



Biomass

Finance & Investment Summit 2010

October 13-15, 2010 | Almas Temple Club | Washington, DC

AGENDA

Wednesday, October 13, 2010

9:00 – 5:00 *Pre-Summit Forum*
**THE KEYS TO MAKING SURE YOUR BIOMASS PROJECTS
WILL BE FINANCEABLE**

Thursday, October 14, 2010

7:00 – 8:00 *Registration & Continental Breakfast*

8:00 – 8:15 **WELCOME & INTRODUCTION BY THE SUMMIT CHAIR**
Christopher Groobey, Partner,
WILSON SONSINI GOODRICH & ROSATI, LLP

8:15 – 8:45 *Keynote Presentation:*
BIOMASS FINANCE AND INVESTMENT MARKET OUTLOOK
The Summit will kick off with an overview of the evolving state of the biomass finance and investment market and an outlook on where the market is headed in 2011.

- What have been the chief trends in biomass project financing in 2010?
- What deals have been completed and why?
- How did capital providers participate in these financings?
- Where will the new dealmaking opportunities emerge in 2011?
- What strategies are market players adopting to move new deals forward in the current environment?

Michael Schewel, Partner, Co-Chair, Energy and Climate Change Industry Team, McGUIRE WOODS LLP

8:45 – 9:45 *Keynote Panel*
BIOMASS GOVERNMENT POLICY UPDATE AND OUTLOOK
As with other renewables, future biomass opportunities will largely be driven by the policy and regulatory environment being created at the federal and state level. What are the prospects for carbon legislation, a

national renewable energy standard, expanded state RPSs and the extension of tax credits? This session will provide an update and outlook on government biomass policies that would drive the biomass to power industry.

Moderator: **John Mizroch**, *Of Counsel*,
WILSON SONSINI GOODRICH & ROSATI, LLP

Panelists:

Robert Cleaves, *President & CEO*,
BIOMASS POWER ASSOCIATION

James Heidell, *Vice President*, NERA ECONOMIC CONSULTING

David Tenny, *President & CEO*,
NATIONAL ALLIANCE OF FOREST OWNERS

Timothy Urban, *Washington Counsel*, ERNST & YOUNG

9:45 – 10:15 *Networking Break*

10:15 – 11:15 **DEVELOPING AND FINANCING WOOD TO POWER PROJECTS**

There was a number of wood-to-power project deals that closed during the year. However there remain a considerable number of projects in the pipeline whose developers are still trying to move them over the finish line. What pieces will need to be in place to make this happen? What are the key challenges that must still be overcome? This panel will address these questions and discuss what to expect in the coming year.

- What will be the key factors driving wood to power projects in 2011?
- What is the outlook for the demand for power from wood to power projects?
- What progress is being made in securing sufficient feedstock supplies and developing reliable supplier relationships?
- What hedging strategies are being adopted to manage risks?
- What are the characteristics of the deals that developers are trying to put in place?
- What are the financial challenges project developers are experiencing in the current market and what strategies are they using to overcome these?

Moderator: **R. Thomas Amis**, *Partner and Co-Chair*, *Clean Energy Technology Group*, COOLEY GODWARD KRONISH LLP

Panelists:

Marvin Burchfield, *Executive Vice President*,
DECKER ENERGY INTERNATIONAL

Gerald F. DeNotto, *President*, INDECK ENERGY SERVICES, INC.

Neil Leibman, *CEO*, ASPEN POWER LLC

Jim Rexroad, *Associate Director*, MACQUARIE COOK POWER

Jack Wolf, *President/Principal*,
PUREENERGY OPERATING SERVICES, LLC/PUREENERGY, LLC

11:15 – 12:15 **DEVELOPING AND FINANCING MUNICIPAL SOLID WASTE-TO ENERGY-PROJECTS**

By combusting municipal solid waste (MSW) to produce electricity, MSW-fired power generation plants both reduce shipments to landfills and create renewable energy. What is the real promise for expanding the pipeline of MSW to energy projects? What challenges need to be overcome to bring these projects to fruition? This panel will discuss the outlook for developing and financing MSW-to-energy projects.

- How is the municipal waste-to-energy market expected to grow in 2011 and beyond?
- What are the key barriers to successful projects and the strategies to overcome them?
- What is the impact of environmental regulation and new technology development on market growth?
- What approaches can be used to address the financing of projects incorporate new technologies?
- What are the characteristics needed to make a deal profitable and financeable?

Moderator: **Graham Noyes**, *Of Counsel*, STOEL RIVES LLP

Panelists:

Richard F. Abrams, *Vice President, Renewable Power*,
BABCOCK POWER

Jim Barlow, *CEO*, NOVO ENERGY

Dan Cohrs, *Executive Vice President & Chief Financial Officer*,
RENTECH, INC.

D’Juan Hernandez, *CEO*, SUN ENERGY GROUP

Roger Nichols, *President, Technical Sales Consultant*,
eNRG SOLUTIONS/ICM

Jonathan Schreiber, *President*, NNR DEVELOPMENT INC.

12:15 – 1:45 *Group Luncheon*

1:45 – 2:30 **THE FUTURE OF THE LANDFILL GAS MARKET**

The landfill gas market has seen a lot of activity in development and M&A in the last several years. However, the decline in gas and power prices is sparking a re-evaluation of the market. What type of new project development makes business sense in today’s environment? Will market consolidation still continue? This panel will discuss the future of the landfill gas market.

- What are the opportunities in the landfill gas market in 2011 and beyond?
- Which players are active in the market?
- What kind of business models and structures will be required to participate successfully in the market?

- What are the characteristics of the deals that market players are trying to put in place?
- How is counterparty risks affecting potential transactions?
- What kind of assets is on the market?
- Are dealmakers able to obtain needed financing?

Moderator: **Jay Winkelhake**, *Manager*, LUMINATE, LLC

Panelists:

Benny Benson, PE, *President*,

ENERGYNEERING SOLUTIONS, INC.

Rachel Goldstein, *Team Leader*, EPA LANDFILL METHANE
OUTREACH PROGRAM

Nadeem Nisar, *Managing Director*, FORTISTAR

2:30 – 3:30 **EQUITY INVESTORS' PERSPECTIVES ON THE BIOMASS MARKET**

Equity investors play a key role in financing biomass deals. What can developers expect when looking to investors to finance their projects? This panel of investors will discuss their current appetite for biomass projects and the criteria they use in making their investment decisions.

- What are investors' current perspectives on the landfill gas, municipal waste to energy, and wood to power markets?
- What type of opportunities are they looking for in these markets?
- What project characteristics are they looking for?
- What needs to be in place to make a project financeable?
- What is the cost of equity in these deals?
- Are investors willing to take development risks and, if so, under what circumstances?
- How are they willing to participate in the financing of new technologies?

Moderator: **Todd Alexander**, *Partner*, CHADBOURNE & PARKE LLP

Panelists:

Rahul Advani, *Principal*, ENERGY CAPITAL PARTNERS

Paul Ho, *Managing Director*, HUDSON CLEAN ENERGY
PARTNERS

Edward May, *Principal*, U.S. RENEWABLES GROUP

Jerry Peters, *Managing Partner*, ENERGY POWER PARTNERS

Thomas Suffield, *Director of Renewables*, THE GAVILON GROUP

3:30 – 4:00 *Networking Break*

4:00 – 5:00 **LENDER'S PERSPECTIVES ON THE BIOMASS MARKET**

Project finance banks are back in the lending market. Yet, they are governed by strict lending standards. What can really be expected in obtaining debt for biomass projects? The panelists will report on

the current status of the debt market, its outlook for 2011, and lenders' appetites for biomass deals.

- What will be the governing trends in debt lending to the biomass market in 2010?
- What sources of debt will be available?
- What kinds of biomass deals are lenders interested in and why?
- What project characteristics will affect whether a project is financeable?
- How will risk considerations drive lending decisions in the upcoming year?
- What are the trends in loan terms—pricing, term, leverage, and covenants?

Moderator: **Christopher Groobey**, *Partner*,
WILSON SONSINI GOODRICH & ROSATI

Panelists:

Steven Bissonnette, *Director*, DZ BANK AG

Mark Dennes, *Director Power & Energy Project Finance – North America*, BNP PARIBAS

Carl Knowlton, *CFA, Managing Director*,
JOHN HANCOCK FINANCIAL SERVICES

Louise Pesce, *Senior Vice President, Energy Capital Services*,
UNION BANK

5:00 – 6:00 *Summit Reception*

Friday, October 15, 2010

7:00 – 8:00 *Continental Breakfast*

8:00 – 8:05 **WELCOME & RE-CAP BY THE SUMMIT CHAIR**
Christopher Groobey, *Partner*,
WILSON SONSINI GOODRICH & ROSATI

8:05 – 9:00 **UTILITIES' PERSPECTIVES ON BIOMASS TO POWER OPPORTUNITIES**

Utilities' perspectives on power from biomass continue to evolve. Over the past year significant changes have occurred in utilities' thinking as they assess their options in a changing environment. This panel of utility executives will share their latest perspectives on their options, share their current biomass plans, and discuss what they are looking for from the biomass industry.

- How has the economic downturn affected utilities' perspectives on biomass?

- How does biomass work into utilities' plans to meet RPS (or potentially RES) requirements?
- What do they need to see out of a biomass plant to make it an attractive resource?
- What factors will shape utilities' decisions on whether to buy power via PPAs or independently develop biomass projects in the future?
- If they develop projects, what approaches and ownership structures will they use?
- How flexible can they be in PPA negotiations to assure that projects will be financeable?
- How do they view the indexing and pass through of biomass costs in PPA agreements?
- What project characteristics work well for them?

Moderator: **Brian C. Harms**, *Partner*, TROUTMAN SANDERS, LLP

Panelists:

Emil Avram, *Director of Business Development*,
DOMINION RESOURCES

David Gammon, *Lead - Renewable Energy Contract Negotiator*,
PROGRESS ENERGY FLORIDA

David Hicks, *Development Director, Renewable Energy*, NV ENERGY

William McMullen, *Manager of Renewable Development & Green Strategies*, GEORGIA POWER /A SOUTHERN COMPANY

Reed Wills, *President*, ADAGE

9:00 – 9:30 *Special Presentation:*

REPORT FROM THE FRONTLINES – CURRENT REALITIES OF GETTING BIOMASS DEALS FINANCED

Biomass projects must be under construction by December 2010 to qualify for Treasury cash grants. Companies are pursuing different strategies to be considered under construction. Congress may extend the deadline and allow projects that have private equity fund money to qualify for grants. The Treasury is considering what Congress meant when it said biomass had to be "waste" to qualify for a grant. A number of Senators are urging that Congress impose a domestic content requirement. Tax equity and debt yields touched bottom in early June and were edging back up in the summer. The tax equity market had recovered to 16 investors, but only a small handful will do biomass. There are four structures in use in the tax equity market. Thirty banks are lending, but construction debt is still limited to 50% to 55% of project cost, with an "equity bridge tranche" adding roughly another 30%. Hear the latest on transaction structures, financing terms and current issues in deals.

Keith Martin, *Partner*, CHADBOURNE & PARKE, LLP

9:30 – 10:00 *An Interview:*

USDA FINANCING SOURCES

The U.S. Department of Agriculture (USDA) offers several sources of financing. This session will provide the most current details on how to access grants and loans from the USDA. This one-on-one interview session will provide the latest information on the:

- Rural Utilities Service (RUS)
- Biomass Crop Assistance Program (BCAP)

Participants:

Bill Hagy, *Special Assistant For Energy Policy*,

U.S. DEPARTMENT OF AGRICULTURE – RURAL DEVELOPMENT

John May, *Managing Director*, STERN BROTHERS & CO.

10:00 – 10:15 *Networking Break*

10:15 – 10:45 *Presentation:*

BONDS: A NEW SOURCE OF CAPITAL

Due to current economic conditions, a variety of traditional energy lenders have fallen by the wayside. One solution is to substitute a direct loan of money with an issuance of corporate bonds from the project company. By themselves, the bonds might not qualify as investment grade – but if financed in conjunction with USDA or DOE loan guarantees, the bonds become investment grade. This special presentation will detail the process by which this novel financing option achieves its goals.

John May, *Managing Director*, STERN BROTHERS & CO.

Mark J. Riedy, *Partner*, MINTZ LEVIN & *General Counsel*,
AMERICAN COUNCIL ON RENEWABLE ENERGY (ACORE)

10:45 – 11:30 **BIOMASS M&A AND VALUATION**

The biomass market has experienced a number of M&A transactions. What are the prospects for more M&A? What will drive these transactions? This panel will discuss the dynamics influencing biomass M&A and the expectations driving buyers and sellers.

- Where will biomass M&A deal flow come from?
- What will drive transactions and what kind of players will be active?
- What factors will most influence valuations?
- At what stage of development do projects need to be in order to attract buyer interests?
- How do valuations change at different stages of development?

Moderator: **Kevin R. Prohaska**, *Partner*, STOEL RIVES LLP

Panelists:

Mary Bacon, *Managing Director*, EWING BEMISS & CO.

C.J. Hummel, *Director*, HEADWATERS MB

Glen Tracy, *Manager of Business Development*,
DTE ENERGY SERVICES

11:30 – 12:15 **BUILDING COMMUNITY SUPPORT FOR BIOMASS PLANTS**

The biomass to power industry is getting a long hard look by regulators and opposition groups. In fact, several biomass projects have been stopped because of stiff community opposition. This panel will report on the various kinds of opposition to biomass, examine its impact on the industry and discuss ways for plant developers to anticipate and manage the public relations needed to move their projects forward.

Moderator: **Kelly Sarber**, *CEO*, STRATEGIC MANAGEMENT

Panelists:

Steven Hamburg, *Chief Scientist*,

ENVIRONMENTAL DEFENSE FUND

Gregg Morris, *President*, FUTURE RESOURCES ASSOCIATES, INC.

Darlene Snow, *Senior Vice President*, OGILVY PUBLIC RELATIONS

12:15 p.m. *The Summit Adjourns*