

GE
Energy Financial Services

New Market Realities: Wind Investing

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imagination at work

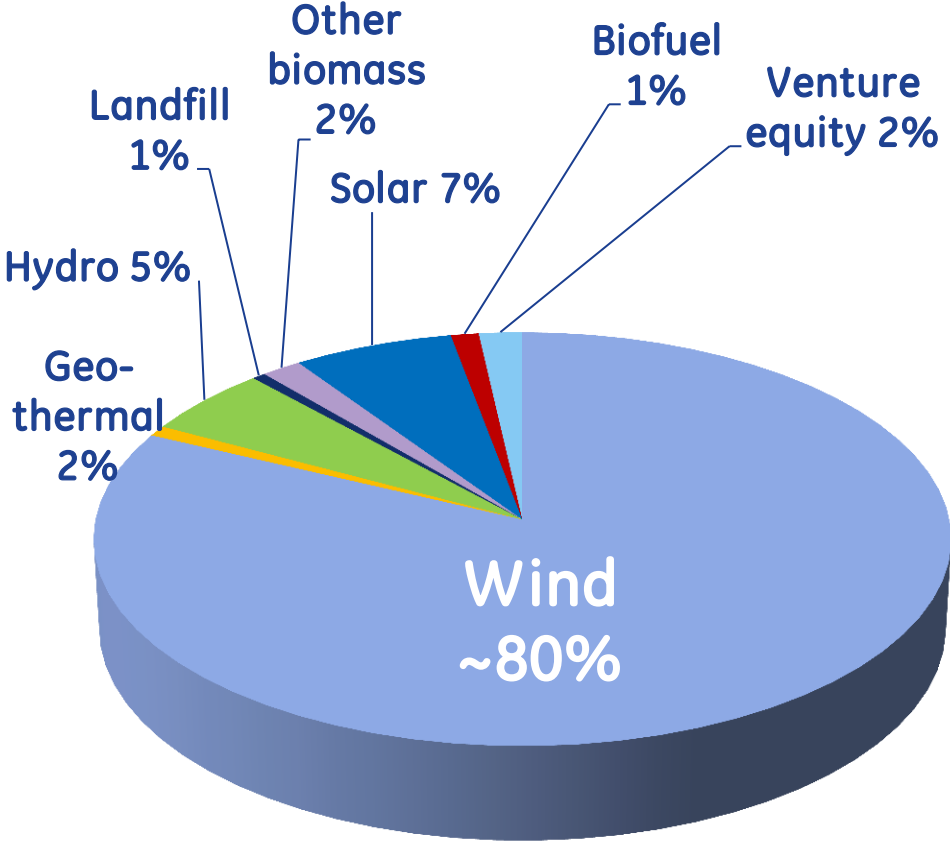


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GE Energy Financial Services: US\$6 billion, global renewables portfolio



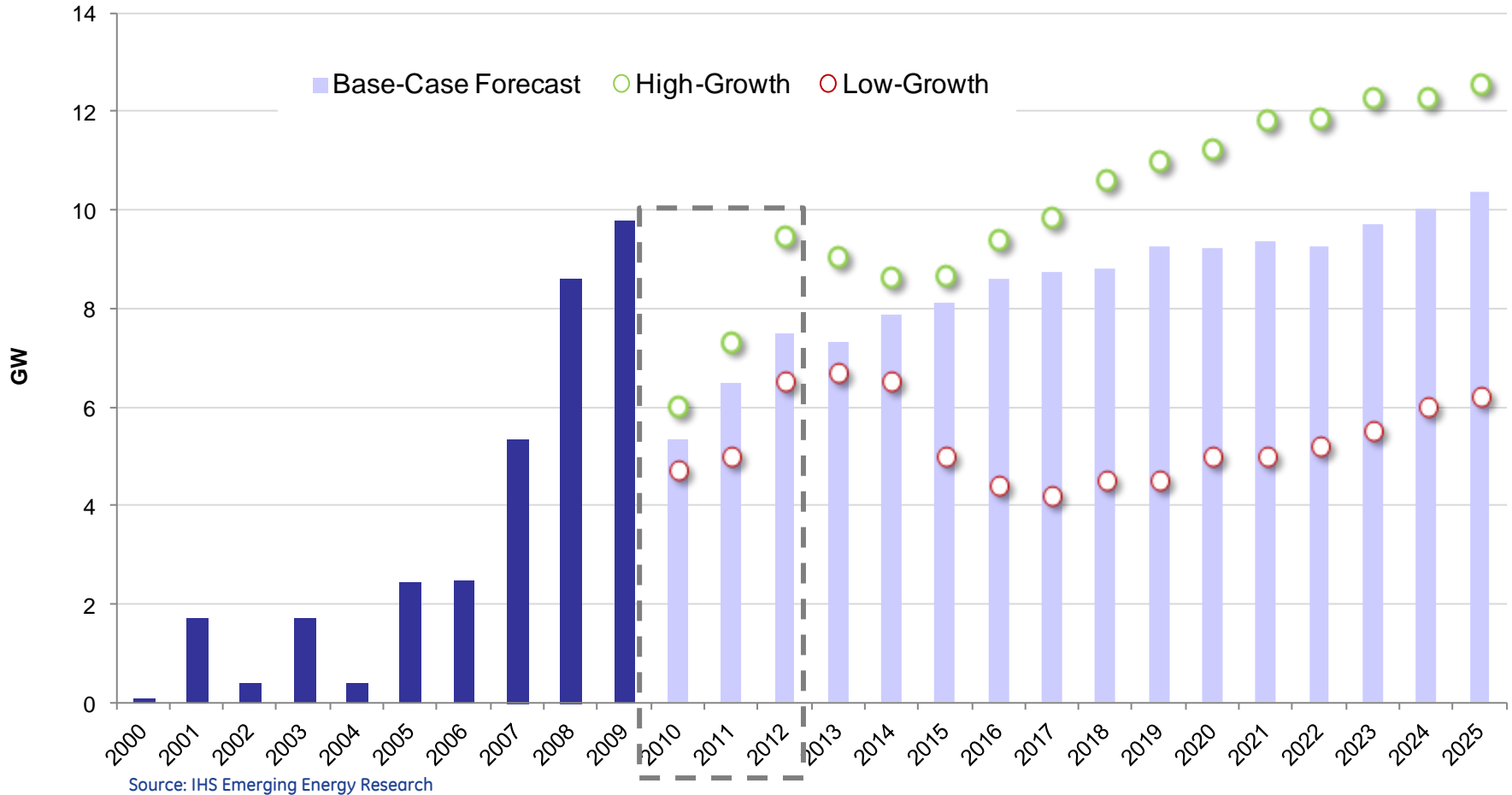
Equity: 6 GW
59 projects

Debt: 1.4 GW
38 projects

5 countries

US wind industry: Poised for growth

US annual growth forecasts 2010–2025



Wind investing trends

Tailwinds

- ✓ Grant extension... CES
- ✓ Attractive project debt market
- ✓ State Renewable Portfolio Standards
- ✓ Improved equipment value

Headwinds

- ✗ Tax capacity
- ✗ PPA economics challenged by low gas, high reserve margins
- ✗ Policy uncertainty

GE Energy Financial Services' approach

Customized Partnership Flip Structures

EFS:

- Late-stage development risk
- Up-front development fees
- Large equity underwritings
- Debt structuring and arrangement
- Financing (tax) efficiency... Treasury Grant or PTCs

While allowing developers:

- Initial investment flexibility
- On-going interest
- Operational control
- Residual upside



Sale-lease back: Terra-Gen Alta Wind 1



- GE EFS & UBOC affiliate acquire 150 MW project in CA
- Single-investor lease structure
- Terra-Gen retains operational control as lessee
- 100 GE wind turbines connecting to SCE's new Tehachapi transmission line

World's largest: Shepherds Flat

- 845 MW... world's largest when completed in '12
- N. American debut of GE 2.5 MW wind turbine
- Overcame many hurdles...DOD radar
- First DOE 1705 loan guarantee for major wind project
- Plan to utilize Treasury Grant
- Closed \$1.4 billion in Credit Facilities



Co-development: Idaho Wind Partners



- Now operational 183MW portfolio of 11 wind farms
- ~\$500MM project
- Key project participants
 - Developer: Exergy
 - Manager: Reunion Power
 - EPC: Fagen
 - Equipment: GE Energy
 - Investors: GE EFS, Atlantic
- 20-year contracts with Idaho Power
- Arranged debt; BTMU lead arranger with ING and NordLB

Let's Grow!





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