



SOLAR PROJECT FINANCE & INVESTMENT SUMMIT

March 18, 2010

7:00 – 8:00 **Networking Breakfast and Registration**

8:00 – 8:15 **WELCOME & INTRODUCTION BY THE SUMMIT CHAIR**
Todd Glass, Partner, WILSON SONSINI GOODRICH & ROSATI

8:15 – 9:30 **Solar Project Market Outlook 2010**

Buffeted by the repercussions of the financial crisis and the economic downturn, the solar project market slowed in 2009. Will we see a rebound in 2010 and, if so, what will it look like? The panelists will get things started by providing an outlook for the 2010 solar project market and discuss how the market will be shaped by such forces as:

- »» Government policy, regulation and incentives
- »» Financial market recovery
- »» Evolving business strategies and collaboration up and down the value chain
- »» Solar product supply and pricing
- »» Utility strategies and decision-making
- »» Environmental restrictions

Moderator:

Jerry Bloom, Chair, Energy, Project Development and Finance Practice Group, WINSTON & STRAWN LLP

Panelists:

Joe Henri, Director of Government Affairs, SUNEDISON

Mac Irvin, Managing Director, SUNPOWER CORP

Mark McLanahan, CEO, RENEWABLE VENTURES, A FOTOWATIO COMPANY

Liza Pogrebnjak, Analyst, PV Services Program, NAVIGANT CONSULTING

9:30 – 10:00 *Networking Break and Private Meetings*

10:00 – 11:15 **Utilities' Strategies and Plans for Solar Expansion**

Utilities will be the key players driving the solar project market. Intriguingly, they have many options available to them and the choices they make will significantly shape the solar landscape in the U.S. This panel of utility executives will share their current thinking regarding these options and discuss their solar strategies and plans for the future.

- »»How have utilities' strategies for distributed solar and utility scale solar evolved over the past year and what factors are driving their current thinking?
- »»What new business models are being developed to implement these strategies?
- »»What role(s) will utilities play in the distributed and utility scale solar value chain in these strategies and what types of relationships are they looking to establish with other value chain players?
- »»What factors will drive utilities' decisions on whether to buy power via PPAs or internally develop and own projects in the future?
 - »»Economics
 - »»Tax incentives
 - »»Rate base treatment
 - »»State regulatory policies
 - »»Project management
 - »»Internal risks tolerances
 - »»Financing
- »»Will they entertain relationships involving:
 - »»Co-development and joint ventures?

- »»Tax equity investment?
- »»Pre-development financing?
- »»Construction financing?
- »»Other innovative relationships?

Moderator:

Richard Homich, CEO, ADVANTAGE FOR ANALYSTS

Panelists:

Jim Avery, Senior Vice President - Power Supply, SAN DIEGO GAS AND ELECTRIC

Roger Garratt, Director of Resource Acquisition and Emerging Technologies, PUGET SOUND ENERGY, INC.

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

Neha Patel, Principal, Structured Transactions, PG&E

Lori Singleton, Manager Sustainability Initiatives and Technologies, SALT RIVER PROJECT

11:15 – 1:00 *Group Luncheon Sponsored by:*

Canadian Solar

1:00 – 2:15 **Developing and Financing Utility Scale Solar Projects**

The drumbeat of new utility scale project announcements heralds the growing utility view that solar can indeed serve as an attractive asset in their generation portfolios. This is great news for the solar industry. Yet, successfully marshalling these projects through the development process remains a challenge and getting them financed continues to be a struggle. This panel of utility scale solar developers will discuss their strategies for developing these projects and discuss the industry's approach to securing the large amounts of financing that will be needed for the growing project pipeline.

- »»What threats do interconnection, permitting, environmental backlash, and other development issues pose to the success of utility scale projects?
- »»What is needed to overcome these threats?
- »»What are the characteristics of the deals developers are trying to put in place?
- »»What impacts are the Treasury Tax Grant Program and the DOE Loan Guarantee Program having on deal financing?
- »»What strategies are being pursued to obtain development, construction, tax equity, and debt financing?
- »»What challenges are developers experiencing while working with investors and lenders?
- »»What types of relationships are being explored with other players in the supply chain and how important will collaboration be for industry success: i.e. with utilities, EPC contractors, and equipment suppliers?

Moderator:

Edward Feo, Partner, MILBANK, TWEED, HADLEY & MCCLOY LLP

Panelists:

Rainer Aringhoff, President, SOLAR MILLENNIUM

Matthew Meares, Director of Project Finance, AMONIX

Natalie Schaefer, Vice President- Project and Structured Finance, BRIGHTSOURCE

Jesse Tippet, Managing Director, ALBIASA CORPORATION

2:15 – 2:45 *Networking Break and Private Meetings*

2:45 – 4:00 **Growing and Financing the Distributed Solar Market**

Hampered by the contraction of the tax equity market and the drawback of commercial lenders from extending long-term debt in 2009, distributed solar developers have been working overtime to attract the financing so vital to grow their business. Yet, at the same time, renewables investors are looking to the solar market as a way to diversify their investments in the renewable energy sector and many stand ready to invest in well-structured deals. Are these groups two ships passing in the night? Representatives from both groups will exchange their perspectives on financing distributed solar deals, discuss the tensions in these transactions and explore what is needed to get the financing flowing.

- »»Equity and lenders
 - »»What kinds of projects are they looking for?
 - »»What kinds of risks are they willing to take?
 - »»Why are projects financeable?
 - »»What makes deals successful and what doesn't?
 - »»What are the structures that make these transactions financable?

»»Developers

»»What has their experience been with working with insurance companies and tax equity investors?

»»What structures are developers pursuing?

»»What financial strategies are they pursuing and what reactions are they getting from the financial investors and lenders?

Moderator:

Mark P. Weitzel, *Partner*, ORRICK, HERRINGTON & SUTCLIFFE LLP

Panelists:

Mit Buchanan, *Managing Director*, JPMORGAN CAPITAL CORPORATION

Mike Miskovsky, *General Manager, US Division*, CANADIAN SOLAR INC.

Bob Powell, *President and CEO*, SOLAR POWER PARTNERS

William Lee, *Vice President, Project Finance and Corporate Development*, SUNEDISON LLC

Christopher Lord, *Senior Vice President Business Development*, HANNON ARMSTRONG CAPITAL, LLC

4:00 – 5:00

Growing and Financing the Residential Solar Market

Developers seeking to expand the residential solar market are introducing new financial models, including the solar lease, the property tax assessment model, and the residential PPA. This panel of residential developers will discuss how such financial models are gaining traction in the market and their strategies for financing their residential projects.

»»What are the key dynamics shaping the residential solar market?

»»What are the prospects for the widespread adoption of solar leases and residential PPAs?

»»What types of financing relationships are residential developers looking to establish with the financial community?

»»What has been the experience in creating funds to finance the residential market?

Moderator:

Ed Zaelke, *Partner*, CHADBOURNE & PARKE LLP

Panelists:

Edward Fenster, *CEO*, SUNRUN

Danny Kennedy, *Co-Founder and President*, SUNGEVITY, INC.

Darren Van't Hof, *Vice President, Renewable Energy, New Market and Historic Investments*, US BANCORP COMMUNITY DEVELOPMENT CORPORATION

Jeff Wolfe, *President*, GROSOLAR

5:00– 7:00

SUMMIT RECEPTION

March 19, 2010

7:00 – 8:00

Networking Breakfast Sponsored By:

Taylor-DeJongh

8:00 – 9:15

Government Financing Update

The Treasury Cash Grant Program and the DOE Loan Guarantee Program have moved front and center in the financial strategies of many developers. This session will provide an up-to-the-minute update on the latest information about these programs and provide clarifications on such issues as what it takes to qualify as “placed in service” or “start of construction.” It will identify what issues are still in play in Washington regarding how these programs work.

Moderators:

Marty Klepper, *Partner*, SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

Sean Shimamoto, *Partner*, SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

Panelists:

Brandon Carlton, *Attorney-Advisor, Office of Tax Legislative Counsel*, TREASURY DEPARTMENT

Daniel C. Tobin, *Senior Investment Officer*, US DEPARTMENT OF ENERGY

9:15 – 9:45

Impact of ARRA on Solar Project Financing

The stimulus programs are playing an important role in financing solar projects in the tax equity and debt markets. This session will explore how the project market is responding to these programs.

- »»How has the market reacted to them?
- »»How have transaction structures been affected?
- »»How have developers changed their financing strategies?
- »»What issues are taking up the most time in pending deals?
- »»How will the energy bill moving through Congress change things further?

Presenter:

Keith Martin, *Partner*, CHADBOURNE & PARKE LLP

9:45 – 10:45

Tax Equity's Perspectives on Investing in the Solar Market

The Treasury Cash Grant Program was created to respond to the dramatic contraction of the tax equity market. Yet, with the Treasury program up and running, tax equity still remains an important element in financing solar deals and developers are still hampered in attracting this source of capital. This panel of tax equity investors will provide an update on the tax equity market and discuss the types of opportunities tax equity investors are looking for.

- »»What is the outlook for the availability of tax equity capital in 2010 and what will be the capacity of this market to meet the needs of the solar project financing market?
- »»What are the prospects for new sources of tax equity entering the market and what is needed to attract these sources to solar projects?
- »»What types of opportunities are tax equity investors seeking in the current solar market?
- »»How have their investment criteria tightened and what deal structures do they prefer?
- »»What are their target yields?
- »»What impact has the American Reinvestment and Recovery Act (ARRA) had on their approach to the market?
- »»What should developers understand when approaching tax equity investors in the current market?

Moderator:

Steve Provol, *President*, COMPETITIVE ENERGY INSIGHT INC.

Panelists:

Jeetu Blachandani, *Director, Structured Tax Investments*, METLIFE INVESTMENTS

Jimmy C. Chuang, *Chief Investment Officer*, DALU INDUSTRIAL INVESTMENT GROUP
COMMODITIES

Ben Jacoby, *Managing Director*, CP ENERGY GROUP

Lance Markowitz, *Senior Vice President and Manager*, UNION BANK, N.A.

George Revock, *Director*, CITIGROUP

10:45 – 11:15

Networking Break and Private Meetings

11:15 – 12:15

Private Equity Perspectives on Investing in Solar Projects

Solar project capital structures typically include debt, sponsor equity and either tax equity or cash grants based on the ITC. But the debt markets have been challenged and in general lenders are financing a smaller percentage of the total cost of projects. The gap that remains to be filled is project-level equity. While this type of equity has been challenging to find in the past, new funds are being formed and other types of funds (for example, infrastructure funds) are being redirected to the renewable energy sector. This panel of private equity investors and financial advisors will discuss the current market for project-level equity investments, what investors look for in terms of sponsor management and prospects, technology issues, project-level economics and future development pipelines. The panelists will also discuss the current opportunities for equity investors looking to make project-level investments in the solar sector, including large portfolios, distributed generation opportunities and the prospect for strategic and public-market exit scenarios.

Moderator:

Tom Hoffman, *Partner*, BALLARD SPAHR LLP

Panelists:

Nathan Campbell, *Senior Vice President*, MACQUARIE CAPITAL ADVISORS

Scott Mackin, *Partner*, DENHAM CAPITAL

Terry Newendorp, *Chairman and CEO*, TAYLOR-DEJONGH

12:15 – 1:15

Providing Debt to the Solar Market

Project finance banks have cautiously reentered the lending market since the DOE has rolled out its new Financial Institution Partnership Program (FIPP) designed to expedite DOE's loan guarantee underwriting process and leverage private sector expertise and capital. Yet, banks have adopted stiffer lending standards and limited their lending relationships. What can really be expected in obtaining debt? Can insurance companies and pension funds, which have the same 20 year risk profile as traditional project finance, be looked to for support? The panelists will report on the current status of the debt market and its outlook for 2010. They will also discuss lenders' appetites for solar deals and the concerns, conditions, and requirements involved in these deals.

»»What will be the governing trends in debt lending to the solar project market in 2010?

»»What sources of debt will be available?

»»What kinds of solar 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?

»»What is the likelihood that tenors will be extended?

»»What approaches are banks taking to ARRA provisions?

»»Are they providing grant bridge loans during construction?

»»How do lenders plan to participate in the Loan Guarantee Program?

»»What is the availability of construction financing in the market?

Moderator:

Chris Groobey, *Partner*, WILSON SONSINI GOODRICH & ROSATI

Panelists:

Ric E. Abel, *Managing Director*, PRUDENTIAL CAPITAL GROUP

Kerri L. Fox, *Head of Structured and Project Finance, North America*, BBVA SECURITIES

Recep C. Kendircioglu, *CFA, Managing Director*, JOHN HANCOCK FINANCIAL SERVICES

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

Vinod K. Mukani, *Senior Director, Structured Finance Americas – Origination*, NORD/LB NEW YORK BRANCH

1:15

Summit Adjourns