

June 29, 2010

The Honorable Steven Chu
Secretary of Energy
Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

**Subject: Next Generation Nuclear Plant (NGNP) Project
Forming a Public-Private Partnership for its Execution**

Dear Secretary Chu:

The NGNP Industry Alliance welcomed the opportunity to meet recently with Under Secretary Johnson and Assistant Secretary Miller to exchange perspectives and discuss some options on moving forward with the NGNP Project.

The Alliance seeks successful commercialization of the high temperature gas-cooled reactor (HTGR) technology, as soon as practical. We view the HTGR as the best currently viable option that can provide a step change in addressing the energy challenges for our industry and our nation. This technology, more so than any other, has the potential to address multiple national interests and priorities in energy security, feedstock security, climate change and jobs. The capability to produce reliable and predictably priced high temperature process heat in a safe, reliable manner enables these reactors to supplant fossil fuel use in many industries – petrochemical, petroleum (i.e., refining and extraction such as for tar sands), fertilizer, and others. These capabilities cannot be achieved by existing nuclear reactor designs.

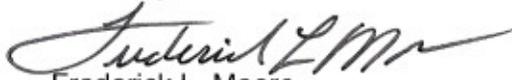
We are requesting that the Department of Energy issue a financial assistance funding opportunity announcement or other appropriate solicitation as soon as possible for the formation of a public-private partnership for the NGNP Project, so that the interested parties may respond and the negotiations regarding topics such as a mutual decision framework and the cost sharing model may be formally engaged.

Based on the DOE's April 2010 report to Congress for the NGNP Project and recent discussions with Assistant Secretary Miller, we have several concerns with the current DOE plan. These concerns include: 1) only a relatively modest extent of conceptual design effort on the prismatic block design will be completed this year; serious design work was terminated in the NGNP Project in early 2009 with the result that the two fundamental design concepts (pebble bed and prismatic reactors) will not be matured sufficiently to determine whether a down select is warranted or which should be selected, 2) without the public-private partnership existing *a priori*, there is no decision-making framework that allows the private sector to formally participate in the such design decisions, and 3) such design decisions are in practical fact the private sector's to make since the private sector will be subsequently investing hundreds of billions of dollars to build the reactors for the anticipated market over the next several decades. Without such direct participation via a partnership, no substantial cost share can be committed from the private sector.

We continue to be engaged in ongoing discussions with members and staff in Congress in both authorization and appropriations roles to renew and gain additional support for the NGNP Project.

We are encouraged by your continued support for commercialization of the HTGR technology via the NGNP Project. We request your assistance in timely initiating the formal actions and discussions that will be necessary to make this a successful project over the long term.

Sincerely,



Frederick L. Moore

On behalf of the NGNP Industry Alliance
Director Manufacturing & Technology, Energy
The Dow Chemical Company

Office Phone: 979-238-4981

Email: FLMoore@dow.com

cc:

Senator Dorgan
Senator Bennett
Representative Visclosky
Representative Pastor
Representative Freylinghuysen

Under Secretary Johnson
Under Secretary Koonin
Assistant Secretary Miller
Principal Deputy Assistant Secretary Lyons
NGNP Industry Alliance