is the Borrower.

### ORCF/ I / E / 2 Legal Authority

*Describe the legal authority of the applicant to carry out the proposed project activities (e.g., issuing debt, charging fees). Provide supporting documentation.*

Ohio River Clean Fuels, L.L.C. was formed under and in accordance with the Delaware Limited Liability Company Act. The board of Ohio River Clean Fuels by the resolution included with this application specifically authorized this application. Under Ohio River Clean Fuels' operating agreement the company is specifically authorized to issue notes, bonds and other obligations and to exercise all powers necessary or convenient to effect any or all of the purposes for which the company was organized.

### ORCF/ I / E / 3 Financial Statement

*Provide audited financial statements and associated notes for the past three years (or during the full time in operation, if less), prepared in US GAAP by an independent certified public accountant firm acceptable to DOE. Include the applicant's quarterly or interim financial statements and associated notes for the current fiscal year of applicant and parties providing applicant's financing backing, supported by a letter from the appropriate company financial official certifying their correctness.*

### ORCF/ I / E / 4 Credit History

*Include a credit history of the applicant and any party owning or controlling, by itself and/or through individuals in common or affiliated business entities, a five percent or greater interest in the project or the applicant. Provide their full names (including middle name or initial), home or business address as appropriate (including zip code), date of birth and taxpayer identification/social security number. DOE will use such information to verify the credit history*

(504)

12/22/2008

Solicitation Number: DE-FOA-0000008

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

---

of such applicant and party. DOE may also request additional documentation as part of the project evaluation process.

[REDACTED]

[REDACTED]

[REDACTED]

(b)(4)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**ORCF/ I / E / 5      Litigation and/or Conflicts**

*Disclose any current, threatened, or pending litigation involving the applicant related to permitting, public involvement, environmental issues, construction defects, securities fraud, conflict of interest, failure to perform under a local, state or Federal contract, or other charges which may reflect on the applicant's financial position or ability to complete the project.*

Ohio River Clean Fuels expects all of the major environmental permits issued for the project to be challenged with the exception of the 401 permit as explained below. Ohio River Clean Fuels has received a final air permit from Ohio EPA, a final NPDES permit from Ohio EPA, a final 401 permit from Ohio EPA and a final 404 permit from U.S. Army Corps of Engineers.

On September 8, 2008 the National Resources Defense Council and the Sierra Club appealed the Director of the Ohio EPA's decision to issue the NPDES permit to the Environmental Review Appeals Commission of Ohio ("ERAC"). This appeal does not prohibit the Company from proceeding with construction as the permit is in full effect and the parties appealing the permit did not request a stay. The Company has engaged the law firm of Vorys, Sater, Seymour and Pease to assist the Company with the appeal of its NPDES permit and the Ohio Attorney General is representing the Ohio EPA with the defense of its decision to issue the NPDES permit. A hearing before ERAC is scheduled for the week of September 28 through October 2, 2009.

12/22/2008

Solicitation Number: DE-FOA-0000008

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

The Company expects the National Resources Defense Council and the Sierra Club to appeal the air permit and 404 permit, and is confident the permits will be upheld. The time permitted for a challenge to the 401 permit has expired and thus the Company does not expect a challenge to that particular permit.

As of the time of this application, Ohio River Clean Fuels, is not aware of any other current, pending or threatened litigation against the Applicant.

#### **ORCF/ I / E / 6            Financial Model**

*Include a financial model (Microsoft Excel), with pro-forma financial statements in their preparation, range of revenue, operating cost and credit assumptions considered. The model must include detailed assumptions for the proposed term of the guaranteed portion of the Guaranteed Obligation, including income statements, balance sheets, and cash flows, which will allow DOE to utilize the model for a wide range of sensitivity analysis. The model should include the pre-construction period, and identify all sources of project development funding during this period, include a detailed explanation of the preconstruction project costs.*

The ORCF financial model is contained in a Microsoft Excel spreadsheet with the filename of "ORCF DOE Model.xls" and is included as part of this application.

#### **How to Load the Model**

This model was created in Microsoft Excel 2003. The following instructions are based on the Microsoft Excel 2003 program. Before opening the model you should take the following steps:

- The model requires the "Analysis ToolPak" and the "Solver Add-in" to be activated. To do this go to Tools/Add-Ins and check the appropriate boxes. If these Add-Ins do not appear in the list, then you will need to load them from your Excel installation disc.
- The model needs to be calculated using the iteration function because it intentionally contains circular references. Circular references are required to calculate capital costs since interest during construction is a function of total capital costs and total capital costs are a function of interest during construction. Go to Tools/Options/Calculation. Check the "Iteration" box. We suggest setting Maximum Iterations to 50 and Maximum Change to 0.001.
- The model contains macros so you should select "Enable Macros" if you are prompted to when opening the file.

#### **How to Navigate the Model**

The model has approximately 20 separate tabs, with each tab containing either a set of inputs and/or a series of calculations and/or a set of results. A description of each of these tabs follows.

#### **Tabs Containing Input Information**

**Input** – This tab contains most of the key model assumptions. The tab is designed to allow the user to easily see the important assumptions that are driving the model's financial results and adjust these assumptions if necessary. This tab includes commodity prices, transportation prices, key operating cost drivers, construction timeline, capitalization and interest rates, production capacity, taxes and more. Anyone performing sensitivity analysis (see "Scenario" tab) will likely change values on this tab to do so.

**Development Budget** – This tab provides a detailed budget outlining expenditures that will be necessary to advance the Project from its current state through to financial close. The application specifically asks us to provide a detailed explanation of pre-construction project costs as well as sources of funds that will be used to pay these costs. Development costs total \$ [REDACTED] with each line item addressed below:

(5/11)

12/22/2008

Solicitation Number: DE-FOA-0000008

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

- Baard Energy Employee Costs (\$ [REDACTED]) – This estimate is based on Baard Energy's current monthly expenditures adjusted for an expected increase in staff as the Project progresses through development.
- Project Payables ([REDACTED]) – This is an estimate of the cost of past and ongoing work performed by outside professionals through the first quarter of 2009.
- Permits ([REDACTED]) – This is an estimate of incremental permit costs associated with pursuing a loan guarantee. Since ORCF has already been issued its air and water permits, these funds need to cover the NEPA and Ohio Power Siting Board.
- CO2 Studies ([REDACTED]) – This is Baard's estimate of funds required to perform incremental geological tests on the [REDACTED].
- Interconnect Study (\$ [REDACTED]) – This is an estimate of the funds required prior to financial close to move the interconnection process forward with the Midwest ISO.
- Site Control (\$ [REDACTED]) – The Columbiana County Port Authority has already signed option agreements with many of the current owners of the proposed site. Some of those options will have to be exercised prior to construction financing. Other options can be extended while other options are still under negotiation. This estimate is based on existing land option agreements and Baard's estimate of what the incremental option agreements will cost.
- Commodity Purchase Agreements (\$ [REDACTED]) – ORCF has an [REDACTED] agreement with [REDACTED], a subsidiary of [REDACTED]. That agreement calls for ORCF [REDACTED] in order to [REDACTED].
- DOE Loan Guarantee (\$ [REDACTED]) – This is an estimate of the professional service expenses required to complete the DOE loan application process, including credit evaluation, independent engineering report, market studies, etc. This does not include the application fee or the credit subsidy cost.
- FT, Storage, OSBL, & Utilities FEED (\$ [REDACTED]) – This estimate is based on a proposal from [REDACTED] for performing the following components of the FEED study: Fischer Tropsch, Product Upgrading, outside the boundary limits engineering, and utilities engineering. ORCF has a detailed proposal and price from [REDACTED] for performing this work.
- License Fees (\$ [REDACTED]) – This is an estimate of the portion of the license fees for gasification and Fischer Tropsch that will be due prior to financial close. The estimate relies on the latest values that were being negotiated with technology providers.
- Gasifier Engineering (\$ [REDACTED]) – This estimate is based on a proposal provided by [REDACTED] for all gasifier engineering.
- Syngas and SRU Engineering (\$4.5 million) – ORCF has not yet decided which company to use for the syngas cleanup and sulfur recovery operations. This estimate was provided to ORCF by [REDACTED]. [REDACTED] will not be performing this work, but has provided ORCF with a rough estimate of this expected cost.
- Power Block (\$3.5 million) – This estimate is based on [REDACTED]'s response to ORCF's RFP for power island engineering.
- Contingency (\$ [REDACTED]) – This represents 3 percent of total FEED engineering.
- Transaction Costs and Other (\$9.5 million) – Covers the cost of raising development equity and any other non-engineering costs.

ORCF is [REDACTED] by Baard Clean Fuels Ohio River, LLC which is wholly owned by [REDACTED]. All development activities to date have been funded by ORCF and its affiliated companies. ORCF has retained [REDACTED] for the next phase of the development process.

(b)(4)

ck

12/22/2008

Solicitation Number: DE-FOA-0000008

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

---

**EPC** – This tab provides estimated costs for the major sections of the Project. These estimates are based on pre-FEED engineering work performed by the [REDACTED] consortium, [REDACTED], [REDACTED], and the Idaho National Laboratory. The pre-FEED work focused on the total cost to construct three [REDACTED] trains. Baard worked with [REDACTED] to allocate the costs to each phase of the Project, resulting in Phase 1 estimated costs for the loan guarantee application. Each company used different cost escalation methodologies, so Baard had to normalize these costs as well. All of the EPC cost information, the allocation of costs to different Project phases, and the escalation of the costs has been evaluated by [REDACTED].

(5)(4)

**Sal** – This tab contains labor and salary information. The source of the labor estimates is the pre-FEED study performed by the [REDACTED] consortium.

### Tabs Containing Calculations

**Finance** – This tab depicts overall Sources and Uses for constructing the Project. Some costs (e.g., financing costs) are calculated on this tab, while other costs (EPC costs) are pulled in from other tabs. Once the total uses are calculated, this tab also calculates the sources based on the level of debt entered on the “Input” tab.

**Construction** – This tab performs all of the calculations associated with the construction time period. It calculates equity draw downs, debt draw downs, and interest during construction costs.

**Debt** – This tab calculates principle and interest expenses associated with DOE debt.

**Rev&Exp** – This tab contains a detailed build-up of all revenue and expense line items. The values calculated on this tab are also contained in summary form on various other tabs, including the “Financials” tab.

**Financials** – This tab contains the income statement, balance sheet, and cash flow statement.

**Volumes** – This tab converts all volumes into annual volumes taking into consideration daily throughput and annual availability. The annual volumes are included in a table that is the source of all volume-based calculations (e.g., revenue) in the rest of the model. The overall plant efficiency is calculated in columns AI through AR on this tab.

**Curves** – This tab is the central repository for all price information. The user has the ability to enter pricing assumptions on the “Input” tab. These assumptions are converted into annual prices on the “Curves” tab. The prices are included in a table and provide the source for all price-based calculations (e.g., revenue) in the rest of the model.

**Depr** – This tab calculates depreciation expenses. Depreciation schedules are based on advice from tax counsel.

**Inventory** – This tab calculates working capital needs associated with inventory, including raw materials, work in progress, finished goods, accounts payable, and accounts receivable.

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

---

**Tax** – This tab calculates federal and state taxes. Tax rates are based on the advice of tax counsel.

### **Tabs Containing Reference Information**

**Conversions** – This tab contains standard energy conversion factors that are used throughout the model.

**Checks** – This tab provides an error check dashboard so that the user can see whether key calculations in the model are working correctly. For example, it checks to see whether the balance sheet balances, whether source equal uses, and whether values that appear in multiple place in the model (e.g., revenue) are the same. If the model is working properly, all the values on this tab should equal zero. If the values are close to zero, then try hitting F9 (recalc) so that the model iterates more times to bring the values on this page to zero. If the values do not equal zero, then it indicates that there is a problem with the model that needs to be explored.

### **Tabs Containing Output Information**

**Basic Economics** – This tab contains a summary of important economic inputs and outputs from the model.

**Summary** – This tab contains the Sources and Uses table, annual cash flows, and calculations of debt service reserves and equity IRR's.

**Scenario** – This tab automates the process of calculating and producing sensitivity analysis by using VB macros. The user can vary three inputs and view the impact of those inputs on three outputs.

#### **Input Variables**

- The Input variables will typically be an important input that could vary in the future such as coal price or oil price. Any input can be varied using this model.
- X Variable – The “x” variable will show up on the x axis of the sensitivity table. The “x” variable label should be entered in cell D2, the cell address of the variable that will be changed is located in cell F2, and the values that should be used for the variable contained in F2 should be entered in a horizontal array starting in cell H2.
- Y Variable – The “y” variable will show up on the y axis of the sensitivity table. The “y” variable label should be entered in cell D3, the address of the variable that will be changed is located in cell F3, and the values that should be used for the variable contained in F3 should be entered in a horizontal array starting in cell H3.
- Z Variable – A separate sensitivity table will be created for each “z” variable condition, using the X and Y variables previously entered. The “z” variable label should be entered in cell D4, the address of the variable that will be changed is located in cell F4, and the values that should be used for the variable contained in F4 should be entered in a horizontal array starting in cell H4.
- Note – The greater number of variables used and the greater the number of values for each variable impact calculation time. It is recommended that when initially using the Scenario tab that you use a small number of values (e.g., a two by two matrix) before running a larger set of calculations. Since the model uses iterative calculations, it can take several minutes to run a 5x5 sensitivity matrix.

#### **Output Variables**

12/22/2008

Solicitation Number: DE-FOA-0000008

*The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.*

---

- The output variables will typically depict important calculations performed by the model such as debt coverage ratio, IRR, EBITDA, etc.
- The title of the first output variable should be entered in cell A9 and the location where the output value appears in the model should be entered in cell B9. Additional output variables can be entered in rows 10 through 14.
- Note – The number of output variables selected does not impact the time it takes to calculate and produce the sensitivity matrix.

Once all of the information is entered for the input and output variables, simply “click” on the “Run Scenario Data” button (appears over cells F7 to H9). The model performs all the calculations for every cell in every matrix. Once these calculations are completed, the sensitivity matrices will appear beginning in row 17. Also, when the model is finished running a particular scenario, the last Input values used in the Scenario will remain in the corresponding Input cells in the model. For example, if you are running a sensitivity on coal price (contained in Input!C14) and the last value in the sensitivity array is \$100, then cell Input!C14 will contain the value of \$100 when the Scenario is finished running. Also, note that if the Input cell contains a formula, this formula will be overwritten with the values contained in the array. When finished running the Scenario you should enter the desired default value or re-code the appropriate formula in the cell.

12/22/2008

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

Solicitation Number: DE-FOA-0000008

**Figure E-1 - Income Statement**

(b)(4)

12/22/2008

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

Solicitation Number: DE-FOA-00000008

**Figure E-2 - Balance Sheet**

(b)(5)(C)

12/22/2008

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

Solicitation Number: DE-FOA-0000008

**Figure E-3 - Cash Flow Statement**

(b)(5)(4)

12/22/2008

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

Solicitation Number: DE-FOA-0000008

**Figure E-4 - Volumes and Pricing**

(S)(4)

12/22/2008

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

Solicitation Number: DE-FOA-0000008

**Figure E-5 - Revenue and Expense Detail (S/Bbl)**

(b)(4)

12/22/2008

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

Solicitation Number: DE-FOA-0000008

**Figure E-6 - Revenue and Expense Detail (Millions \$)**

(b)(4)

12/22/2008

*The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.*

Solicitation Number: DE-FOA-0000008

**Figure E-7 - Coal and Oil price affect on Debt Service Coverage Ratio**

(b)(4)

**Figure E-8 - Coal and Oil price affect on 15 year Pre-tax IRR**

**Figure E-9 - DOE Loan % affect on Debt Service Coverage Ratio**

12/22/2008

*The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.*

Solicitation Number: DE-FOA-00000008

**Figure E-10 - DOE Loan % affect on 15 year Pre-tax IRR**

(b)(4)

**Figure E-11 - EPC costs and Oil Price affect on Debt Service Coverage Ratio**

**Figure E-12 - EPC costs and Oil Price affect on 15 year Pre-tax IRR**

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

**ORCF Part I - SectionF: Application Certifications**

**ORCF/I / F / 1 Certifications and Assurances**

**CERTIFICATIONS  
FOR USE WITH APPLICATIONS FOR DEPARTMENT OF ENERGY LOAN GUARANTEES  
UNDER TITLE XVII OF THE ENERGY POLICY ACT OF 2005**

The following certifications must be completed and submitted by applicants with each application for a loan guarantee under Title XVII of the Energy Policy Act of 2005 (Public Law 109-58, August 8, 2005) ("Title XVII") pursuant to the authority of the Department of Energy under 10 CFR section 609.6(b)(29) and other applicable laws and regulations, as set forth herein. The name and title of the person responsible for making the certifications and assurances must be typed in the signature block on the certification form.

These certifications shall be treated as material representations of fact upon which reliance will be placed when the Department of Energy determines whether to issue a loan guarantee under Title XVII. If it is later determined that the applicant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Department of Energy may terminate the loan guarantee.

The applicant shall provide immediate written notice to the Loan Guarantee Program Office of the Department of Energy if at any time the applicant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

Additional certifications and assurances may be required of the applicant as a condition on the receipt of a loan guarantee under Title XVII.

**1. LOBBYING**

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$110,000 for each such failure.

**2. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS**

(a) The applicant participant certifies to the best of its knowledge and belief, that it and its principals are in compliance with the Federal regulations providing Office of Management and Budget guidance for Federal agencies on the governmentwide debarment and suspension system for nonprocurement programs and activities at 2 CFR part 180, including any subsequent amendments of those regulations.

(b) The applicant certifies that it and its principals:

(i) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(ii) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction; violation of Federal or State antitrust statutes, including those proscribing price fixing between competitors, and bid rigging; commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims or obstruction of justice; or commission of any other offense indicating a lack of business integrity or business honesty that seriously

12/22/2008

Solicitation Number: DE-FOA-0000008

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

---

and directly affects the applicant's present responsibility;

(iii) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (i) of this certification; and

(iv) Have not within a three-year period preceding this application had one or more public transactions (Federal, State or local) terminated for cause or default.

(3) Where the applicant is unable to certify to any of the statements in paragraph (b) of this certification, such prospective participant shall submit an explanation to the Loan Guarantec Program Office of the Department of Energy.

#### SIGNATURE

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above certifications.

Name of Applicant:

Ohio River Clean Fuels, LLC

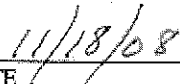
---

Printed Name and Title of  
Authorized Representative:

John Baardson, President

---

  
SIGNATURE

  
DATE

12/22/2008

Solicitation Number: DE-FOA-0000008

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

CONSENT TO PUBLIC DISCLOSURE OF CERTAIN ADVANCED FOSSIL ENERGY TECHNOLOGY LOAN GUARANTEE APPLICATION INFORMATION

In the event that the loan guarantee application of Ohio River Clean Fuels LLC (the Applicant), for a loan guarantee under Solicitation Number: DE-FOA-0000008 Federal Loan Guarantees for Coal-Based Power Generation, Industrial Gasification Facilities that incorporate carbon capture and sequestration or other beneficial uses of carbon and for Advanced Coal Gasification Facilities is selected by the Department of Energy's (DOE) Credit Review Board for due diligence, underwriting and negotiation, the Applicant through its undersigned authorized representative hereby consents to the disclosure by the DOE through publication of an abstract of the proposed project in a DOE press release.

Upon the request of DOE, Applicant hereby agrees to promptly provide DOE with an abstract (which DOE shall have the right to use as described above in the form provided or as revised by DOE in its sole discretion) meeting the following requirements: The abstract must contain a summary of the proposed project suitable for dissemination to the public. It should be a self-contained document that identifies the name of the applicant, the project director/principal investigator(s), the project title, the objectives of the project, a description of the project, including methods to be employed, the potential impact of the project (i.e., benefits, outcomes), major participants (for collaborative projects), total project cost, and the Federal Loan Guarantee amount. This document must not include any proprietary or sensitive business information as the Department may make it available to the public. The project summary must not exceed one page when printed using standard 8.5" by 11" paper with 1" margins (top, bottom, left and right) with font not smaller than Arial 11 point.

The undersigned understands that this information might be published, broadcast, discussed, or otherwise disseminated in the public record. This authorization shall become effective upon the execution thereof. Except to the extent disclosure is authorized herein, all other application information of the undersigned applicant will be handled in accordance with the Freedom of Information Act (5 U.S.C. 552) and all applicable laws. I certify that I have the authority to execute this consent to disclose on behalf of the applicant named below.

Date: 11/18/08

Signature: John A. Baardson

Print name: John Baardson

Title: President  
Ohio River Clean Fuels  
800 NE Tenney Road  
Suite 110, #104  
Vancouver, WA 98685

DOE FORM NO. 540.2  
EFFECTIVE DATE: 03/08

FORM APPROVED  
OMB NO. 1910-5134  
EXPIRATION DATE: 03/11

CERTIFICATION

The undersigned certifies that the data and information submitted and the representations made in this Application and any attachments to this Application are true and correct, to the best of the Applicant's knowledge and belief after due diligence, and that the Applicant has not omitted any material facts.

The undersigned further certifies to having full authority to bind the Applicant.

Applicant (Organization Name)

Ohio River Clean Fuels, L.L.C.

Name of Applicant's Authorized Officer (will fulfill on-line certification) Title

John Baardson

President

Signature of authorized officer (for paper copy only)

Date

John A. Baardson

11/18/08

12/22/2008

Solicitation Number: DE-FOA-0000008

The following contains proprietary information that ORCF requests not be released to persons outside the Government, except for purposes of review and evaluation.

---

**Letter of Commitment**

Attachment E1

Director, DOE LGPO

This is to confirm our intent to seek a loan guarantee pursuant to your solicitation No. DEFOA- 0000008, dated September 22, 2008. We have met all mandatory requirements of this solicitation as specified in Attachment A3, Tab 1 of the solicitation. Our Part I fee was wired as per your instructions on December 22, 2008. We intend to submit our Part II application no later than 11:59PM ET on March 23, 2009 together with the remaining 75% of the non-refundable application fee set forth in Attachment C.

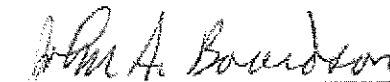
Based on the Application process as delineated in the Solicitation, we intend to be prepared to close with respect to the financing on or about 02/01/2010. If our expected financial closing date is changed: We hereby agree to notify DOE of the date on which we intend to be prepared to close with respect to the financing at least six months in advance of the date a Term Sheet would be needed.

We have carefully reviewed the eligibility requirements under each project category lineated in the authorization and we are requesting a loan guarantee under the \$2,000,000,000 loan guarantee authority for advanced coal gasification projects and the \$6,000,000,000 loan guarantee authority for coal-based power generation and industrial gasification activities at retrofitted and new facilities that incorporate carbon capture and sequestration or other beneficial uses of carbon.

The technologies that Ohio River Clean Fuels, L.L.C. will use qualify the as an advanced coal gasification project and an industrial gasification project and ORCF will incorporate carbon capture.

Date:

Signature:



:

John Baardson

Title:

President  
Ohio River Clean Fuels  
800 NE Tenney Road  
Suite 110, #104  
Vancouver, WA 98685