

# New Energy Capital Corp.

Investing in Renewable Energy, Fuels and Distributed Generation



*New Energy Capital Corp., 2005, All Rights Reserved.*

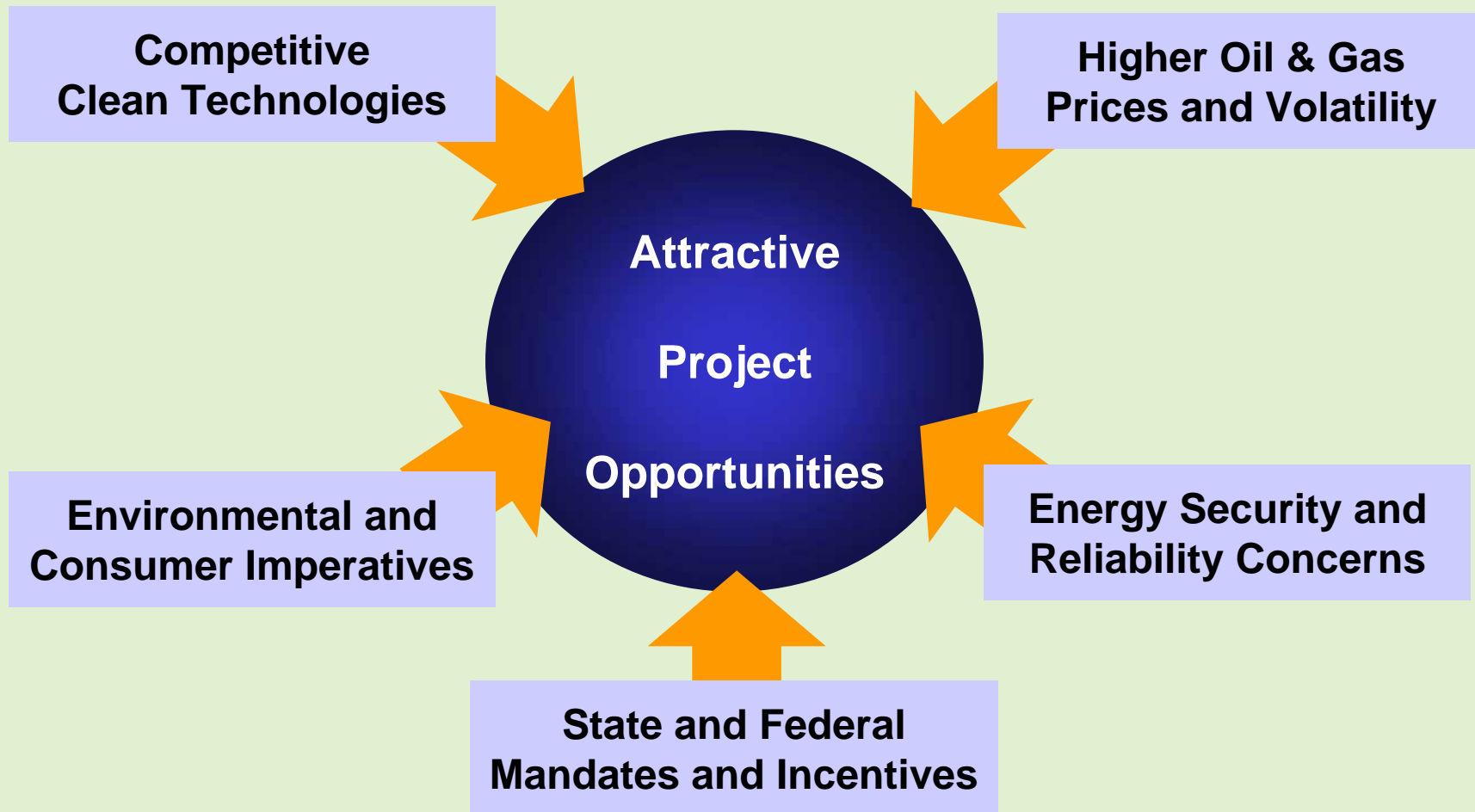
# New Energy Capital

- **“Pure play” clean energy asset investment and management company building a portfolio of renewable energy and distributed generation assets**
  - Late stage developments
  - Early stage development investments on case-by-case basis
  - Operating assets
- **Multiple channels of return**
  - Cash on cash returns
  - Long term portfolio appreciation potential
  - Tax benefits
- **Multiple exit opportunities**
  - Refinancing and/or sale at the project level
  - Securitization and sale of portfolio of assets
  - Selldown and/or exit through company trade sale or public offering
- **Strong investment partners**
  - VantagePoint Venture Partners
  - California State Teachers’ Retirement System

# Experienced Management Team

- **Scott Brown, CEO**
  - Former CEO of Glasstech Solar, Inc., founding VP at First Solar, Inc., Advisory Board of National Renewable Energy Laboratory
- **Dan Reicher, President**
  - Former U.S. Assistant Secretary of Energy for Energy Efficiency and Renewable Energy and EVP, Northern Power Systems
- **Dan Goldman, CFO**
  - Former Director at Arthur D. Little and executive at InterGen (Shell-Bechtel JV); involved in over \$4 bn of power project development and finance

# Five Forces Creating Attractive Opportunities

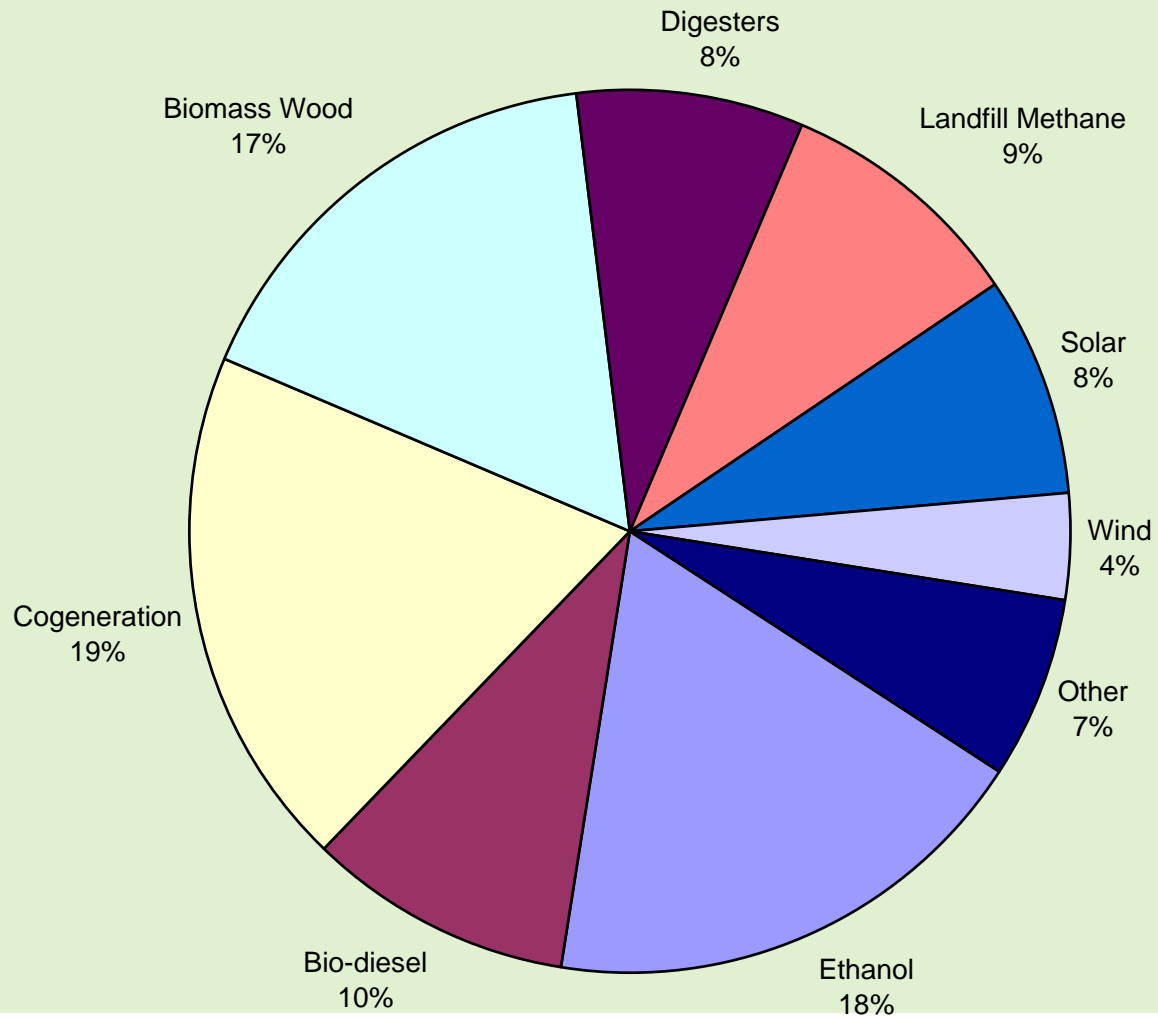


# Current Investments

PROJECT	SECTOR	NAMEPLATE CAPACITY	LOCATION
IROQUOIS BIO-ENERGY COMPANY	ETHANOL	40 MM Gal/yr	Indiana
NEC-EPS HOLDING DEAN FOODS COGENERATION	COGENERATION	6 MW (three projects)	CA and MA
GREENVILLE STEAM CO.	BIOMASS (WOOD)	16 MW	Maine
MID-ATLANTIC BIODIESEL	BIODIESEL	5 MM Gal/yr	Delaware
ALBION ETHANOL	ETHANOL	55 MM Gal/yr	Michigan
CLYMERS ETHANOL	ETHANOL	110 MM Gal/yr	Indiana

# NEC Deal Flow

(Jul'04 to Dec'05 - 199 projects)



# Greenville Steam Company

- **Description**
  - 16 MW operating wood-fired electricity generating plant in Greenville, Maine
  - NEC purchased 71% interest in plant from Hafslund USA; 29% held by passive investment group
  - Project will be refurbished to qualify for MA Renewable Energy Credits (RECs)
- **Competitive Advantages**
  - Reliable operating asset adding near-term cash flow to NEC portfolio
  - Average availability of >97% since 1987 (excluding maintenance outages)
  - High regional fuel availability
  - Skilled existing workforce
- **Summary Financials**
  - Total capital cost: \$10.5 million (acquisition and re-tooling)
  - Leverage: 65%
  - NEC: \$1.7 million equity and \$1.8 million subordinated debt
  - NEC will own 71% interest (General Partner role)
  - \$7 mn senior bank construction/term loan being arranged
  - Financial close: Q4 05

# Greenville Steam Company





# Greenville Steam Company

## Challenges

- Rising prices for wood feedstock, driven by
  - Diesel prices
  - Paper mill demand
  - Competing biomass energy plants
  - Offshore wood waste demand
- No long-term contracts available for wood at fixed prices
- Long-term contracts for power demanded by debt holders
- Demands placed by Massachusetts for REC qualification
  - New technology (BFB)
  - Low emissions (<0.1 ppm NOX)
- Regulatory market
  - Connecticut experience
  - Uncertain capacity coming on line
- Construction/performance risk
  - Complicated re-tooling
  - No EPC wrap

# Greenville Steam Company

## Management Responses

- Rising prices for wood feedstock
  - Multiple vendors/vendor relationships
  - Tight management
  - Efficiency improvements
  - On-site processing
- Long-term contracts for power demanded by debt holders
  - Stay as short as possible
- Demands placed by Massachusetts for REC qualification
  - Early qualification
  - Thorough engineering design
- Regulatory market
  - Market intelligence
  - Massachusetts REC price support program
- Construction/performance risk
  - Strong site manager and engineer
  - Linked contracts with linked performance guarantees

# Greenville Steam Company

## Policy Implications

- Long-term REC price stability
- Long-term PTC certainty
- CDM/greenhouse gas credits
- Government loan guarantees to support commodity nature of market
- National REC market – now restricted to Northeast or CA