

USAF Energy Forum II
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The Transaction Side of Energy Projects

Michael Whaley
President & CEO



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The Transaction Side of Energy Projects

- **The Analysis**
- **The Leadership Support**
- **The Team**
- **The Tender**
- **The Deal**

The Transaction Side of Energy Projects

The Analysis

- **High Usage and High Cost Installations**
- **States with Renewable Generation Portfolio Standards**
 - Preferred Technology
 - Is Credit Trading Allowed
 - Are There Other Economic Benefits
- **Local Utility Need For Renewable Energy Credit**
- **Land Availability for the Technology's Foot Print**
 - Land Valuation Methodology
- **Base Closure Screen**
- **Base Operations and Security Screens**
- **Results in the Priority Installations**

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Leadership Support

Air Force Senior Level Support

(Phase 1) Review of the National Program

- Review of the high level analysis
- Recommendation of Installation Priorities

(Phase 2) Review of the Specific Installation Programs

- After Local Reviews
- Inclusive of Local Issues
- Seeks specific authorization for a tender

Air Force Installation Level Support

- Clear Communication of the Project Benefits / Risk
- Review of the Desired Contracting Processes and Issues
- Seek Inputs on Local Issues and Concerns
- Seek Project Support and Commitment
- Review Next Steps

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The Team

- Air Force National Team

- A Permanent Traveling Team
- Legal, Technology, and Contracts Representation
- Past Practice, Best Practice, Flexibility Limitations
- Become the Deal Methodology Subject Matter Experts
- Jointly Manages the Tender with the Local Team

- Air Force Local Team

- Contracts, Operations, Infrastructure, Security
- Transitions to the Post Deal Administrators
- Jointly Manages the Tender with the National Team

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The Tender

- Air Force

- For a Fuel Source, Not a Technology
- State the Air Force Power Consumption Desired
- State the Land Area Available
- The Form of Land Lease
- The Form of Operating Agreement
- Disclose the Local Utility REC Commitment
- The Desired Timeline
- State the Bid Evaluation Criteria

- Energy Provider

- There Will be Competition
- Bring your Financing Partners and Commitment
- The Deal will be FAR Compliant
- Think Beyond the Air Force Requirement

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The Deal

- Air Force

- Land Lease
- Stand By Power Agreement
- Operating Agreement
- Time Between Tender and Contract
- No Independent Financing Guarantees

- Energy Provider

- Long-term Supply Agreements
- Renewable Energy Credit Agreements
- T & D Infrastructure Agreements
- Liability Protection
- End of Life Conditions

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The Macro Environment

- **Renewable Generation Cost Will Come Down**
 - Technology Development
 - Proliferation
- **Conventionally Fueled Generation Cost Will Rise**
 - Fuel Supply
 - Environmental Regulations
- **The States Will Continue to Update and Increase Their Renewable Energy Portfolio Requirements**
- **Financing Will Be Available**
 - Asset Based Infrastructure Investment
 - Long-term Supply Agreements
 - Product With a Growing Demand

The Transaction Side of Energy Projects

The Thesis is Not

“Bring the Land and They Will Come”

The Thesis is

**“Make the Deal Real and Here is the Tender,
and They Will Build”**