

NORTH AMERICAN HYDROPOWER

Finance & Investment Summit

December 2-4 2009 | Washington, DC

Summit Agenda

December 3, 2009, 8:00am to 5:30pm

8:00 – 8:15 Welcome and Introduction by the Summit Chair
William H. Holmes, *Member*, STOEL RIVES, LLP

8:15 – 9:15 **DEVELOPING HYDROPOWER AND HYDROKINETIC PROJECTS:
LICENSING AND PERMITTING**

During this joint presentation, learn what every developer and investor should know about the unique licensing and permitting rules that apply to hydropower and hydrokinetic projects.

What are the steps to obtaining site priority and getting a project fully licensed and permitted and how can the process be effectively managed?

- What challenges do developers face in licensing and permitting new technologies?
- What role does pre-project studies play and how much information is enough for the federal and state resource agencies and other stakeholders?
- What role can adaptive management play in addressing uncertainties and getting projects in the water?

Dan Adamson, *Partner*, DAVIS WRIGHT TREMAINE LLP

Cherise M. Oram, *Member*, STOEL RIVES, LLP

9:15 – 10:15 **UTILITIES' PERSPECTIVES ON NEW HYDROPOWER DEVELOPMENT
OPPORTUNITIES**

Driven by the prospects of a national renewable energy standard and carbon regulation, new hydropower offers an appealing power source for utilities. This panel of utility representatives will share their current thinking on the new hydropower industry and discuss their strategies for securing future hydropower supply.

- How does new hydropower work into utilities' plans to meet RPS (or potentially RES) requirements?
- What do they need to see out of a hydropower project to make it an attractive resource?
- What factors will shape utilities' decisions on whether to buy power via PPAs or independently develop hydropower 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?

- What type of relationships with independent hydropower developers are they willing to explore?
- How flexible can they be in PPA negotiations to assure that projects will be financeable?
- 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?

Moderator:

Mike Swiger, *Member*, VAN NESS FELDMAN, P.C.

Panelists:

Marc Gerken, *President and CEO*, AMERICAN MUNICIPAL POWER, INC.

Thor Hinckley, *Manager, Renewable Power Program*, PORTLAND GENERAL ELECTRIC

Andrew Munro, *President*, NATIONAL HYDROPOWER ASSOCIATION; *Director of External Affairs*, GRANT COUNTY PUBLIC UTILITY DISTRICT #2

George B. Taylor, Jr., *Senior Vice President, Strategic Initiatives*, OGLETHORPE POWER CORPORATION

10:15 – 10:45 *Networking Break*

10:45 – 11:15 **HYDROPOWER POWER PURCHASE AGREEMENTS (PPAs)**

The PPA plays a key role in the financing of electricity generating assets. While many of these agreements have been negotiated recently for wind, solar and biomass projects, the specific terms for hydropower PPAs are less well understood. This session will investigate the anatomy of hydropower PPA agreements.

William H. Holmes, *Member*, STOEL RIVES, LLP

11:15 – 12:30 **RUN OF RIVER AND NEW HYDROPOWER AT EXISTING DAMS: DEVELOPERS' PERSPECTIVES**

97% of the dams in the U.S.—built for flood control or other purposes—do not produce hydropower. These dams, whether run of river or capable of storage, represent a large resource for new hydropower generation. There are also opportunities for expanding run of river development. This panel of developers will discuss the project opportunities for new hydropower at existing dams and their efforts to develop and finance such projects.

- What are the realistic project opportunities for run of river and projects at existing dams?
- What will it take to get these projects successfully completed?
- How do environmental issues factor into project viability?
- What are the characteristics of the deals that developers are trying to put in place?
- What are the needs for development, construction, equity, and debt financing?

Moderator:

Amy Koch, *Partner*, PATTON BOGGS, LLP

Panelists:

Vick Dusik, *CFO*, RUN OF RIVER POWER INC.

John Howard, *Station Manager*, FIRSTLIGHT POWER RESOURCES SERVICES, LLC

Robert P. Larson, *Manager*, Nelson Energy LLC

Donald McInnes, *Vice-Chair & CEO*, PLUTONIC POWER CORPORATION

David C. Sinclair, *President*, ADVANCED HYDRO SOLUTIONS

Jason Spreyer, *Chief Financial Officer, US Operations*, BROOKFIELD RENEWABLE POWER

- 12:30 – 2:00 **Luncheon Address: FERC HYDROPOWER POLICIES**
Philip D. Moeller, *Commissioner*, FEDERAL ENERGY REGULATORY COMMISSION (FERC)
- 2:00 – 2:45 Keynote Address: **U.S. DEPARTMENT OF ENERGY’S SUPPORT OF NEW HYDROPOWER DEVELOPMENT**
Jacques Beaudry-Losique, *Deputy Assistant Secretary for Renewable Energy, Office of Energy Efficiency and Renewable Energy*, U.S. DEPARTMENT OF ENERGY
- 2:45 – 4:00 **HYDROKINETIC PROJECTS: DEVELOPERS’ PERSPECTIVES**
Hydrokinetic development—instream, tidal, ocean wave and ocean current—is moving forward. With FERC permits in hand, developers are capturing the interest of utilities in this new source of power. How are these projects likely to play out and under what time frame? This panel of hydrokinetic developers will discuss their progress in developing this new hydropower project segment as well as their strategies for successfully building out and financing their projects.
- What is growth path for hydrokinetics?
 - What business models and financing strategies will support this growth?
 - What are the characteristics of the deals that developers are trying to put in place?
 - What are the needs for development, construction, equity, and debt financing?
- Moderator:
Charles R. Sensiba, *Partner*, VAN NESS FELDMAN, P.C.
- Panelists:
John R. Cooper, *Senior Vice President and CFO*, OCEAN RENEWABLE POWER COMPANY, LLC
Henry Dormitzer, *Chief Financial Officer*, FREE FLOW POWER CORPORATION
Herb Nock, *Vice President for Business Development & Marketing*, OCEAN POWER TECHNOLOGIES
Ron Smith, *CEO*, VERDANT POWER
- 4:00 – 4:30 *Networking Break*
- 4:30 – 5:30 **PUMPED STORAGE: DEVELOPERS’ PERSPECTIVES**
Pumped storage is an attractive capacity and flexibility resource and interest in developing new pumped storage projects has been steadily growing. This panel will discuss the unique challenges of developing and financing pumped storage projects and the strategies for successfully moving these projects forward.
- What are the opportunities for pumped storage projects?
 - What are the challenges that must be overcome to move projects forward?
 - What project structures and relationships or partnerships are required?
 - What are the needs for development, construction, equity, and debt financing?
- Moderator:
Jay Ryan, *Partner*, VAN NESS FELDMAN
- Panelists:
Don Jessome, *President and CEO*, TRANSMISSION DEVELOPERS INC.
Kim L. Johnson, *Executive Vice President, Commercial*, SYMBIOTICS LLC; CEO EBARTON LLC
David Kates, *Managing Director*, David Mark & Company; *Consultant*, THE NEVADA HYDRO COMPANY
Kyle E. Nenninger, *Vice President & General Council*, ENERGY ADVISORY INC.

8:00 – 8:45 **PROJECT FINANCING STRATEGIES AND DEAL STRUCTURES FOR NEW HYDROPOWER PROJECTS**

In the wake of the financial crisis and the passage of the stimulus bill, the financial community is in the process of sorting out the new market environment and developing their strategies for participating in project financing deals. This session will report on the strategies for financing new hydropower projects in this new world of Treasury cash grants, DOE loan guarantees and more conservative commercial lending practices.

- Where has the market settled in terms of strategies and structures post-stimulus?
- What financing options are available to hydropower projects and how should developers choose among them?
- What role will DOE loan guarantees play in financing projects and where will they fit in the capital structure?
- How will federal renewable energy credits, carbon controls and the clean energy bank being debated as part of the energy bill in Congress change the picture further?

Keith Martin, *Partner*, CHADBOURNE & PARKE

8:45 – 9:45 **ACCESSING GOVERNMENT FUNDING SOURCES FOR NEW HYDROPOWER PROJECTS**

The government is playing an increasingly important role in the financing of renewable energy projects. This session will provide the most up-to-date information on the opportunities for accessing government funding sources to include in hydropower project financing. You will hear the latest detail about the DOE Loan Guarantee Program and other government loan and grant opportunities.

Walter S. Howes, *Former Director, Loan Guarantee Program*, U.S. DEPARTMENT OF ENERGY; *Managing Partner*, VERDIGRIS CAPITAL, LLC

9:45 – 10:15 *Networking Break*

10:15 – 11:15 **EQUITY INVESTORS' PERSPECTIVES ON NEW HYDROPOWER**

This panel of equity investors will identify the type of opportunities they are looking for in the hydropower 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.

- Where do investors see opportunities in new hydropower?
- Do investors see these opportunities as a technology play or a project play or both? What guides their decisions on this question?
- Has the stimulus bill and the government incentives extended to hydropower changed the way investors view the hydropower market or the way they are willing to participate in hydropower 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:

David Lyons, *Founding Partner*, CAPITAL PARTNERS WORLDWIDE

Panelists:

Tim Evans, *Vice President*, ARCLIGHT CAPITAL PARTNERS LLC

Joshua Haacker, *Principal*, US RENEWABLES GROUP

Robert S. McLeese, C.A., *President*, ACCESS CAPITAL CORP.

Andy Rovito, *Principal*, DEVELOPMENT PARTNERS GROUP, LLC

Stephen Thome, *Vice President of Development*, J-POWER USA

11:15 – 12:15

LENDERS' PERSPECTIVES ON THE NEW HYDROPOWER 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, discusses the current lending standards in the marketplace, and provides their perspectives on providing debt to new hydropower projects.

- Do lenders have different appetites for the projects at existing dams and run of river, hydrokinetic and pumped storage projects? If so, why?
- What project characteristics are needed to make a project financeable?
- 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 debt/equity ratios do they require?
 - When will tenors be extended to longer terms?
 - What terms and conditions are they seeking?

Moderator:

Amy Koch, *Partner*, PATTON BOGGS, LLP

Panelists:

Daniel Mallo, *Managing Director Project and Structured Finance - Energy*, SOCIETE GENERALE

Paul Naumann, *Managing Director of Debt, Renewable Energy*, GE ENERGY FINANCIAL SERVICES

Chris Stolarski, *Senior Vice President, Project Finance*, MIZUHO

Bill Sutherland, *Vice President – Project Finance*, MANULIFE FINANCIAL

12:15 – 1:00

HYDROPOWER PROJECT CONSTRUCTION & EPC MARKET OUTLOOK

This panel will explore the trends in the hydropower EPC market, look at where the market is headed in 2009, and assess the challenges these trends are creating for EPC contracting, project construction management, construction and project financing, risk allocation and project structuring

Moderator:

Panelists:

Wayne Dyok, *Hydropower Program Manager*, TETRA TECH, INC., *Member*, NATIONAL HYDROPOWER ASSOCIATION

Rick Miller, P.E., *Senior Vice President Hydropower Services*, HDR/DTA; *Former President*, NATIONAL HYDROPOWER ASSOCIATION

Kevin Young, *Senior Vice President Strategic Planning – Utility and Energy Services*,
THE LOUIS BERGER GROUP, INC.