Financing & Economics of New Energy Projects – “in the fence”
May 13, 2015

Guy H. Ausmus
Optimistic Demand Forecasts -> Overcapacity

IOU CAPEX Binge -> Higher Merchant Prices

Coal Waning? Was the binging misdirected?

Customers want Alternatives to rising prices.

Macro – Favorable. Mostly.
Economics work “straight up”.

Energy sources available.

CONSERVATION PROJECTS ABOUND!

Support infrastructure often in place.

Micro – Favorable. Definitely!
“Bunker mentality” of industrial clients

Accounting treatment of Term Agreements

Creditworthiness of Industrial Clients

The bumps in the road...
What interests me (and clients)

- **Strong economics** – 1 to 3 year paybacks
- Capital Available
- 8-11% of energy spend targeted
- We do them “at risk” – passes accounting.
IN Power Demand Forecast

prepared by SUFG


Just like the Cubs – Wait’ll next year!
Coal ETF (KOL)