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BRIGHTSOURCE ENERGY OFFERED NEARLY \$1.4 BILLION IN LOAN GUARANTEES FROM THE U.S. DEPARTMENT OF ENERGY

(OAKLAND, CA) February 22, 2010 – BrightSource Energy, Inc., developer of utility-scale solar thermal power plants, announced today that the U.S. Department of Energy has conditionally committed to provide \$1.37 billion in loan guarantees to support the financing of BrightSource's [Ivanpah Solar Electric Generating System](#).

The commitment to provide loan guarantees marks a key milestone in the development of the Ivanpah project, California's first large-scale commercial solar thermal power plant in nearly two decades. When constructed, Ivanpah will be the world's largest solar energy project, nearly doubling the amount of solar thermal electricity produced in the US today.

"This clean-energy investment will help create up to 1,000 construction jobs in California," said California Senator Barbara Boxer. "In these tough times, we need investments like this to create good clean-energy jobs for Californians, increase our energy independence, protect our children from pollution and ensure American leadership in the clean energy economy."

"As home to some of the world's best solar fields and the nation's largest green economy, it is no surprise the world's largest solar energy project would choose California," said Governor Schwarzenegger. "Our ambitious environmental policies are promoting the growth of clean, reliable energy in our communities and growing green jobs up and down the state. And, it is projects like this one that will help us meet our long-term energy and climate change goals while creating jobs and moving us towards a cleaner more sustainable future."

"I am very happy to see utility-scale solar projects like this one moving forward with strong Administration support, and I am hopeful that this project will serve as a cornerstone of the clean energy economy in the Southwestern U.S.," said Nevada Senator Harry Reid. "I look forward to BrightSource and other solar companies putting more Nevadans to work by building major

projects like this in Nevada very soon."

"The loan guarantee commitment from the U.S. Department of Energy serves as a tremendous validation of our technology, the BrightSource team's ability to execute, and the Ivanpah project's role in meeting our nation's large-scale renewable energy needs," said John Woolard, CEO of BrightSource Energy. "We're truly humbled by the opportunity to help build our nation's green energy economy by creating good jobs for local communities. We look forward to beginning construction on the Ivanpah project, making a real and substantive impact on climate change, and creating a model for environmentally-responsible energy projects."

The loan guarantee is made possible by the Department of Energy's Title XVII loan guarantee program, which was started in 2005 under the Energy Policy Act to support commercially proven technology in addition to innovative renewable energy technology. Under Section 1703 of the program, the Department of Energy issues a conditional commitment to guarantee loans to be provided by the U.S. Treasury's Federal Financing Bank. Execution of the final loan guarantees is subject to the satisfaction of various conditions specified in the conditional commitment.

The Ivanpah Project: Clean Energy, Union Jobs, Environmentally-Responsible Design

The Ivanpah project, located in southeastern California, is an approximately 400 megawatt solar power facility consisting of three separate solar thermal power plants. When constructed, the project will produce enough clean energy to power 140,000 homes and nearly double the amount of solar thermal energy produced in the U.S. today.

The power generated from these solar plants will be sold under separate contracts with Pacific Gas and Electric (PG&E) and Southern California Edison (SCE). PG&E will purchase approximately two-thirds of the power generated at Ivanpah and SCE will purchase approximately one-third. In all, BrightSource has contracted with PG&E and SCE to deliver more than 2,600 megawatts of electric power.

"In today's challenging economy, the conditional loan guarantee commitment from the DOE for the Ivanpah project provides vital support for building California's first utility-scale solar thermal project in nearly two decades," said Peter A. Darbee, PG&E Corporation Chairman, CEO and President. "We're thrilled to be a part of this historic project, which will deliver additional clean

energy to our customers and help advance California's renewable energy and economic development goals."

"The conditional loan guarantee commitment from the DOE for the Ivanpah project illustrates the important role that utility-scale solar must play in meeting our state's clean energy and economic goals," said Pedro Pizarro, executive vice president of Power Operations for Southern California Edison. "Addressing climate change and building our economy requires that we bring innovative technologies to market that can reliably deliver competitively priced clean energy at scale."

Ivanpah: Creating Union Jobs

BrightSource and Bechtel, the engineering and construction contractor for the Ivanpah project, estimate that construction of the Ivanpah project will require approximately four million job hours of work and 1,000 union jobs at the peak of construction. In December 2009, Bechtel signed a project labor agreement with the State Building and Construction Trades Council of California (SBCTC) and the Building & Construction Trades Council of San Bernardino and Riverside counties to ensure that California's local workforce benefits from the project. The project will also provide \$400 million in local and state tax revenues, and produce \$650 million in wages, over its first 30-year life.

"We are pleased that President Obama's vision of a clean energy economy creating thousands of good jobs is beginning to become a reality" said Bob Balgenorth, President of the State Building and Construction Trades Council of California. "By committing to a union workforce, this project will be training and employing the middle class workers that support our state's economy."

Ivanpah: An Environmentally-Responsible Project

The Ivanpah project will reduce carbon dioxide (CO₂) emissions by more than 400,000 tons annually, which is the equivalent of taking more than 70,000 cars off the road. The project is also designed in an environmentally responsible manner. Instead of the extensive land grading and concrete pads employed by other competing solar technologies, BrightSource mounts mirrors on individual poles that are placed directly into the ground, allowing the solar field to be built around the natural contours of the land and avoid areas of sensitive plant species.

In order to conserve precious desert water, the Ivanpah project will employ an air-cooling system to convert the steam back into water in a closed-loop cycle. By using dry-cooling, the project will use only 100 acre feet of water per year; less than ten percent of the water used by the adjacent golf course and 25 times less water than competing solar thermal technologies that use wet-cooling.

In addition to employing an environmentally low impact technology, the company recently [submitted an alternative design](#) for the Ivanpah project, which would further reduce the project's footprint and significantly minimize any potential environmental impacts. The alternative mitigation proposal and the DOE loan guarantee represent two key steps towards the construction of the Ivanpah project.

The Ivanpah project is scheduled to begin construction in the second half of 2010 following issuance of permits by the California Energy Commission and the U.S. Department of the Interior's Bureau of Land Management. The project has also been identified as a "fast-track" priority by the U.S. Department of Interior for obtaining federal stimulus benefits for California under the 2009 American Recovery and Reinvestment Act (ARRA).

In September 2009, BrightSource selected Bechtel as the engineering, procurement and construction contractor for the Ivanpah project. Bechtel Enterprises, the project development and financing arm of the Bechtel organization, has committed to become an equity investor in all of the Ivanpah solar power plants. In December 2008, BrightSource signed an agreement with Siemens for the largest ever solar-powered steam turbine generator, which will be used for the first of the three Ivanpah plants.

"The DOE Loan Guarantee program serves as a tremendous catalyst for building our clean energy infrastructure," said Ian Copeland, president of Bechtel Renewables. "The Ivanpah project will usher in a new era of advanced solar power, and help the state and local economies by providing new jobs. We are pleased to not only support BrightSource as the engineering and construction contractor but also as an investor, which reflects our confidence in the project and our commitment to developing clean, renewable power projects."

Luz Power Tower 550 (LPT 550) Technology

The Ivanpah Solar Electric Generating Facility will utilize BrightSource Energy's proven Luz Power Tower 550 technology (LPT 550). The system produces electricity the same way as traditional power plants – by creating high temperature steam to turn a turbine. However, instead of using fossil fuels or nuclear power to create the steam, BrightSource uses sunlight, reflected by thousands of small mirrors called heliostats onto a boiler filled with water that sits atop a tower. When the sunlight hits the boiler, the water inside is heated and creates high temperature steam. The steam is then piped to a conventional turbine which generates electricity. This fully integrated system takes advantage of high operating efficiencies and low capital costs to provide reliable and low-cost carbon-free energy.

Today, the company's LPT 550 solar system is employed at the Solar Energy Development Center (SEDC) in Israel's Negev Desert. Operating over the past year, the SEDC is producing the world's highest temperature turbine quality steam from solar energy.

For its technological leadership, BrightSource was selected as a 2009 Technology Pioneer by the World Economic Forum. The only solar company to win the prestigious award in 2009, BrightSource Energy was recognized for helping global utility and industrial customers reduce their dependence on fossil fuels by providing clean, low-cost and reliable solar energy.

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About BrightSource Energy, Inc.

BrightSource Energy, Inc. provides clean, reliable and low cost solar energy for utility and industrial companies worldwide. The BrightSource Energy team combines nearly three decades of experience designing, building and operating the world's largest solar energy plants with world-class project development capabilities. The company now has contracted to sell more than 2.6 gigawatts of power to be generated using its proprietary solar thermal technology. BrightSource Energy's solar plants are designed to minimize their impact on the environment and help customers reduce their dependence on fossil fuels. Headquartered in Oakland, Calif., BrightSource Energy is a privately held company with operations in the United States, Israel, and Australia. To learn more about BrightSource Energy and solar thermal energy, visit www.brightsourceenergy.com.