

Renewable Power Project Finance: The Tutorial
San Diego, CA
October 2-3, 2008

Thursday, October 2, 2008:

1:00-1:15 Administrative announcements and opening remarks by the Conference Chair
Dino Barajas, *Partner*, MORGAN LEWIS & BOCKIUS LLP

<i>Overview of Renewable Energy Project Economics</i>

1:15-2:15 **Renewable Project Business Models: Deal Structures and Economics and Overview of Renewable Energy Project Financing**
As renewable energy developments see exponential growth, project financing races to keep pace. This presentation will explore a range of issues that can impact upon the viability of a project's financing, including: general costs and economics, debt vs. equity financing, capitalizing upon governmental incentives and creating a sound legal structure of contracts for your financing.
The presentation will also introduce attendees on to how renewable projects work as businesses and produce cash. It will provide sample project pro formas for wind and solar projects, with the goal of illustrating the key revenues and costs of each type of project. It will also spell out the chief renewable project risk factors and how they can be mitigated.
Mohammed J. Alam, *President*, ALYRA RENEWABLE ENERGY FINANCE, LLC
Stephen Krebs, *Partner*, BAKER BOTTS L.L.P.

2:15 –3:00 **Working with Utility Renewable RFPs**
Dawn C. Anaiscourt, *Attorney*, SOUTHERN CALIFORNIA EDISON

3:00-3:30 Afternoon Refreshment & Networking Break

3:30-4:05 **Establishing Renewable Projects on Tribal Lands**
Michael Connolly Miskwish, *President & CEO*, LAGUNA RESOURCE SERVICES, INC.

4:05-5:30

Panel Presentation: Assessing Technical, Construction and Operational Risk Factors for Renewable Energy Projects

Independent engineers for wind, solar and biomass projects will identify the corresponding risk factors for each type of project, and address strategies and guidelines for minimizing these risks.

Wind: **Larry Sinesio**, Vice President Sales & Marketing, WINDLOGICS
Solar: **Jeffrey Perlman**, President, BRIGHT POWER, INC.
Biomass: **D’Juan Hernandez**, President, SUN ENERGY GROUP LLC

Friday , October 3, 2008:

Enhancing Revenue Streams for Renewable Energy Projects

8:00-8:45

Monetizing “Environmental Attributes”—Using “Green Tags,” RECs and RPS to Improve Project Viability

This presentation will discuss what environmental attributes are, how they differ state-by-state, and their important role in renewable project finance. It will also discuss the strategies that are available to monetize them as part of a project’s income stream.

David South, President, TECHNOLOGY & MARKET SOLUTIONS, LLC

8:45-9:30

Latest Developments Affecting Tax Subsidies for Renewable Energy Projects

The federal government can pay as much as 65 % of the capital cost of renewable energy projects through tax subsidies. Developers "monetize" them -- or convert them into cash - - using one of three strategies. This presentation will include the latest menu of potential subsidies; a description of the latest “monetization strategies;” thoughts on possible further evolution in structures; and updates on issues that are coming up in wind, solar, geothermal and biomass deals.

Keith Martin, Partner, CHADBOURNE & PARKE, LLP

9:30-10:15

Tax Equity for Renewable Power Projects

The tax equity market for renewable power projects will be overviewed. The primary structure used to monetize wind power project tax benefits will be described, including the economic impact of the structure on both sponsors and tax equity providers. The nascent tax equity market for geothermal and biomass power projects and the growing solar power tax equity market will also be discussed, and two alternative structures for solar power projects will be compared.

Joel Spenadel, Executive Director – Energy Investments, JP MORGAN CAPITAL CORPORATION

10:15 -10:45

Morning Refreshment & Networking Break

Risk Identification and Allocation in Renewable Energy

10:45 – 11:30

Sourcing Renewable Energy Debt Financing

This talk will explore the evaluation process conducted by lenders to determine a renewable project's debt capacity. This process will be discussed for all renewable energy projects, and a quantitative example will be presented. The presentation will cover incremental debt capacity from green attributes such as renewable energy credits and production tax credits, and will also explore some alternative financing structures.
Christopher Stolarski, Senior Vice President, MIZUHO CORPORATE BANK LTD

11:30 – 12:10

Dealing with Equipment Supply Constraints

This presentation discuss ways to mitigate equipment supply and logistics risks, including:

- Four T's: Towers, Transport, Technical and Transfer
- Grid interconnect requirements
- Four P's Performance, Price, Parts and Planning
- Erection, Completion and Commissioning
- Four S's: Site, Scheduling, Shipping, Service
- Sourcing and Delivery
- Four C's: Contracting, Construction Calibration and Controls
- Insurance, Warranties and Risk Management

Derek Stillwell, Business Development Manager, VESTAS-AMERICAN WIND TECHNOLOGY, INC.

Investment and Finance of Renewable Projects

12:10-1:30

Group Luncheon

1:30-2:10

Sourcing Equity Capital for Renewable Projects

There are more institutional equity participants interested in investing in renewable deals than there are currently deals in the market. At the same time, the arrangers continue to push the envelope on deal structures. This presentation will discuss what deals are being done and on what terms, including how much of the tax subsidy a developer who turns to the institutional equity market should be able to keep, what the current “market” is on significant deal terms, whether “equity squeeze” rules out project-level debt, and the most important places for institutional investors to probe during due diligence.

Jeremy Dockter, Managing Director, KINETIC GROUP

2:10-2:45

Special Issues in Renewable Project Non-Financial Contracts

This presentation will explore the details of a project's "soft assets," illustrating the special concerns with contracts forming the foundation of renewable energy project structures.

- Construction and warranty issues-getting the project built, operating and guaranteed
- Real Estate - Control of the project site and protection of the renewable resource
- Operations and maintenance - what are the pitfalls?
- Power Purchase Agreement and Transmission interconnection issues for renewable projects

Howard Susman, *Partner*, STOEL RIVES LLP

2:45-3:15

Afternoon Refreshment & Networking Break

3:15-3:50

Market Price Hedges and Synthetic PPAs for Renewable Energy Projects

This presentation will address using Market Price Hedging and Synthetic PPA strategies for financing renewable projects.

Adam Umanoff, *Partner*, CHADBOURNE & PARKE LLC

<p><i>Case Study & Lessons Learned in Renewable Energy Financings</i></p>

3:50- 4:25

Case Study: Financing a Biomass Project

This presentation will explore the opportunities and challenges involved with biomass projects. It will discuss issues such as the financing options available for plants, contracts with property owners, financing possibilities, pricing considerations relating to gas sales to utilities and other purchasers and if cogeneration is included, power purchase contracts and incentives.

Thomas Suffield, *Principle*, CEDARS CAPITAL, LLC

4:25-5:00

Case Study 2: Case Study: Financing a Renewable Energy Project

Mr. Moritz, architect of the Babcock & Brown 2003 Sweetwater Wind Project, will explore how initial equity sharing arrangements impact developers and financiers involved in pricing tax equity partnership financings. It will discuss the many considerations that influence these complex decisions, including the option to sell or contribute project assets in tax equity partnerships.

Dennis Moritz, *Founder & Principle*, ADVANTAGE FOR ANALYST

5:00

Tutorial Adjourns