

## Preamble and Case Questions for “TerraPower”

Presented by Professor Joe Lassiter

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### TerraPower – 9-813-108

John Gilleland, CEO of TerraPower was in the process of raising a \$200M Series D round to finance the ongoing development of its next-generation nuclear reactor. The idea for TerraPower was born out of a brainstorming session led by Bill Gates (founder of Microsoft), Nathan Myhrvold (former CTO of Microsoft and founder of Intellectual Ventures, an IP licensing firm), and respected scientist Lowell Wood.[1] The objective of the discussion was to identify a way to solve global poverty. The group rapidly came to the conclusion that access to affordable, clean, reliable energy would do the most good to the population of the world as a whole. As they saw it, the only solution to abundant, carbon free energy was nuclear, everything else was “rounding error.”

### Assignment Questions

1. What kind of venture is TerraPower?
  2. In the next five years, what are the top three things that could “Go Right” and the top three thing that “Go Wrong” that could dramatically affect TerraPowers’s likelihood of success? What can management do about these potential opportunities and potential threats at the time of the case?
  3. What does a nuclear power plant financier have to believe in order to adopt the TerraPower design?  
**Optional:** For those that are interested . The attached Excel spreadsheet, Gen III -Simple Financial Model - can let you look at how the economics of nuclear power might change if TerraPower achieves its cost and operational targets.
  4. What do you have to believe to be an investor in TerraPower’s \$200M Series D financing?
  5. What will change in your mind if Gates, Mhyrvold and Lowell’s view of the future appears to be coming true?
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