

EnergyCapital Partners



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Energy Capital Partners (“ECP”)

- **Private Equity firm founded in April 2005**
 - Offices in Short Hills, NJ and San Diego, CA
 - Focused on making investments in North American energy infrastructure
 - Emphasis on the power generation, midstream gas sectors, and renewables
 - Both acquisition and new build development projects
- **\$2.25 billion committed equity capital from Fund I**
 - Have formed 11 platform entities
 - Additional LP co-invest available
 - Total fund asset appetite approximately \$8 billion
 - 120 passive, blue chip equity investors
 - Only ECP members on the Investment Committee
 - Fund I largely committed; Fund II likely to launch later in 2008
- **25 industry skilled professionals**
 - 140 power and related facilities, currently valued in excess of \$15 billion, have been owned and operated by ECP management
 - Over 300 collective years of sector experience
 - Historic realized returns of over 75% per annum
 - \$50 million of personal funds committed to Fund I by ECP partners and employees



ECP Portfolio Investments



*Power Holdings
Of Illinois, LLC*



Public Policy Drives Demand



- Tax Benefits
- Wholesale Price Regulation (FERC)
- Transmission Access (FERC)
- Environmental Permitting (BLM)

- Renewable Portfolio Standards (RPS)
- Resource Planning
- Regulation of Retail Rates
- Transmission Siting
- Environmental Permitting

- Zoning and Land Use Planning
- Environmental Permitting
- Local Public Opinion



Various Supply Options

Plant Type	Capital Costs	Operating Costs	Dispatch
Gas / Oil Peaking	\$1,200 / kw	\$90 / mwh	Peaking
Gas Combined Cycle	\$1,800 / kw	\$60 / mwh	Baseload
Coal	\$3,500 / kw	\$50 / mwh	Baseload
Geothermal*	\$4,000 / kw	\$15 / mwh	Baseload
Nuclear	I'll tell you in 20 years	\$10 / mwh	Baseload
Hydro	Not being built anymore	\$5 / mwh	Intermittent/Baseload
Wind*	\$2,700 / kw	\$5 / mwh	Intermittent
Solar Thermal*	\$6,000 / kw	\$3 / mwh	Super Peak
Solar PV*	\$5,000 / kw	\$2 / mwh	Peak Coincident

- High initial installation costs lead to relatively expensive levelized cost of energy when amortizing fixed costs over life of the plant
- Costs for renewables should decline over time; main drivers:
 - Technology
 - Experience in engineering, design and construction
 - Commodities (silicon, steel)

**Benefit from renewable portfolio standards and tax incentives*



Key Steps to Financing a Renewable Project

- Viable project site
 - Land
 - Transmission interconnection
 - Proven resource
 - Permits
- Adequate assurance that technology will perform as promised (EPC contract)
 - Proven technologies
 - Availability
 - Minimum production levels
 - Known upfront and anticipated ongoing costs
 - Creditworthy entities guaranteeing performance
- Stable cash flows
- Monetizing tax rebate is a key component of overall financing strategy



Capital Structure

- Construction debt financing
- Permanent debt financing
- Corporate financing
- DOE loan guarantee program
- Tax equity financing
 - Leveraged lease or partnership flip structure
- Sponsor equity

