

Changing the Game for US Renewable Energy Policy

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(Phoenix, AZ)

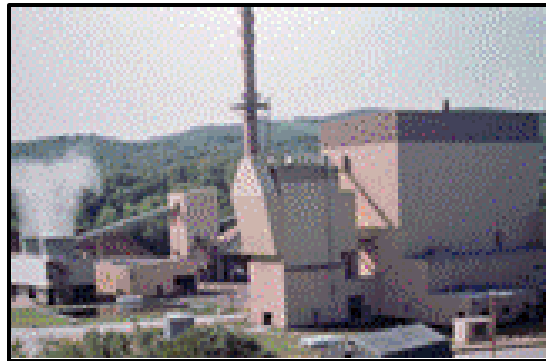


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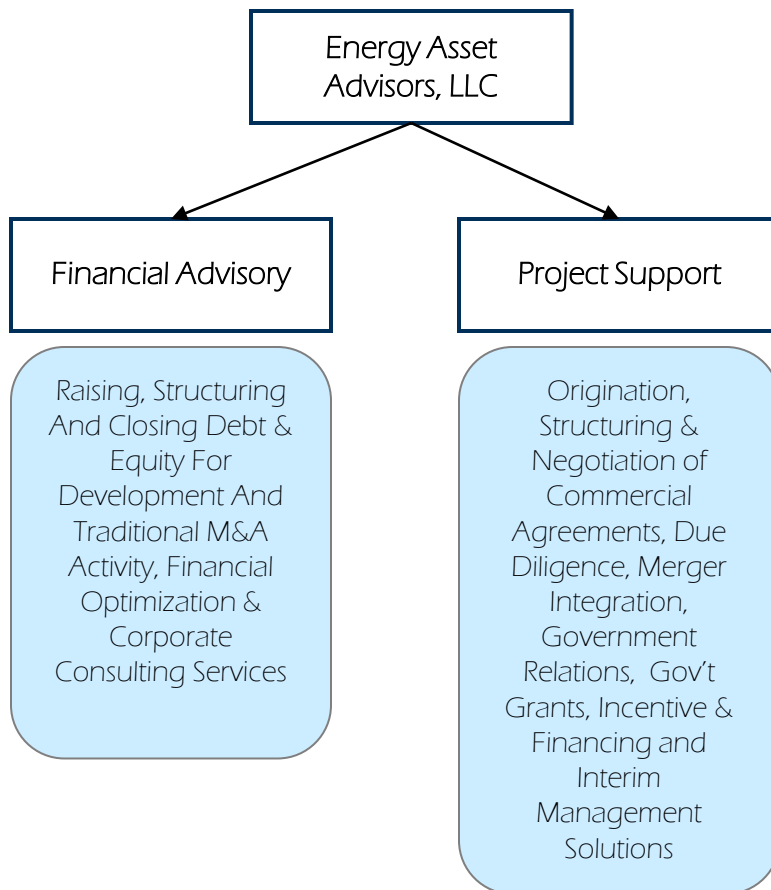
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Firm Overview

Energy Asset Advisors, LLC provides full-lifecycle financial advisory & project support solutions to Clients in the renewable & conventional energy industries.



Why EAA?

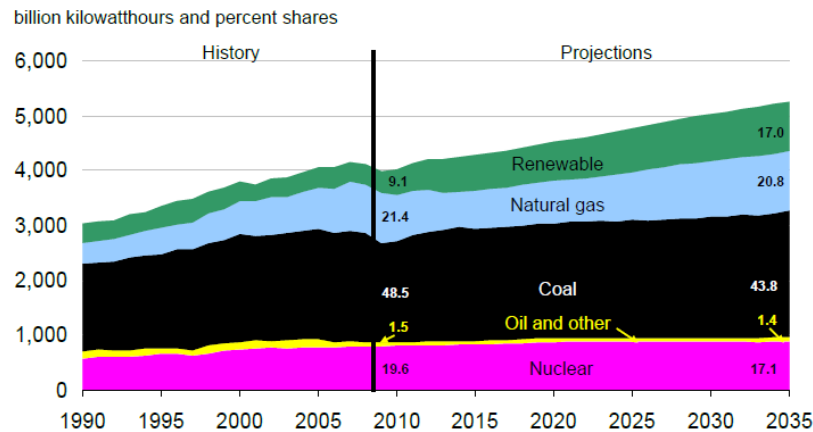
- Seasoned professionals that average 20 years of energy financial service experience
- Unique experience as members of middle-market and bulge bracket sell side firms as well as private equity investment firms
- Strong experience with conventional & renewable energy projects technologies
- Dedicated senior level professionals to ensure efficient execution
- Boutique firm that provides small and mid-cap companies with bulge-bracket service
- A local, national and international network of energy investors
- Strong sense of urgency: In a transactional world, timing and accuracy drive successful deal execution



State of the US Market – Power & Fuel

Alternative energy is a growing component of the broader energy industry

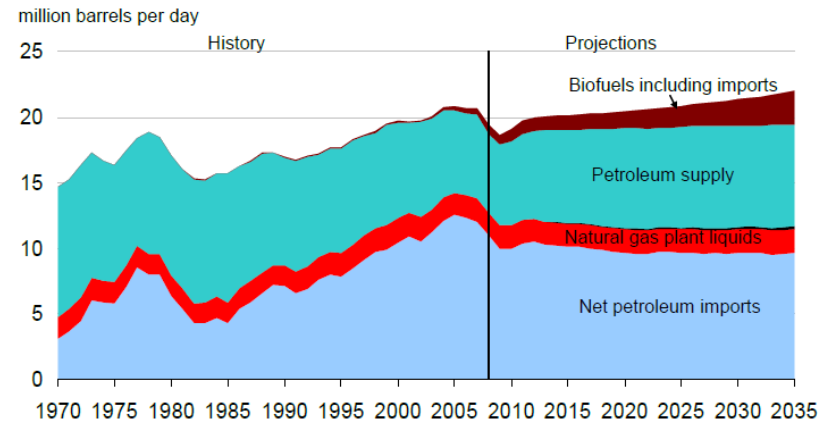
Renewables gain electricity market share; coal share declines



eia Richard Newell, SAIS, December 14, 2009

Source: Annual Energy Outlook 2010 20

Biofuels meet most of the growth in liquid fuels supply

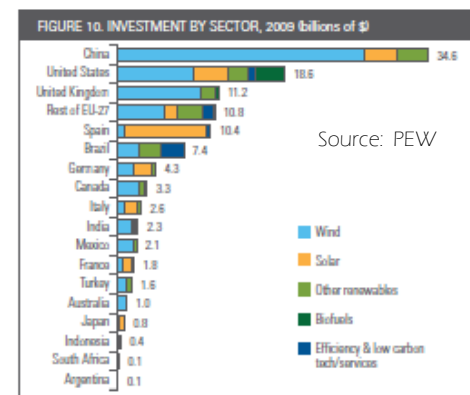
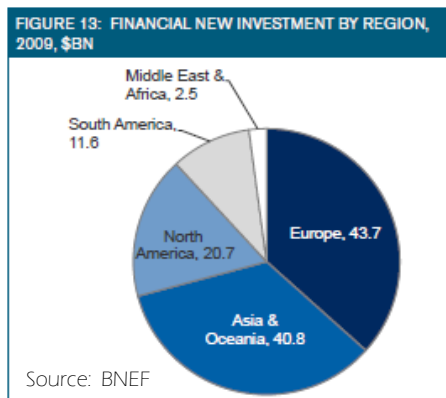
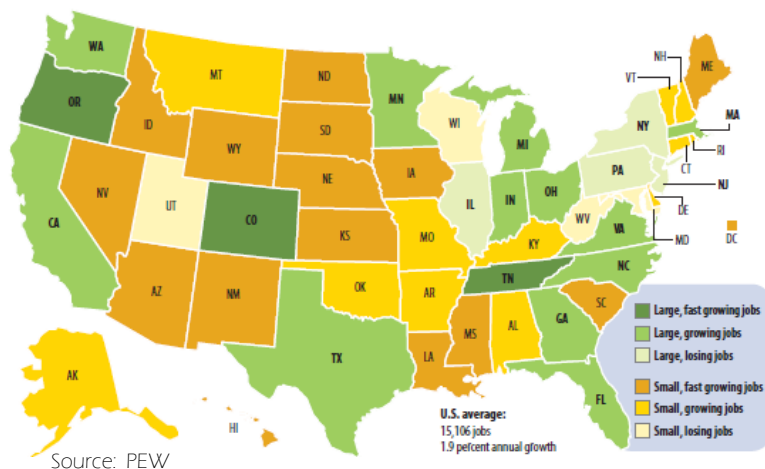


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Source: Annual Energy Outlook 2010 10

State of the US Market – Job & Economy

Alternative energy is a huge part of our national employment & investment landscape

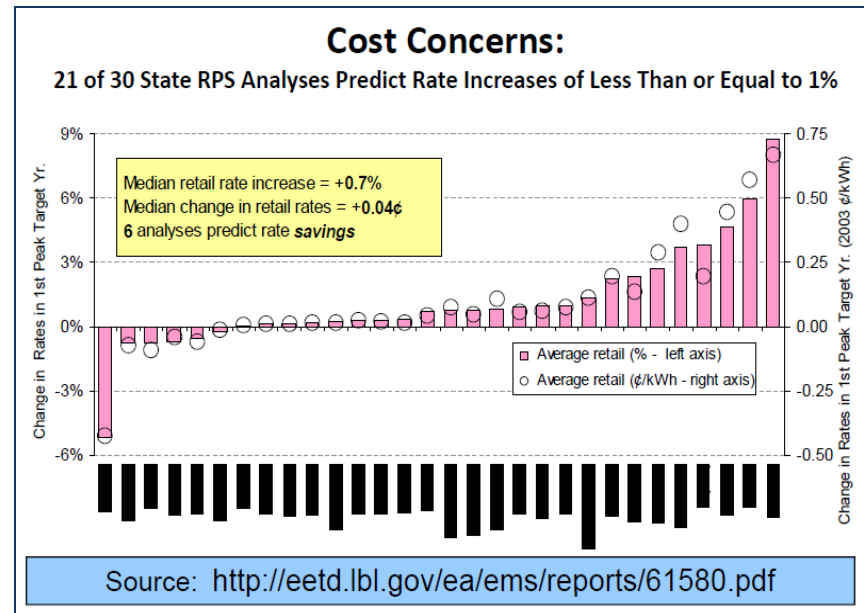
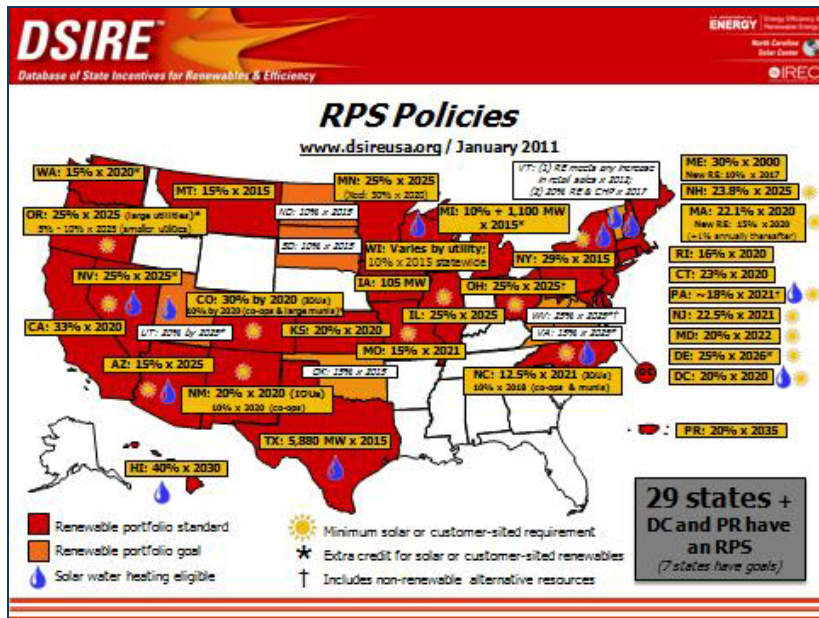


- All told, in 38 states and the District of Columbia, job growth in the clean energy economy outperformed total jobs growth between 1998 and 2007
- In a number of states, job gains in the clean energy economy have helped lessen total job losses.

- Investment in the renewable energy sector grew by 103% from 2004 – 2009
- Wind, solar & biofuels have been the biggest beneficiaries of private & public support
- Predictions for final 2010 investment figures predict 20 – 40% downward trend

State Efforts - Engines of Innovation

States have been, and are likely to continue to be, the true engines of innovation on energy policy & implementation



Recent Federal Efforts, Realities & Uncertainties

Federal energy policy has been, at best, disjointed & short-term focused leading to industry & investment uncertainty

Federal energy policy likely to become less certain / long-term and more partisan without significant shift in thinking / debate

- Federal Engines of Innovation
 - EPA: Clean Air Act, RFS, etc.
 - USDA: B&I Programs (Loan Guarantees), BCAP, etc.
 - DOE/Treasury: PTC / ITC, 1603, Research Grants (Clean Coal), etc.
 - DOD: Distributed Generation, Biofuels, Solar, etc. (for operational "hardening")
- Cap & Trade / RES
 - 2009 – CERA: There will be C&T & RES by 2010
 - 2010 – Kerry: We will pass C&T / RES prior to the elections
 - RESULT: Both programs **fail** (even with strong energy industry support premised on regulatory certainty / level playing field)
- Tax Extender Bill (*Lame Duck Session*)
 - Extends various renewable energy tax credit programs (VEETC, 1063 Grants, etc.) for an additional year
 - Facilities still need to reach COD on same timeline
 - Allows for additional depreciation, as well
- "Federal Engines" Need Congressional Authorization & Funding
- Renewable / Alternative Energy Association with the Liberal (Democratic) Left & Environmentalists Proves Problematic
 - "They've been so associated with the environmental community and the Democrats, . . . From a strategy standpoint, it made sense prior to Nov. 2. As a result, though, they may find the atmospheric more challenging moving forward."
- EPA & Other "Rogue" Agencies Come Under Fire
 - Per Rep. Fred Upton wrote that (paraphrasing) that he's unconvinced that carbon is a problem in need of regulation.
- R/A Energy Struggles to Keep What They Have & Continues to be on a Roller Coaster Timeline
 - Per Rep. Fred Upton: "Since I am sure that the industry will never give up its free money voluntarily, now is the time for us to slash it on our terms."
- US Predicted to Continue to Lag the Civilized World on Carbon / GHG Policy & Renewables Implementation
 - HSBC calls US 'significant outlier' on greenhouse-gas action; predicts negative trend for renewables / GHG in US during 2011

Towards a New Policy – “Integrated Energy”

“Integrated Energy” Can Become the New Rallying Point for Renewables & Conventional Energy Industries and Government Policy Makers to Commit / Plan / Implement Around

- Step 1 - Discuss & Promote Energy As Economic Development & National Security Rather Than Environmental Imperative
 - Remember What’s At Stake
 - Avoid Polarizing Political Debates & False “Either Or” Choices In Favor Of An **All-inclusive Policy** Effort
 - Keep The Big Lobbying Wallets On Your Side Or Off The Playing Field
 - Gain Ancillary Benefits Without Need For Agreement On Those Points
- Step 2 – Commit, Plan & Implement A Regionally-focused, Portfolio Approach To National Energy Optimization
 - Commit: To A **10 Year Plan** – Whatever It Is – To Stabilize The Investment Environment
 - Plan: **Learn From Others** As To What Works & What Doesn’t; Adapt To US Landscape
 - Implement:
 - R&D / Loan Guarantees / Matching Payments To Help Move Energy Science To Commercial Use & **Stimulate Next Gen Energy Projects** (FutureGen, NREL, USDA B&I, BCAP, etc.)
 - Tax Credits For Initial **Investment & Job Creation**, Regardless Of Energy Platform
 - Accelerated Depreciation To Rapidly Put **\$\$\$’S Back In Investors Hands** (tied to reinvestment)
 - Explicitly Promote **Demand Response, Energy Efficiency & Distributed Generation** Via Market Structure & Subsidies (PURPA-like effort, PACE, etc.)
 - **Stimulate Infrastructure Build-Out** For The Electric Grid (Plant to Plug) And Alternative Fuels Distribution / Use (FFV’s)

Source: REN21

Country	Feed-in tariff	Renewable Portfolio Standard/ quota	Capital subsidies, grants, rebates	Investment or other tax credits	Sales tax, energy tax, excise tax, or VAT reduction	Tradable RE certificates	Energy production payments or tax credits	Net metering	Public investment, loans, or financing	Public competitive bidding
EU-27										
Austria	X		X	X		X			X	
Belgium		(*)		X	X	X		X		
Bulgaria	X		X						X	
Cyprus	X		X							
Czech Republic	X		X	X	X	X		X		
Denmark	X		X	X	X	X		X	X	X
Estonia	X		X		X		X			
Finland	X		X		X	X	X			
France	X		X	X	X	X			X	X
Germany	X		X	X	X			X	X	
Greece	X		X	X				X	X	
Hungary	X		X	X	X				X	X
Ireland	X		X	X		X				X
Italy	X	X	X	X	X	X		X	X	
Latvia	X		X	X	X				X	X
Lithuania	X		X	X	X				X	
Luxembourg	X		X	X	X					
Malta			X		X			X		
Netherlands			X	X	X	X	X			
Poland		X	X		X	X			X	X
Portugal	X		X	X	X				X	X
Romania		X			X	X			X	
Slovakia	X			X	X				X	
Slovenia	X		X	X	X	X			X	X
Spain	X		X	X	X	X			X	
Sweden		X	X	X	X	X	X		X	
United Kingdom	X	X	X		X	X			X	
Other Developed/Transition Countries										
Australia	(*)	X	X			X			X	
Belarus									X	
Canada	(*)	(*)	X	X	X			X	X	X
Israel	X				X					X
Japan	X	X	X	X		X		X	X	
Macedonia	X									
New Zealand			X						X	
Norway			X		X	X			X	
Russia			X			X				
Serbia	X									
South Korea	X		X	X	X				X	
Switzerland	X		X		X					
Ukraine	X									
United States	(*)	(*)	X	X	(*)	(*)	X	(*)	(*)	(*)



Bio & Contact Info



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Charles R. “Bob” Brettell is a Co-Founder, Principal & Managing Director of Energy Asset Advisors, LLC (EAA).

A 14-year veteran of the energy industry, Mr. Brettell’s experience includes the management of due diligence, financial close, transition & merger integration activities for acquisitions valued at over \$4 billion and involving over 500 people. Mr. Brettell has also provided interim executive management, including daily oversight of asset management, legal, finance, government relations, human resources, tax and accounting, for independent power producers, private equity firms & hedge funds.

Prior to founding EAA, Mr. Brettell held executive posts with Tyr Energy and Aquila, Inc. As Senior Director with Tyr, Mr. Brettell was responsible for asset acquisition & merger integration, as well as third-party crisis management for Tyr’s client base. During his tenure at Aquila, Mr. Brettell’s leadership spanned strategy, competitive intelligence, business development, legal, regulatory and human resources for multiple wholly-owned subsidiaries. Mr. Brettell has also worked as an attorney in private practice handling business and litigation matters.

Mr. Brettell holds a Bachelor’s degree in History from the University of Maryland, a joint Juris Doctor & Master of Business Administration (Finance) degree from the University of Kansas, and a Master of Laws (Taxation) degree from the University of Missouri – Kansas City.