

The logo features a stylized orange and yellow wind turbine icon to the left of the text. The text is stacked in four lines: "Wind Power", "Finance", "Investment &", and "Summit". The background of the entire page is a photograph of several white wind turbines on a green hill under a blue sky with light clouds.

# Wind Power Finance & Investment Summit

February 10-12, 2010 | Rancho Bernardo Inn | San Diego, CA

Pre-Summit Workshop  
**Structuring Your Wind Project Financing**  
February 10, 2010

About the Workshop

The tightened credit market is having an impact on wind and other renewable energy markets. Independent, small and medium-sized developers are having difficulties raising needed capital to move forward, while the tax and capital markets are experiencing significant constraints, and the syndication and M&A markets are struggling. On the other hand, the government's stimulus programs are providing a vital boost to the wind power industry. Now, more than ever, it is crucial to understand the latest funding programs, finance structures, and agreements that are available. At this workshop, you will learn about the creative deal structures and new financing sources available, with the best and latest insights that you can use to successfully structure your wind project financing in today's environment.

Agenda

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|--------------|--|
| 8:00 – 9:00  | <i>Registration and Continental Breakfast</i>  |
| 9:00 – 9:15  | Welcome and Introduction by the Workshop Chair<br><b>Edward Einowski</b> , <i>Partner</i> , STOEL RIVES LLP  |
| 9:15 – 10:15 | <b><u>Utilization of the DOE Loan Guarantee Program for Wind Projects</u></b><br>On October 7, 2009, the Department of Energy created its Financial Institution Partnership Program (“FIPP”) to provide loan guarantees to conventional renewable energy generation projects under Section 1705 of the Energy Policy Act of 2005. It was estimated that the funding under FIPP would cover the cost of loan guarantees and that it could support as much as \$4 to \$8 billion in lending to eligible projects. This session will discuss: |

- Has the FIPP led to the level of financing for wind energy projects that was initially projected?
- How does the loan guarantee program work?
- What is required to be submitted at each step of the two-step process under the FIPP?
- Are there lessons learned based on early reports of the status of loan guarantee applications that have been approved or moved from Part I to Part II?
- Has the utilization of the loan guarantee program changed the structure of the terms to provide low cost options for the financing wind energy projects?
- Did FIPP expand the number of institutional lenders providing financing to wind energy projects?
- What, if any, hurdles have been identified in the implementation of the FIPP?
- How have the NEPA, Davis Bacon, ARRA Reporting and Buy American provisions under the Recovery Act been implemented into loan agreements tied to the loan guarantees?
- How have the intercreditor terms been structured?

**Morten Lund**, *Partner*, STOEL RIVES LLP

**Julia Pettit**, *Associate*, STOEL RIVES LLP

10:15 – 10:45

*Morning Networking Break*

10:45– 11:45

**Financing Wind Projects Using the Cash Grant Program**

The U.S. Treasury Cash Grant Program under the American Recovery and Reinvestment Act has changed the way in which wind projects are being financed. This session will discuss:

- The restrictions on obtaining cash grants
- Cash grants monetization structures
- Partnership flip versus leasing structures
- Bridge loans secured by cash grant proceeds
- The cash grant application process

**Edward Zaelke**, *Partner*, CHADBOURNE & PARKE LLP

11:45 – 12:45

**Negotiating the Credit Agreement with the Lender**

Project financing is essential to assure a project will be built. This presentation will look at the various types of project financing products currently available in the market and will focus on the key issues and negotiating points in the Credit Agreement. Special emphasis will be placed on the current hot issues driving the market.

**Jeff Chester**, *Partner and Head of Wind and Renewable Energy Practice*, KAYE SCHOLER LLP

**Erica Egan**, *Senior Vice President, Corporate Finance*, LANDESBANK HESSEN-THURINGEN

12:45 – 2:00

*Morning Networking Break*

2:00 – 3:00

**Negotiating Your Power Purchase Agreements**

This presentation will discuss lessons learned in the developing power purchase agreement market including:

- Status of offtake market
- Trends affecting PPAs
  - State mandates, national RES, and climate change legislation
  - Demand
  - State commission approvals
- Utility participants—willing or not so willing
- Municipal and public utilities
- Updates on terms, conditions, pricing, and security
- Joint ventures and utility purchase options
- Merchant market update and interplay with transmission issues

**Jim Tynion III**, *Partner*, FOLEY & LARDNER LLP

**Elizabeth Hanigan**, *Senior Counsel*, FOLEY & LARDNER LLP

3:00 – 3:30

*Afternoon Networking Break*

3:30 – 4:30

**Cost Segregation & Assessment of Eligibility for Grant in Lieu of Tax Credit**

For a new wind turbine project, a cost segregation analysis is typically performed for the purpose of classifying property for Federal income tax depreciation or amortization purposes. In light of the ARRA and the grant in lieu of tax credit provided by Section 1603 of the ARRA, the cash grant qualifying cost basis can also be identified by the cost segregation analysis. The following items will be discussed in the context of this critical analysis:

- What properties are typically eligible for the cash grant?
- Potential issues to be explored in the cost segregation and cash grant analysis: acquisition of development projects and the allocation of basis under IRC Section 1060 Allocation; treatment of capitalized interest and other indirect costs.
- If cash is not elected, analysis can be performed to assess whether the Investment Tax Credit or Production Tax Credit may be more favorable.

**Patricia G. Tuite**, *Senior Manager*, DELOITTE FINANCIAL  
ADVISORY SERVICES LLP