Pre-Conference Workshops
Wednesday, November 1, 2006

9:00-12:00  Pre-conference Workshop #1:
Feedstock Risk Management for Biofuels Deals—Working the “Crush Spread”

This workshop will address commodity risk management and its critical role in the long-term success of biofuels projects. Participants will gain an understanding of the fundamentals and mechanics of commodity markets and risk management tools, as well as specific strategies to deal with current market conditions.

- Commodity Market Characteristics – An introduction to commodities and the risk management issues that must be considered in a biofuels project

- Futures & Options 101 – How basic futures and options hedging tools can be used in biofuels projects, as well as how critical issues such as risk management costs and working capital requirements affect biofuels developments

- Biofuels Risk Management Strategies – Specific approaches and strategies involving the implementation of futures and options tools will be explored. Further detail will be provided regarding the importance of creating a structured risk management program and risk management policy.

- Ethanol & Biodiesel Market Update – Current market conditions and applicable hedge strategies will be reviewed for the ethanol and biodiesel market. Market trends, opportunities and risks will be reviewed.

Will Babler, Risk Manager, First Capitol Risk Management
1:00-5:00 Pre-conference Workshop #2: Negotiating and Documenting the Key Biofuels Project Agreements

The successful structuring of biofuels projects requires a global understanding of risk allocation and project contract structuring. This workshop will review the various types of contracts, and show how they should be set up to create an advantageous structure for your project. The instructors will review the key aspects encountered in each type of contract, showing you how to effectively transfer appropriate risk to your counterparties. They will address the interrelationships between the different types of contracts, and offer helpful insights on how to negotiate with your counterparties. Finally, the instructors will review the hidden deal-breakers that sophisticated project lenders and developers know to look for that cause most unsuccessful projects to fail to get financed.

- Feedstock agreements
- Offtake agreements
- Environmental concerns
- Real property entitlements
- Current trends

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