



Thursday, November 2, 2006:

9:00-9:15 Opening Remarks by the Tutorial chair
Todd Alexander, *Partner*, Chadbourne & Park LLP

Fundamentals of Biofuels Project Economics

9:15-10:00 **Evaluating Biofuels Project Feasibility & Financeability**
This presentation will provide an overview of the key elements of a biofuels project, and how they impact both the overall feasibility of the project and its ability to source capital.

- What projects are getting done and why
- Identifying the elements of a biofuels project that have the most impact on financeability
- How federal incentives affect ethanol and biodiesel project feasibility and finance
- Plant development issues—how they can affect financing

Todd Alexander, *Partner*, Chadbourne & Park LLP

10:00-10:30 Morning refreshment and networking break

10:30-11:15 **Assessing the Impact of Site Selection on Project Economics**
This presentation will examine how such site-specific factors as feedstock availability; access to transportation; access to and cost of local utility services and energy supplies; and the expected price for fuel is incorporated into financial models.

- Options and implications of ethanol and biodiesel feedstocks
- Evaluating regional availability and price of feedstocks
- Options and implications of biofuels and distillate markets

John O. Christianson, *Principal*, Christianson & Associates, PLLP

Mitigating the Major Project Risks

11:15-Noon **Assessing the Impact of Environmental Review and Air Permitting on Biofuels Project Risk**

This presentation will discuss key environmental issues encountered during financing of new biofuels projects and during acquisition of existing facilities. This will include permits and approvals, site issues, and compliance issues for operating biofuels plants.

- Compliant facility design
- Compliance issues with operating facilities

Eleni Kouimelis, *Partner*, Winston & Strawn, LLP

Noon-1:30 Group Luncheon

1:30-2:15 **Dealing with Issues in the Feedstock Contract**

This presentation will discuss the key issues in contracting for feedstock supplies needed for biofuels production, and review various methods by which commodity price risk can be managed for the producer—including discussion of commodity futures, over-the-counter derivatives, options on futures contracts, cash-forward contracts, and using storage as a way to lock in prices.

- How to secure supply of feedstock for biofuel plants
- Strategies for managing feedstock price volatility
- Working capital requirements for mitigating Ag market inputs

Randall L. Besecker, *President/CEO*, Besecker Associates

2:15-2:45 Afternoon refreshment & networking break

2:45-3:15 **Using an EPC Contractor to Mitigate Construction, Completion and Performance Risk**

This presentation will explain the role of the EPC (equipment, procurement and construction) contractor in a biofuels project financing—including risk identification, quantification, and allocation; lender requirements and issues; and the contract selection process. It will also discuss the contractor's perspective on using EPC contractor as a source of funding, the external risks affecting contractors, risks within the EPC contract, how the contractor mitigates risk, and the potential rewards for contractor.

- What types of schedule and performance guarantees are currently available?
- Advantages and disadvantages of turnkey vs. time and materials based contracts
- Advantages and disadvantages of obtaining financing from the EPC contractor
- Plant construction and scaling issues

Catherine N. Grover, *Director*, Luminate, LLC

3:15-4:30 Panel Discussion:
Key Strategies for Mitigating Risks via Project Structuring
This roundtable discussion will provide concrete suggestions on project structuring from experienced market participants. They will discuss how to deal with the major contractors and vendors to control project development risks, and to ensure that your project will be financeable.

Moderator:

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

Panelists:

Todd E. Alexander, *Partner*, Chadbourne & Parke LLP

Will Babler, *Risk Manager*, First Capitol Risk Management

Catherine N. Grover, *Director*, Luminare, LLC

Eleni Koumelis, *Partner*, Winston & Strawn, LLP

Friday, November 3, 2006:

8:00-8:45 **Tapping into Equity Financing for Biofuels Projects**
This presentation will discuss key strategies for accessing equity financing, including why equity funds are interested in financing biofuels projects. It will provide an overview regarding which equity funds are currently involved in what projects, which funds are projected to become involved, and what factors are of most interest to equity funds in deciding whether to provide financing.

- The principal terms an equity investor is looking for when making an investment
- The typical returns an equity investor requires
- Does “equity squeeze” rule out project-level debt?
- What deals are getting done and on what terms

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

8:45-9:30 **Sourcing Debt for Biofuels Projects**
This presentation will explain how lenders evaluate project financings that are seeking credit, and will detail what levels of risk relative to project cash flows are currently financeable in today’s market.

- The type of leverage available in biofuels deals
- How covenants compare among ethanol and biodiesel deals
- What sponsors should know before they speak with lenders
- The most contentious issues typically encountered in financing biofuels projects

Chris Groobey, *Partner*, Baker & McKenzie, LLP

9:30-10:00 Morning refreshment & networking break

10:00-11:00 Panel Discussion:

Helpful Hints on Evaluating Which Type of Financing Is Best for Your Biofuels Project

This roundtable discussion will provide concrete suggestions on sourcing capital for biofuels projects from experienced market participants.

Moderator:

Chris Groobey, *Partner*, Baker & McKenzie, LLP

Panelists:

David Fennema, *Vice President, Biofuels*, Marathon Capital LLC

Robert W. Sexton, *Managing Director*, CIT Energy

Ken Taratus, *Managing Director*, Morgan Keegan & Company, Inc.

Denny deVos, *Senior Vice President, Agribusiness*, Ag Country Farm Credit Services

Case Studies—Lessons Learned in Financing Biofuels Projects

11:00-11:45 Case Study 1: **Financing an Ethanol Development**

This presentation will address the financing challenges associated with non-recourse project financing for a 100MMgpy ethanol facility located in the Midwest that will be constructed in two phases. The initial Phase will be 50MMgpy with natural gas as the energy source. Phase 2 will encompass an increase in capacity up to 100MMgpy and a coal-fired power island. Mr. Morrison will discuss all of the various financing aspects of such a project including development capital, equity and mezzanine debt, and senior debt financing, including construction funding.

Brian Morrison, *Managing Director*, Morrison & Kibbey, Ltd.

11:45-12:30 Case Study 2: **Financing a Biodiesel Project**

A case study based on optimizing the capital structure through the sourcing of equity and debt based on key elements of the project; the management team, site selection, feedstock, off take, and risk management.

Kim L. Johnson, *Managing Partner*, eBio Holdings L.P.

12:30 Conference Adjourns