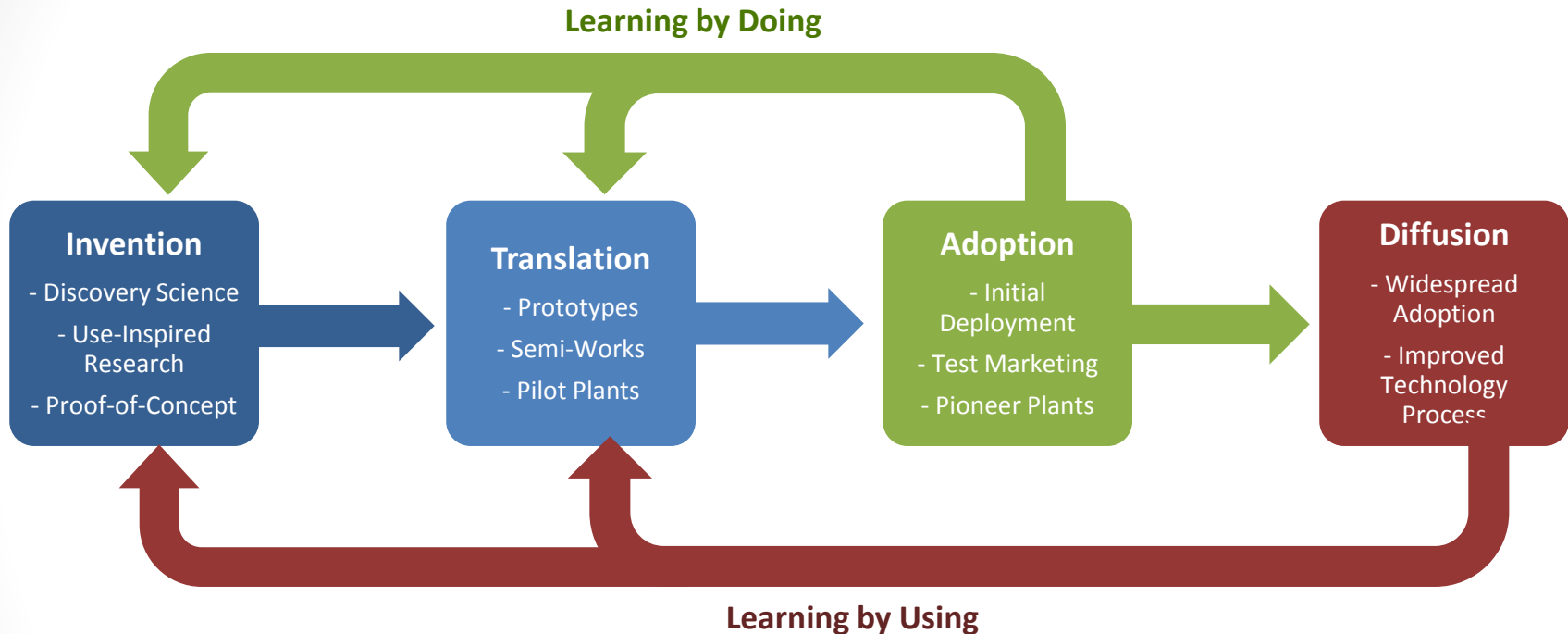
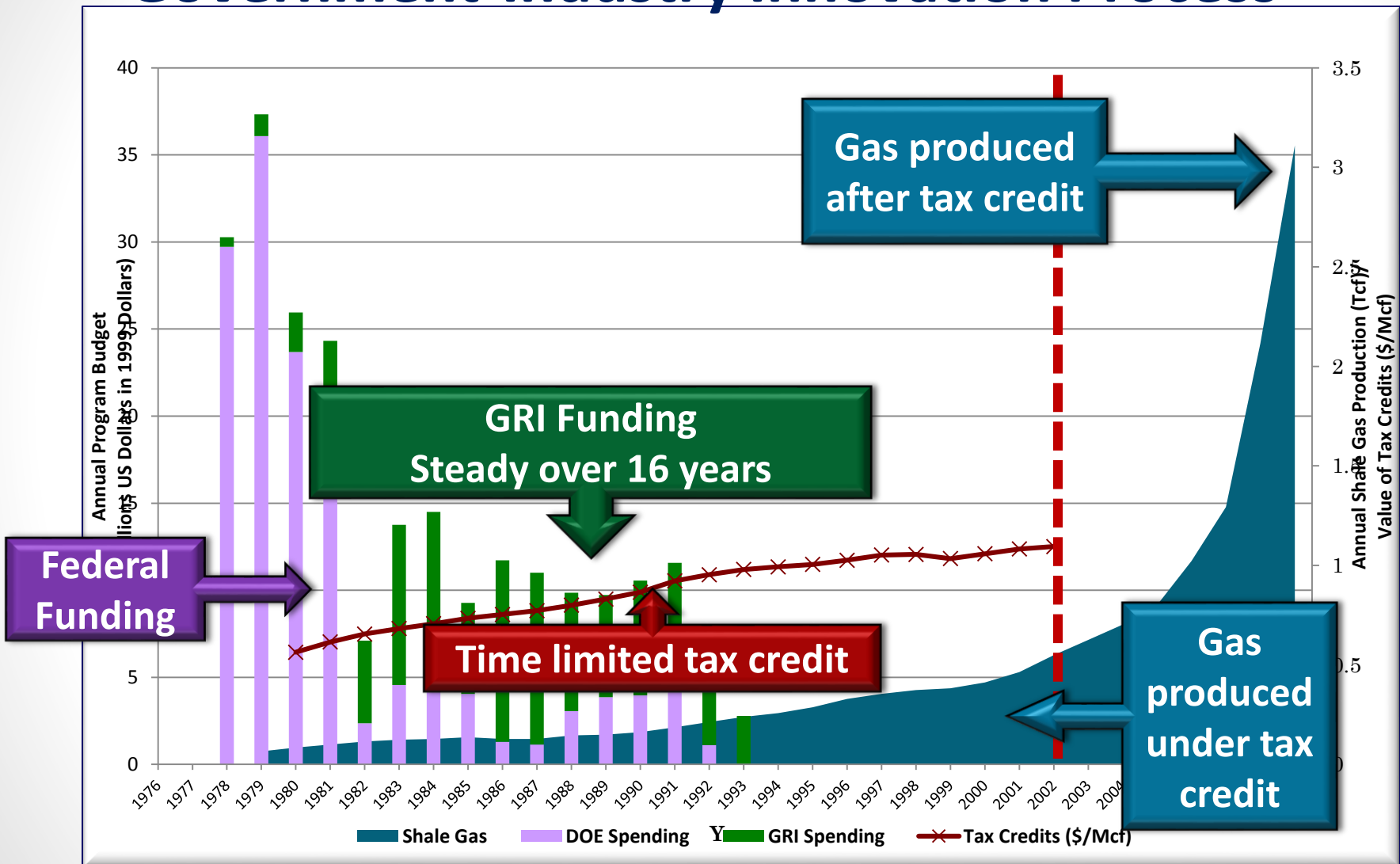


# The Interactive Innovation Process



***Demonstration and Commercialization are Both an Outcome and Driver of the Innovation Process***

# Unconventional Natural Gas : Integrated Government-Industry Innovation Process



# Additional Ideas for Design Principles

- Market Risk/Policy Risk
  - Clinch river, synthetic fuels, Kemper had both
  - More flexible financial instruments needed
- Greater Funding Certainty
  - Full funding; multi-year funding; dedicated revenue streams
- Separate Organization/Management Framework
  - Project management commonality more important than fuel type
- Project Management
  - DOE Order 413.3b (independent costs estimates; design before construct; comprehensive risk assessment)
- Exit Strategies
- Follow-on Support
  - Loan program; time-limited tax incentives; purchase commitments