

GE
Energy Financial Services

Renewable Energy Market Update

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IPPNY Conference
September 22, 2010



imagination at work



GE: Energy Financial Services' strategic alignment

Energy Infrastructure



Technology Infrastructure



GE Capital



NBC Universal



Treasury



GE Money



Energy Financial Services



Capital Americas

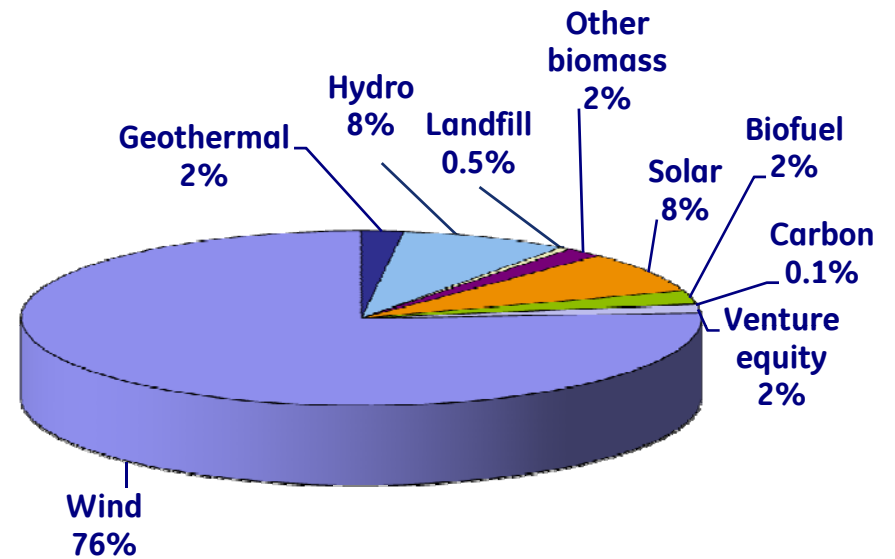
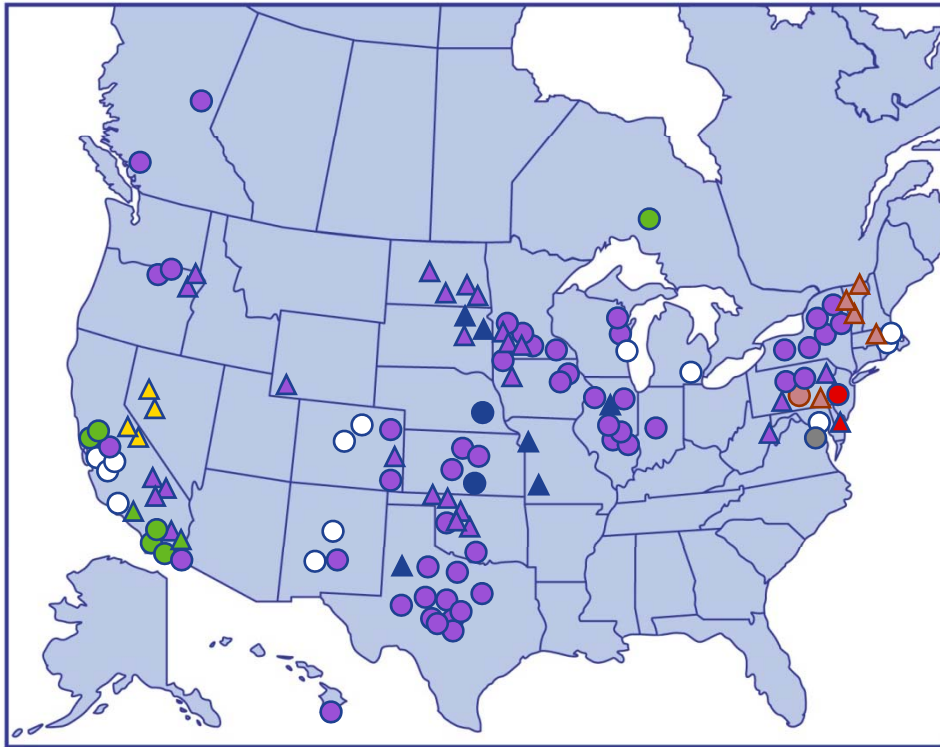


Aviation Financial Services

GE Energy Financial Services' strengths



GE Energy Financial Services: meeting private capital needs



~\$6B invested in renewable energy

Equity*	Debt	Technology	Equity*	Debt	Technology
●	▲	Wind	●	▲	Geothermal
●	▲	Biofuels	●	▲	Biomass & LFG
●	▲	Solar	●	▲	Carbon
●	▲	Hydro	○	△	Venture capital

Select wind investments

Equity



Competitive
Power Ventures, Inc.

**152-MW CPV Keenan
wind farm in Oklahoma**



Equity



**First phase of 300-MW
wind farm in Canada,
largest wind farm
in BC**



Equity



**845-MW Shepherds Flat
wind farm in Oregon,
will be largest wind
farm globally**



Equity




Horizon Wind Energy
An EDP Renewables Company

**Partnered on projects
totaling 1,300 MW across
USA**




Equity



acciona
Windpower

**180 MW wind farm
straddling border
between North and
South Dakota**



Venture Capital



Southwest Windpower
Renewable Energy Made Simple

**World's largest producer
of small wind generators
for residential and
commercial use**



GE Energy Financial Services: Flexible project equity alternatives

Tax equity ... more options given new government incentives

Preferred equity ... minimize common equity and keep control

Common equity ... stretch checkbook and/or deconsolidate debt

Leasing ... complexity

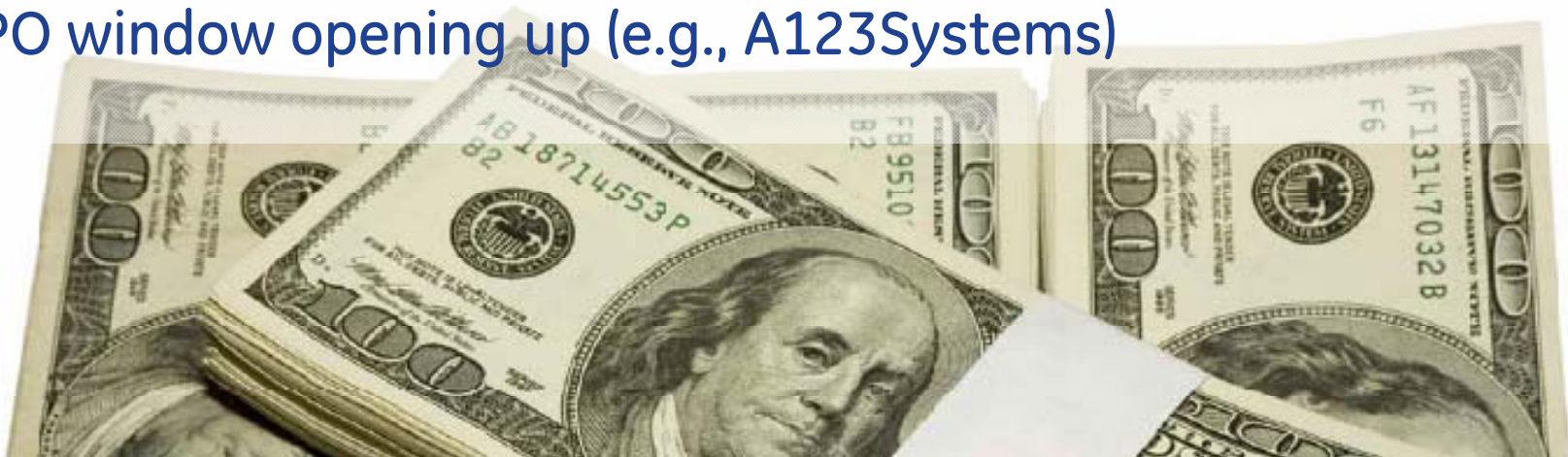
Partnership flip ... efficient use of incentives, flexible

Focus on Large Deals



Renewable financing/investment trends

- More liquidity, longer tenors, lower pricing
- Treasury paid \$5.2B of grants so far...in 47 states and DC, 86% went to wind projects
- Tax equity scarce...Treasury grants driving shift to project-level debt
- DOE loan guarantees moving forward for a few projects
- Large pipeline of wind deals...growing solar pipeline but few deals closing
- IPO window opening up (e.g., A123Systems)



What's driving renewable opportunities?

- Low gas prices, soft demand limit PPA availability
- RPS drives PPA available
- Project costs down, delivery times shorter
- Utility scale solar
- Transmission constraints causing curtailments
- Offshore wind accelerating
- Global competition on rise
- Move to larger turbines



Federal support for green energy...

ARRA: a green stimulus

- ✓ Modified renewable energy tax incentives to expand pool of potential investors for solar, wind and other renewables (*however, 1603 Treasury grant about to expire*)
- ✓ Loan guarantees for commercial technology investments in renewable energy systems, factories, biofuel projects and electric power transmission
- ✓ 30% tax credit for clean energy manufacturing investments
- ✓ Billions for energy efficiency, transmission and smart grid

\$80B+ to clean energy over
10-year period



...Will help generate **green jobs**



Obama, who pledges to spend **\$150 billion to create 5 million green jobs** over the next decade, calls a clean-energy economy “the key to our competitiveness in the 21st century.”

GE estimates that **up to 116,000 jobs could be generated for U.S. wind projects alone** as a result of the government's stimulus provisions for green projects.

Where the **green jobs** are/will be

- **Varied careers**
 - Construction
 - Engineering
 - Manufacturing
 - Financing
 - Project development
 - Policy
 - Research & development
-
- **Green industries**
 - Wind
 - Solar
 - Biomass, hydro, etc.
 - Smart Grid and transmission
 - Energy efficiency
 - Energy storage and transportation



New York has a lot to be proud of

- ✓ Renewable portfolio standard
- ✓ Regional Greenhouse Gas Initiative
- ✓ State government buys green power
- ✓ Net metering & standard interconnect
- ✓ Rebates for solar, small wind, etc.
- ✓ Energy efficiency standards for state facilities
- ✓ Sales tax exemption for residential solar
- ✓ Opt-out property tax exemption for renewables
- ✓ Low-interest Energy Smart loans for renewables & EE
- ✓ Tax credits for green homes, bldgs, solar, fuel cells



Harnessing the wind in Upstate NY

- GE provided capital and 408 wind turbines for **6 NY State wind parks** totaling 612 MW that Noble Environmental Power will construct, operate and manage
- GE and Noble have co-invested in nearly **50 percent of NY State's wind capacity** helping meet RPS goals and bringing jobs to farmland of northern and western New York

NY ❤️ *Clean Tech*



Boosting energy supply to NYC

- Using proprietary **GE Energy VFT technology**, our Linden, NJ smart grid project will transfer an additional 300 MW to New York City from New Jersey through an existing cable originating at **GE EFS' 900-megawatt Linden, NJ cogeneration power plant**



How NY can attract renewable energy investments

Project siting Resume one-stop energy siting process*

Building codes Energy efficiency standards for all buildings

Workforce development University programs ... trade schools ... apprenticeship programs ... training

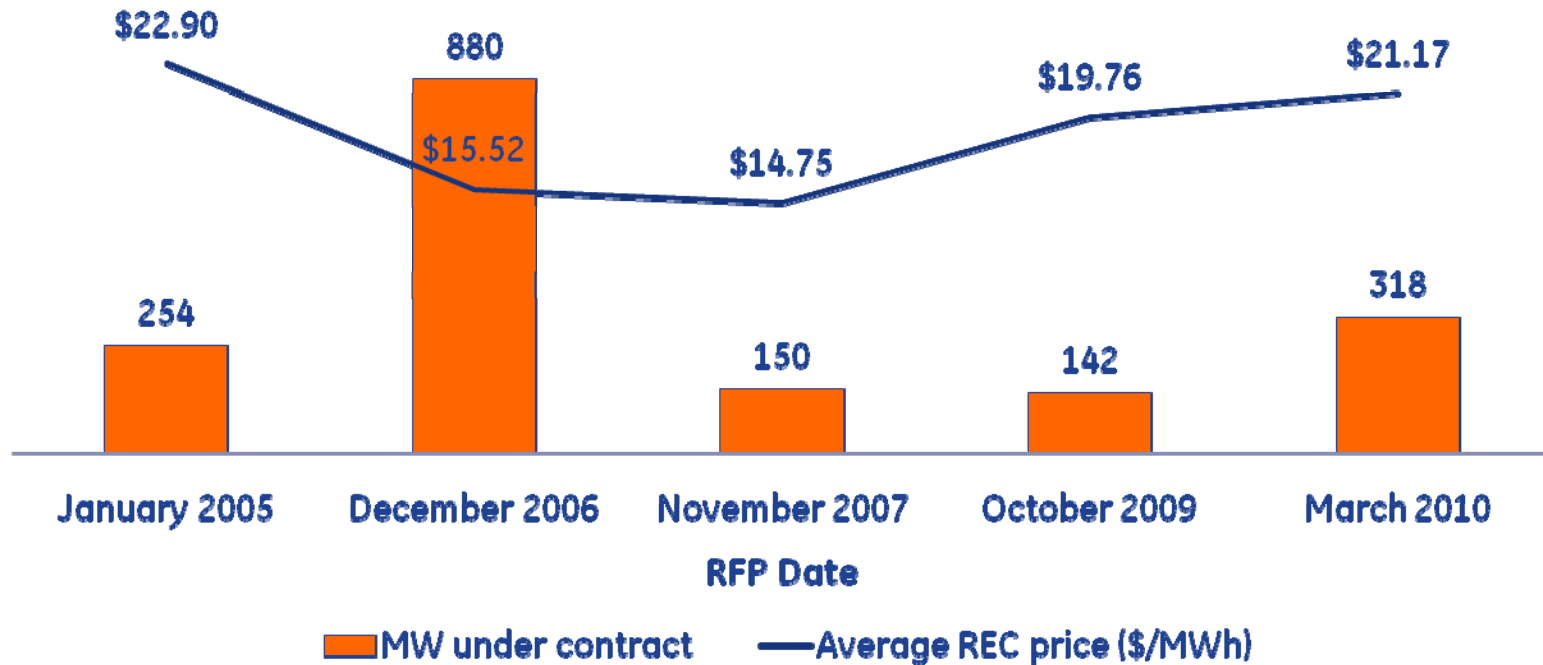
Solar rebates CA : \$3.2 B, 10 years ... TX: \$500 M, 5 years
NYSERDA+LIPA: \$52MM over 2 years

Utility regulation Rate recovery for smart grid projects & grid expansions

* New York's Electric Generation Siting Board law (Article X) sunset after 2002 and only applied to projects >80 MW



NYSERDA Renewable RFPs



Progress to date

- ✓ 1120 MW operating + 44 MW under construction
- ✓ 26 of 28 main tier projects are in-state
- ✓ Procurements met 62% of 2009 main tier target, 29% of 2013 target

Reaching New York RPS

- January 2010 PSC Order raised RPS target to 30% by 2015
 - 9,668GWh per annum
 - 7,000 GWh of additional capacity required
- Requires ~800MW of 100% available capacity
 - Equivalent to 2,650 MW of wind power
- Build out in New York limited
 - Availability of long term contracts for electricity
 - Extension of Federal program

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