



Renewable Energy Financing and Investment Overview

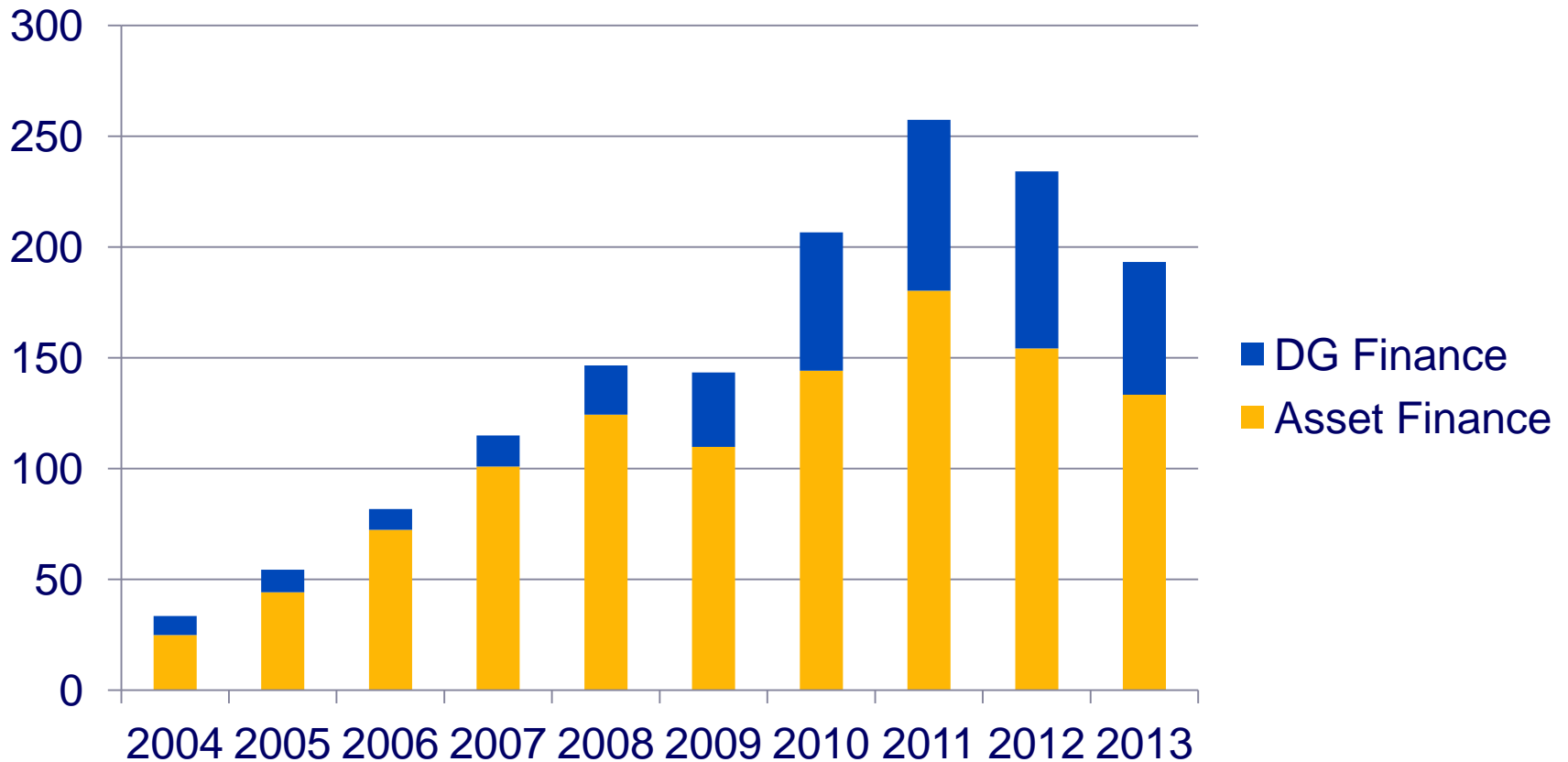
**DOE Office of Indian Energy
Tribal Leader Forum Series
San Diego, CA
May 14, 2014**

Outline

- **Renewable Financing Trends**
- **Key Renewable Energy Development Considerations**
- **Renewable Energy Project Financing Sources**

Renewables market is alive and well; investments are down for the last two years, but renewable capacity added continues to grow; now represents 13.7% of global power capacity

Global Trends in Renewable Energy Investment

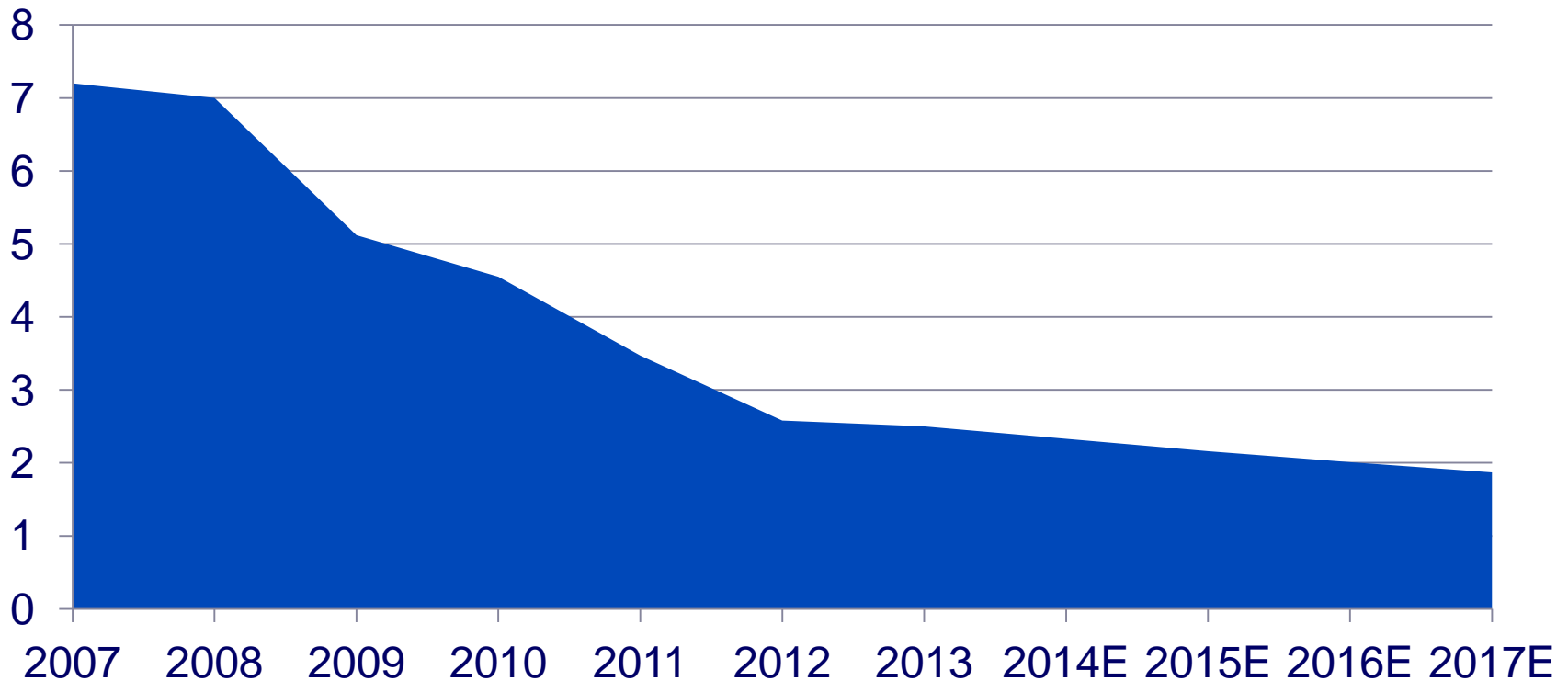


Source: UNEP, Bloomberg New Energy Finance

Primary reason investment dollars are down is the continuing decline in photovoltaic (PV) costs....

Global Installed PV System Prices

\$/W

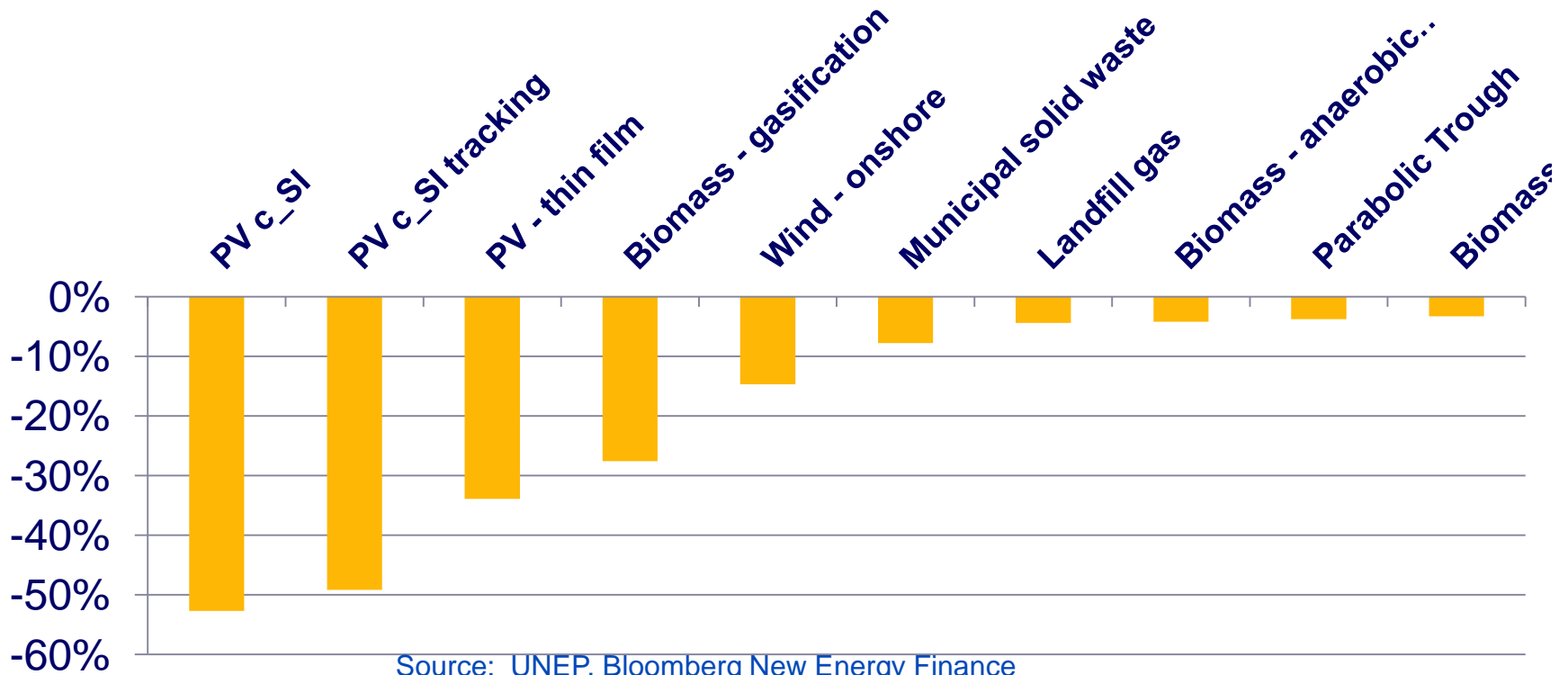


Source: Clean Edge Inc.

Continuing decline in Levelized Cost of Energy (LCOE) across all technologies

Change in Levelized Cost of Energy

% Change in LCOE



All elements of energy project development are critical for success, but today, projects won't be built without financeable PPAs

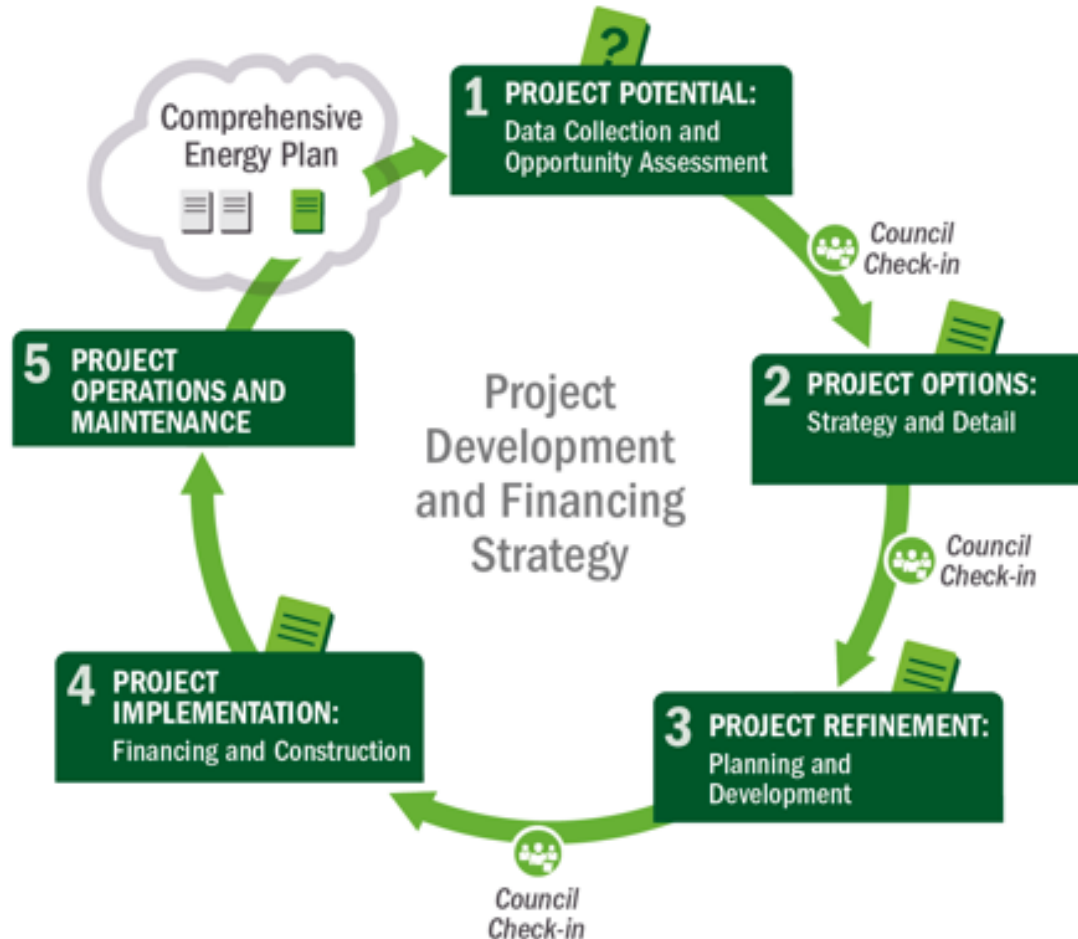
Key Renewable Energy Development Considerations



- Renewable resources
- Appropriate project type/scale/site
- Reasonable interconnection/access to grid (distribution/transmission)
- Competitively-priced equipment/O&M
- Applicable incentives (usually tax-based)
- Credit-worthy off-taker (PPA)
- Sound financing package

Investment decisions made at all phases of project development; discussion focuses on asset finance decisions

DOE-Indian Energy Project Development Process



Source: DOE OIEPP Energy Curriculum

Pre-2008, primary investors in renewable energy projects were project developers, tax investors, utilities and foreign banks; structures were standard equity/debt

Historical Renewable Energy Project Financing Sources

Developers

Utilities

Tax Investors

Foreign Banks

Today, many other types of investors are comfortable with renewables, but new structures are emerging such as clean energy funds, foreign asset investment trusts and yield cos

Trends in Commercial Scale RE Project Financing Sources

Developers

Insurance Cos

Pension Funds

Wealth Managers

Industry (i.e. Google)

Wealthy Individuals

Development Banks

On distributed side, even more new investor types with an even wider array of structures including PPAs, various lease structures, partnership flips

Trends in Distributed RE Project Financing Sources

Developers

US/Foreign Banks

Insurance Cos

Pension Funds

Wealth Managers

Industry (i.e. Walmart)

Wealthy Individuals

Utility Incentives

Summary

- **Renewable energy project development continues to be very strong, representing an ever-increasing source of global power capacity**
- **Financial markets have responded, with new types of investors and a wide range of structures**
- **Renewable energy LCOEs continue to decrease due to lower equipment costs and higher efficiency**
- **Renewables represent a significant opportunity for Tribes – as investors, developers and owners**

NextEra Energy Resources is the largest provider of wind and solar energy in North America



NextEra Energy Resources
Generation Facilities In Operation:

- | | | |
|-------------|---------|--|
| Wind | Nuclear | NextEra Energy Resources
Corporate Office |
| Solar | Oil | U.S. states and Canadian
provinces with projects in operation |
| Natural Gas | Other | |

Date: May 2014

NextEra Energy was named to Fortune's Most Admired Companies for 8th straight year and named one of the world's most ethical companies by the Ethisphere Institute for 7th time



- U.S. based NYSE-listed company
- \$69 billion in total assets
- \$15 billion in operating revenues
- 13,900 employees



- One of the largest U.S. electric utilities
- 4.7 million customers
- 24,273 MW in operation



- Develop, build, own and operate power generation assets in 24 states and Canada
- Operate over 10,000 MW of wind
- Operate over 1,000 MW of solar



- Rate-regulated transmission service provider; owns and operates 330 miles of high-voltage transmission lines northwest of Abilene to just south of Dallas, TX
- Lone Star facilities were added as part of the TX Competitive Renewable Energy (CREZ) program

Source: All data as of December 31, 2013



Contact Information

Carolyn Stewart

Director Tribal Relations

Carolyn.Stewart@NextEraEnergy.com

480 236-5896