



Biomass Summit

Feedstock • Co-Firing • Finance & Investment

October 19-21, 2009 | Almas Temple Club | Washington, DC

Agenda

October 20, 2009

9:00 – 9:15 *Welcome & Introduction by the Summit Chairs*

R. Thomas Amis, *Partner*, ALSTON + BIRD LLP

Suzanne B. Perry, *Partner*, BAKER & MCKENZIE LLP

9:15 – 9:45 **BIOMASS FINANCE AND INVESTMENT MARKET OUTLOOK**

Driven by renewable portfolio standards and other government policies and incentives to ramp up the nation's renewable energy supplies, the biomass market is projected to be a major source of renewable energy. The biomass market is indeed heating up! Yet, in the wake of the financial crisis and the stimulus bill, the question on everyone's mind is how will the financing come together to take full advantage of the opportunity. 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 2010.

- What have been the chief trends in biomass project financing in 2009?
- Are new players getting into the market?
- What deals have been completed and why?
- How did capital providers participate in these financings?
- What, if any, effect has the stimulus bill had on the market so far? What will its impact be in 2010?
- Where will the new deal making opportunities emerge in 2010?
- What strategies are market players adopting to take advantage of these new opportunities?

Presenter:

Michael J. Schewel, *Partner, Co-Chair - Mergers, Acquisitions, Securities & Corporate Department*, MCGUIRE WOODS LLP

9:45 – 10:30 **LANDFILL GAS DEVELOPERS' PERSPECTIVES ON THE MARKET**

The landfill gas market has been one of the most active sectors in the biomass market. With a secure fuel source, close proximity to demand centers, and proven technology, landfill gas projects have received a welcoming response from the financial community. This panel of landfill gas developers will discuss their plans to successfully expand the landfill gas market. They will also discuss how their financial strategies are being shaped to maximize the benefits of the new tax credits, tax-subsidy grants, and other stimulus bill provisions as well as address the needs of investors and lenders.

- What are the opportunities for expanding the landfill gas market in 2010 and beyond?
- How do developers evaluate project opportunities?
- What are the keys for developer success in the market?
- What trends are developers seeing in landfill purchase rights?
- What are the characteristics of the deals that developers are trying to put in place?
- What approaches work for projects that are too small to project finance?
- How do you get debt into deals?
- How do carbon market factors drive project economics and financing?
- What opportunities do they see for refinancing?
- What strategies and structures are developers pursuing to fully take advantage of the stimulus bill's provisions?
- How are investor and lender needs shaping deal structures?

Moderator: **Eric K. Weingarten**, *Partner*, ALSTON + BIRD LLP

Panelists:

Randall D. Holmes, *President & CEO*,

RIDGEWOOD RENEWABLE POWER

Seth Jacobson, *Vice President*, PALMER CAPITAL

Bill Muras, *Director, Renewable Energy*, PEPCO ENERGY SERVICES

David Wentworth, *Senior Vice President*, FORTISTAR

10:30 – 11:00 *Networking Break*

11:00 – 11:45 **MUNICIPAL SOLID WASTE TO ENERGY DEVELOPERS' PERSPECTIVES**

Municipal waste to energy provides a solution to both the nation's renewable energy supply and its shrinking landfills. While municipal waste to energy projects have been providing energy for years, the market is experiencing revitalization. This panel of leading developers targeting the municipal solid waste and wastewater treatment market will talk about the outlook for this market, outline the characteristics of the projects that will serve it, and discuss how conditions in the financial markets and effects of the stimulus bill are affecting their efforts to put deals in place.

- How do developers see the municipal waste to energy market maturing in 2010 and beyond?
- What are the chief impediments to industry growth and the strategies to overcome them?
- What will be 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?

- What are the needs of the industry for development, construction, tax equity, and debt financing?
- What strategies and structures are developers pursuing to fully take advantage of the stimulus bill's provisions?
- How are investor and lender needs shaping deal structures?

Moderator: **Robert C. Marshall**, *Member*, MARSHALL & LUEDER, LLC

Panelists:

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

Arnold R. Klann, *Chairman/CEO*, BLUEFIRE ETHANOL FUELS, INC.

Dino Mili, *Vice President, Business Development*, ENERKEM

Jonathan Schreiber, *Founder & Managing Director*, EMERALD POWER

11:45 – 12:30 **WOOD DEVELOPERS' PERSPECTIVES**

Wood to power is a rapidly accelerating biomass market. The panel of developers will discuss the opportunities in this evolving market and share their views on its future. They will also talk about the financing needs of the market and discuss the type of relationships they are seeking to establish with investors and lenders. In addition, the emerging market of animal waste to power will be explored.

- What is the growth potential of the wood to power and animal waste to power markets?
- What are the prospects for securing sufficient feedstock supplies and developing reliable supplier relationships to capture this potential?
- How do environmental factors and government incentives factor into project viability?
- How do project size constraints and feedstock availability and cost influence financing options?
- What are the characteristics of the deals that developers are trying to put in place?
- What strategies and structures are developers pursuing to fully take advantage of the stimulus bill's provisions?
- What is the status of the IRS definition of open loop biomass?
- How are investor and lender needs shaping deal structures?

Moderator: **R. Thomas Amis**, *Partner*, ALSTON + BIRD, LLP

Panelists:

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

Tom DePonty, *Director, Public Affairs*, ADAGE

Eric L. Spomer, *President*, CATALYST RENEWABLES

John Taylor, *President*, THE BIOMASS GROUP

12:30 – 12:45 *Special Luncheon Sponsor Presentation:*

ENGINEERING PROJECTS FOR SUCCESS & PROFITABILITY

This special presentation will highlight key project management approaches and design decisions to minimize risk and maximize profitability. Elements to be reviewed will feature a typical project's schedules, costs and challenges.

Presenter:

Trotter Hunt, *Marketing Manager*, HUNT, GUILLOT & ASSOCIATES, LLC

12:45 – 2:00 *Group Luncheon – Sponsored by:*



2:00 – 2:30 **THE DOE LOAN GUARANTEE PROGRAM:
A STATUS REPORT**

This briefing will provide up-to-the-minute information on the DOE Loan Guarantee Program as authorized under ARRA, with its hefty \$60 billion in guarantee authority.

- Rules for Commercial Projects Program
- Application process
- Application, loan and credit subsidy costs
- Qualifying projects and sponsor eligibility
- Project size and risk considerations
- Structures that DOE will find attractive
- Debt/equity issues

Presenter:

Dan Tobin, *Senior Investment Officer*, LOAN GUARANTEE PROGRAM, U.S. DEPARTMENT OF ENERGY

2:30 – 3:00 **THE TREASURY DEPARTMENT'S GRANTS FOR ENERGY PROJECTS: A STATUS REPORT**

This status report will provide the latest developments on the rules for obtaining cash grants from the Treasury.

- Program rules from Treasury
- Program implementation and timetables for receiving grants
- Application process
- Eligible entities
- Qualifying projects and sponsor eligibility

Presenter:

Charles B. Ramsey, *Branch Chief*, IRS OFFICE OF CHIEF COUNSEL,
U.S. DEPARTMENT OF TREASURY

3:00 – 3:30 **THE USDA – RURAL DEVELOPMENT – GRANTS & LOANS**

This status report will provide the most current details on how to access grants and loans from the Rural Development Division of the USDA

Bill Hagy, *Special Assistant for Energy Policy*,
USDA – RURAL DEVELOPMENT

3:30 – 4:00 *Networking Break*

4:00 – 4:30 **POST-STIMULUS MONETIZATION STRATEGIES AND DEAL STRUCTURES**

The economic stimulus bill created new financing options. The market will have had eight months by the time of the Summit to evaluate them and determine how best to put the new puzzle together. This session will report on how deals are getting done in the new world of Treasury cash grants and DOE loan guarantees, what terms are on offer in the market and what issues are holding up some deals.

- Where has the market settled in terms of strategies and structures post-stimulus?
- How should developers choose among the various financing options?
- Some projects that are owned partly by private equity funds will not qualify for cash grants. Are there viable options?
- Banks have concerns about lending to projects that receive cash grants for fear that the government will have a claim over the collateral if the banks foreclose on the project in the first five years. How real a concern is this? What other risks do banks face in lending to projects that received cash grants?
- The Department of Energy has been wrestling with a series of issues as it tries to roll out the federal loan guarantee program. Will loan guarantees play a real role in financing projects and, if so, where will they fit in the capital structure?
- How will federal renewable energy credits, carbon controls and clean energy bank being debated as part of the energy bill in Congress change the picture further?

Presenter:

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

4:30 – 5:15 **UTILITIES PERSPECTIVES ON BIOMASS TO POWER OPPORTUNITIES**

Driven by the prospects of a national renewable energy standard, utilities are turning to biomass power generation in increasing numbers, attracted by its

environmental attributes and dependability. This panel of utility representatives will share their current thinking on the evolving biomass to power market and discuss their strategies for securing future biomass-generated power supply.

- 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?
 - Tax incentives
 - Rate base treatment
 - Regulatory environment
 - Project management
 - Risks
 - Financing
- 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?
- How do they evaluate different proposals and technologies?
 - Do they use price or other characteristics?
 - How do they weigh technology risks?
 - How do they evaluate alternative technologies?
- What criteria do they use in making decisions?

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

Panelists:

Sandra Broekema, *Manager, Business Development*,
GREAT RIVER ENERGY

Robert Niekum, *Director of Renewable & Wholesale Power*,
PROGRESS ENERGY FLORIDA

Mike Price, *Executive Vice President & COO*, OGLETHORPE POWER
CORPORATION

Mark O. Webb, *Director of Policy & Business Evaluation*,
Alternative Energy Solutions, DOMINION RESOURCES

5:15 – 6:15 *The Biomass Summit Reception*

October 21, 2009

9:00 – 9:05 *Welcome & Introduction by the Summit Chairs*

R. Thomas Amis, *Partner*, ALSTON + BIRD LLP

Suzanne B. Perry, *Partner*, BAKER & MCKENZIE LLP

9:05 – 10:00 **EQUITY INVESTORS' PERSPECTIVES ON THE BIOMASS MARKET**

This panel of equity investors will identify the type of opportunities they are looking for in the biomass market and the criteria they use when making investment decisions. They will also discuss the impact of the stimulus bill on the role(s) they plan to play in the post-stimulus renewable finance market.

- Do investors have different appetites for the landfill gas, municipal waste to energy, wood to power, and animal waste to power markets? If so, why?
- Has the stimulus bill changed the way investors view the biomass market or the way they are willing to participate in biomass deals?
- What is the reaction of investors to the strategies and structures developers are pursuing to take advantage of the stimulus bill's provisions?
- What is the cost of equity in these deals?
- When investing in projects, what project characteristics are they looking for?
- What is their perspective on deal size? Are they willing to participate in small-scale projects? If so, in what ways?
- How are they willing to participate in the financing of new technologies?
- What are the criteria they use when evaluating corporate and project investments?
- What factors determine their level of investment in companies and projects?

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

Panelists:

Scott Brown, *CEO*, NEW ENERGY CAPITAL

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

Jim Rexroad, *Associate Director*, MACQUARIE COOK POWER, INC.

Dan Shapiro, *Senior Vice President/President/Advisor*,
THE SHAW GROUP/SHAW CAPITAL/LEAF CLEAN ENERGY

Ken Taratus, *Managing Director*, MORGAN KEEGAN

10:00 – 10:30 **U.S. DEPARTMENT OF ENERGY - LOANS & GRANTS**

Responding to tight financial markets and the challenges of financing renewable energy projects in a difficult environment, the federal government has created a number of grant and loan programs to help facilitate the financing of renewable projects. This session will look at the financing opportunities for biomass to power projects provided through DOE programs, discuss the applicability of these programs to research & development, development capital and debt financing, and provide insight into how to successfully access these programs.

Presenter:

Neil P. Rossmeyssl, *Office of Biomass Program*

U.S. DEPARTMENT OF ENERGY

10:30 – 10:45 *Networking Break*

10:45 – 11:15 **U.S. DEPARTMENT OF AGRICULTURE - LOANS & GRANTS**

This presentation will examine the financing opportunities for biomass to power projects provided through USDA programs, discuss the applicability of these programs to research & development, development capital and debt financing, and provide insight into how to successfully access USDA programs.

Presenter:

Roger Conway, *Director of Energy Policy, New Uses*,
U.S. DEPARTMENT OF AGRICULTURE

11:15 – 12:15 **LENDERS' PERSPECTIVES ON THE BIOMASS MARKET**

The financial crisis has resulted in a very tough debt market. This panel of lenders will report on the current status of the debt market and its outlook for 2010, discuss the current lending standards in the marketplace, and provide their perspectives on providing debt to biomass deals.

- Do lenders have different appetites for the landfill gas, municipal waste to energy, wood to power, and manure to power markets? If so, why?
- What approaches are banks taking to the stimulus bill provisions?
 - Will they provide grant bridge loans during construction? What do banks need to do to get comfortable with these loans?
 - How do lenders plan to participate in the Loan Guarantee Program?
- What is the availability of construction financing in the market?
 - What elements are required to approve a construction loan? Are full wrap EPC contracts required?
 - What terms and conditions are being offered?
 - What do developers need to make their projects eligible for these loans?
- What is the outlook for debt financing in the next year? Two years?
 - What criteria are lenders now using to evaluate projects?
 - What project characteristics are they looking for?
 - What is their risk tolerance level?
 - What risk mitigation to address fuel risks are they looking for?
 - What debt/equity ratios do they require?
 - When will tenors be extended to longer terms?
 - What terms and conditions are they seeking?

Moderator:

Ata Dinlenc, *Partner*, BAKER & MCKENZIE, LLP

Panelists:

Mary Bacon, *Managing Director*, EWING BEMISS & COMPANY

Steven Bissonette, *First Vice President*, DZ BANK AG

Mark Dennes, *Group Head Energy – Power & Utilities*, FORTIS BANK

Martin Livingston, *Managing Director*, Global Energy Group
WEST LB SECURITIES, INC.

Jerome P. Peters, *Senior Vice President*, TD BANK, N.A.

12:15

The Summit Adjourns