

# SOLAR POWER Finance & Investment Summit

April 7-9, 2008 | Westin San Diego | San Diego, CA

## Solar Company Finance & Investment Summit

—April 7, 2008—

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8:30 – 8:45 Welcome and Introduction by the Summit Chair  
**Maria P. Sendra, Esq.**, *Partner*, Baker & McKenzie LLP

8:45 – 10:00 **THE GROWTH OF THE SOLAR MARKET AND ITS IMPACT ON COMPANY FINANCE**

The Summit will kick off with a panel of industry experts who will set the stage for the day's discussion of solar company finance and investment. They will discuss the growth of the market and the impact of this growth on corporate finance: company financial needs and challenges and investor appetites for participating in the market.

- What are the key developments in the solar market that will impact future corporate financing activities?
- Will financing drive solar companies or will the solar business drive the financing?
- What criteria should companies use to evaluate the choices offered by different classes of investors in the market?
- Are solar companies moving toward an integrated or disaggregated business model? How will this impact corporate financing?
- Are the solar financial markets in a bubble? What is causing all the price volatility? What will be the fallout?
- How will high valuations affect company capital raising activities?
- In what ways will the financial markets treat the technology, manufacturing, and developer/integrator sectors of the industry differently?
- Will new financing innovations be required to finance the next stage of market growth?

Moderator

**Maria P. Sendra, Esq.**, *Partner*, Baker & McKenzie LLP

Panelists

**Barry Cinnamon**, *Chief Executive Officer*, Akeena Solar

**Ty Jagerson**, *Vice President Corporate Development*, SolFocus

**Trae Vassallo**, *Partner*, Kleiner Perkins Caufield and Byers

**Carl C. Weatherley-White**, *Managing Director*, Lehman Brothers

10:00 – 10:30 *Summit Networking Break*

10:30 – 11:30 **EARLY STAGE CAPITAL: VENTURE CAPITAL PERSPECTIVES**

This panel of venture capitals will identify the type of opportunities they are looking for in the market, discuss the financial role they are willing to play as solar companies move through the growth cycle, and describe the investment criteria they use when making investment decisions.

- Are VCs looking for investment opportunities in the technology, manufacturing, and developer/integrator sectors of the industry?
- What are the criteria they use when evaluating investments in each of these sectors?
- How do VCs evaluate the risk profiles in each of these sectors?
- Where are VCs on the learning curve in the solar space and how does that affect their risk analysis and investment decisions?
- How much capital are VCs willing to invest in these companies?
- What exit strategies are in play?
- Are VCs willing to ride companies up the growth curve? If so:
  - What new financial arrangements are needed to facilitate this strategy?
  - Will company valuation be an issue?
- What do solar companies need to know when approaching VCs?

Panelists

**Andrew Friendly**, *Senior Associate*, Advanced Technology Ventures

**Steve Parry**, *Managing Member*, NGEN Partners

## 11:30 – 12:30 **GROWTH CAPITAL: PRIVATE EQUITY PERSPECTIVES**

This panel of private equity players will identify the type of opportunities they are looking for in the market, discuss at what point they are willing to invest in companies, and describe the investment criteria they use when making investment decisions.

- What roles does private equity see itself playing in the solar markets?
- Is private equity looking for investment opportunities in the technology, manufacturing, and developer/integrator sectors of the industry?
- What are the criteria they use when evaluating investments in each of these sectors?
- How does private equity evaluate the risk profiles in each of these sectors?
- What size of deal does private equity need to invest in these companies?
- At what stage of a company's growth is private equity looking to become a player?
- What challenges, if any, does private equity face when VCs are involved in financing early stage growth?
- Will current company valuations impact deal flow?
- What do solar companies need to know when approaching private equity?

### Panelists

**Rahul Advani**, *Vice President*, Energy Capital Partners

**Daniel Gross**, *Partner*, Hudson Clean Energy Partners

**Daniel P. Petrucci**, *Division Director*, Macquarie Securities (USA), Inc.

**Jacob E. Susman**, *Chief Executive Officer*, Own Energy Inc.

12:30 – 2:00 *Group Luncheon*

## 2:00 – 3:00 **OPPORTUNITIES IN THE PUBLIC CAPITAL MARKETS**

This panel will explore the opportunities for raising capital in the public capital markets, discuss the mood of the market, and describe the company characteristics that will be successfully received by the market.

- What is the opening for solar company IPOs?
- Is the market available to technology, manufacturing, and developer/integrator sectors of the industry?
- How does the market evaluate each of these sectors?
- What will it take to receive market acceptance?
- What are valuations likely to look like?
- What is the opportunity in London's Alternative Investment Market (AIM)?
- What do solar companies need to know before approaching the public capital markets?

Panelists

**Kevin Genieser**, *Managing Director and Head of the Cleantech Group, Investment Banking, Morgan Stanley*

**Jeff Lipton**, *Managing Director, Head of CleanTech Investment Banking, Jefferies & Company*

**John J. McKenna**, *Managing Director, Hamilton Clark & Co.*

**Sanjay K. Shrestha**, *Managing Director Equity Research-Alternative Energy & Infrastructure, Lazard Capital Markets*

3:00 – 3:30 *Summit Networking Break*

3:30 – 4:15 **CORPORATE DEBT FINANCING: LENDERS' PERSPECTIVES**

This panel of lenders will discuss the availability of corporate debt financing and the parameters under which debt is available.

- What type of debt financing is available?
- What is the tenor of the debt?
- What are the terms and structures?
- What do solar companies need to know before approaching the public capital markets?

Moderator:

**Ed Feo**, *Partner, Milbank, Tweed, Hadley & McCloy LLP*

Panelists

**Quentin Flaconer CFA**, *Senior Relationship Manager, Silicon Valley Bank*

**Ken Pelowski**, *Founder and Managing Partner, Pinnacle Ventures*

**Rohan Singh**, *Senior Vice President Energy Group, HSH Nordbank*

4:15 – 5:15 **COORDINATING FINANCING DURING THE GROWTH CYCLE: THE CONVERGENCE OF CORPORATE FINANCING AND PROJECT FINANCING**

The session will focus on the financial challenges facing companies as they advance through their progressive stages of development. The solar industry—spanning technology development and manufacturing, technology demonstration, and large scale energy projects—has financial needs that haven't been served by traditional financing models and structures. The session will explore how to successfully move from one growth stage to the next by coordinating the needs and interests of the company and different financing sources.

Panelists

**Glen Davis**, *Chief Commercial Officer, Ausra*

**Samir Kaul**, *General Partner, Khosla Ventures*

**Rob Sexton**, *Director, CIT Energy*

5:15 – 6:30 **SUMMIT NETWORKING RECEPTION**

# Solar Power Project Finance & Investment Summit

—April 8-9, 2008—

## April 8, 2008

8:30 – 8:45 Welcome and Introduction by the Chairman  
**Ed Feo**, *Partner*, Milbank, Tweed, Hadley & McCloy LLP

### 8:45 – 10:00 **DEVELOPERS OF COMMERCIAL AND INDUSTRIAL PROJECTS PERSPECTIVES ON THE MARKET**

Developers of commercial and industrial projects will discuss the development of the market, the key characteristics of their business models, the financial challenges they experience and the type of relationships they seek to develop with the financial community.

- How do developers see the commercial and industrial market maturing in 2008 and beyond?
- What are the major challenges to future growth?
- What approaches are developers using to aggregate projects?
- What are the greatest challenges to negotiating and financing deals?
- How can investors become involved in these deals?

#### Moderator

**Keith Martin**, *Partner*, Chadbourne & Parke LLP

#### Panelist

**Andrew Beebe**, *President*, Energy Innovations

**Paul Detering**, *Founder & Chief Executive Officer*, Tioga Energy, Inc.

**Arno Harris**, *Chief Executive Officer*, Recurrent Energy, Inc.

**Karen Morgan**, *President*, Envision Solar International

**Jeffery Wolfe PE**, *Chief Executive Officer*, groSolar

10:00 – 10:30 *Summit Networking Break*

### 10:30 – 11:45 **DEVELOPERS OF UTILITY SCALE PROJECTS PERSPECTIVES ON THE MARKET**

Developers of solar thermal and PV utility-scale projects will share their respective views on the outlook for solar thermal and PV technology based projects. They will discuss the challenges in developing these projects, the approaches being adopted to overcome these challenges, and the methods utilized to deal with technology and other project risks.

- How do solar thermal developers see the growth path for their technology in the utility scale market?
- How do PV developers see the growth path for their technology in the utility scale market?
- What factors will most influence the level of transactions for these technologies in the coming year?
- What are the characteristics of the deals developers are looking to make?
- What are their major financing challenges?
- What are the approaches to technology and other project risk?
- How is the financial community responding to these deals?
- How can investors become involved in these deals?
- How can the lending community facilitate these projects?

Moderator

**James T. Tynion III**, Partner, Foley & Larnder LLP

Panelist

**Arnold Leitner, Ph.D.**, *CEO and President*, SkyFuel Inc.

**William Lee**, *Director Project Finance*, SunEdison LLC

**Fred Morse**, *Senior Advisor*, US Operations, Abengoa Solar

**John Rei**, *Chief Operating Officer*, Sopogy

**Charlie Rickter**, *Senior Vice President, Marketing & Business Development*, BrightSource Energy, Inc.

11:45 – 12:15 **DOE PERSPECTIVES ON FINANCE AND INVESTMENT ISSUES IN THE SOLAR INDUSTRY**

This session will present an historical overview of finance and investment activities in the Solar Industry during the past several years, including both public and private investments in solar technologies and companies. Current issues impacting the ongoing development of the industry will also be highlighted, including; the impacts of silicon production capacity expansions on the overall solar value chain, the impacts of the credit crunch on financing of solar installations, and the DOE's near term outlook on solar in the capital markets

Presenter:

**Charles E. Jennings**, *President, Financial Analytics Consulting Corporation*  
*Financial Analysis and Communications*, U.S. DOE Solar Energy Technologies Program

12:15 – 1:45 *Group Luncheon*

1:45 – 3:00 **EQUITY INVESTORS' PERSPECTIVES ON THE SOLAR PROJECT  
FINANCE AND INVESTMENT MARKET**

Due to their ability to take full advantage of solar tax credits, equity investors with a sufficient tax basis play a major role in the financing of solar projects. This panel of investors will discuss their investment requirements and expectations when participating in utility-scale projects and commercial and industrial-scale solar projects and describe the criteria they use when making investment decisions in each of these markets.

- What project characteristics are equity investors seeking when making an investment?
- How does their appetite for solar thermal and PV deals differ?
- How do they price technology risks?
- Are there deal structures they prefer?
- What is the investor's horizon?
- What returns do equity investors typically require?
- What does tax equity cost in the current market?
- What should developers understand when approaching investors?

Moderator

**Mark P. Weitzel**, *Partner*, Thelen Reid Brown Raysman & Steiner LLP

Panelist

**Ric E. Abel**, *Managing Director, Electric Finance Group*, Prudential Capital Group

**Jason Cavaliere**, *Vice President*, Morgan Stanley

**Maria Klutey**, *Senior Vice President Of Renewable Energy*, GE Energy Financial Services

**Lance Markowitz**, *Senior Vice President*, Union Bank of California, N.A.

**Matthew Mears**, *Structured Finance-Energy*, HSH Nordbank

3:00 – 3:30 *Summit Networking Break*

3:30 – 4:30 **PROJECT FINANCE LENDERS' PERSPECTIVES**

This panel of project finance lenders will provide their perspectives on financing solar projects. They will discuss the project characteristics they look for and the criteria they use when evaluating deals.

- What are the key project characteristics they are looking for?
- How is debt being priced and what debt-service coverage ratios are required?
- What terms and structures are currently in the market?
- How do they evaluate and price technology risks?
- What role, if any, are lenders willing to play in the commercial and industrial market?

Moderator

**Craig M. Kline**, *Partner*, Troutman Sanders LLP

Panelist

**John Ravis**, *Vice President*, TD Banknorth Project Finance

**Darrel Ho**, *Vice President*, Fortis

**Daniel Mallo**, *Director, Project Finance*, Societe Generale

**Michael Midden**, *Director and Manager Renewable Energy*, Dexia Credit Local

4:30 – 5:15 **LESSORS' PERSPECTIVES**

This panel of lessors will discuss their perspectives on financing transactions based on the purchase/lease model. They will discuss the financing characteristics in the market for financial leases, true leases, and operating leases and the challenges currently in the market for facilitating greater deal volume.

- What are the key issues commercial and industrial project developers should understand and address before approaching lessors?
- What are the ways that lessors can work with developers to facilitate their transactions?

Moderator

**Nikesh R. Patel**, *Partner*, Alston+Brid

Panelist

**Baker Davenport**, *Managing Director*, Environmental Financial Services, LLC

**William Garnett**, *Senior Vice President*, Energy Capital Investments

**Ann Hardy**, *Managing Director*, HSH Nordbank AG

5:15 – 6:45 *Summit Reception*

April 9, 2008

8:15 – 9:00 Keynote Address  
**Cash Flow: Overcoming Challenge and Risk to Put Capital to Work for the Solar Market**

With customer and investor demand aligning to drive unprecedented solar market growth, project finance is emerging as one of the market's most dynamic new areas of opportunity - however, with opportunity comes challenge. Today's solar developers face the challenges of effectively managing project uncertainty, long-term revenue streams and investor risk in order to gain access to new sources of capital. Investors in turn need a high-quality, aggregated portfolio coupled with deep industry knowledge and operational expertise to ensure long-term returns on the asset. The keynote address will discuss innovative strategies and best practices for using a third-party finance model to convert solar power projects into investment-grade deals.

**Chad Sachs**, *Vice President, Project Development and Finance*, MMA Renewable Ventures

9:00 – 10:00 **OPTIONS FOR MEETING THE CHALLENGES OF DEVELOPMENT/CONSTRUCTION FINANCING**

A major hurdle to multisite and smaller solar photovoltaic projects is the difficulty faced by many developers in obtaining development phase and construction financing. Equity investors desire to fund as late in the process as possible and the often substantial pre-development costs of getting a project ready for construction, create true cash flow issues. Although there are traditional means of obtaining construction financing for single projects, there does not seem to be a market response yet which addresses the problem of attempting to combine a number of smaller projects to achieve the scale of interest to most equity investors. This panel will bring together a variety of viewpoints on how this problem has been solved in individual situations and how it might be better addressed in the future.

Moderator

**Pat Boylston**, *Principal*, Stoel Rives

Panelist

**Larry Baerveldt**, *Vice President*, US Bancorp Community Development Corporation

**Tim Derrick**, *Principal*, Helios Energy

**Chris Hasle**, *Vice President*, United Fund Advisors

**Joseph Saturnia**, *President*, Island Pacific Energy

**Sandra Walden**, *Principal*, Commercial Solar Ventures

10:00 – 10:30 *Summit Networking Break*

10:30 – 11:15 **MONETIZATION STRATEGIES AND DEAL STRUCTURES**

This session will take an in-depth look at the financing structures for solar projects. The US government pays 60% of the capital cost of a typical solar project in the form of tax subsidies. Since most developers are not in a position to use such subsidies, they must find ways to share in the value indirectly. Retaining value is a key to being competitive.

Presenter:

**Keith Martin**, *Partner*, Chadbourne & Parke LLP

11:15 – 12:15 **MANUFACTURES' OUTLOOK FOR 2008 AND BEYOND**

Obtaining product from solar manufactures is developing into bottleneck that can impact project success. This presentation will talk about what the future holds for supplying the market's needs.

- What is causing bottlenecks in the market?
- What is the market outlook for solar equipment in 2008, 2009 and beyond?
- When will manufactures be able to meet the market needs?
- What terms are currently offered in the market?
- How do manufactures choose customers in a constrained environment?

Presenter:

**Daniel Tomlinson**, *Consultant & Editor of Solar Outlook*,  
Navigant Consulting

*Summit Adjourned*