

Financing Renewable Energy Development: Perspectives from the Navajo Tribal Utility Authority

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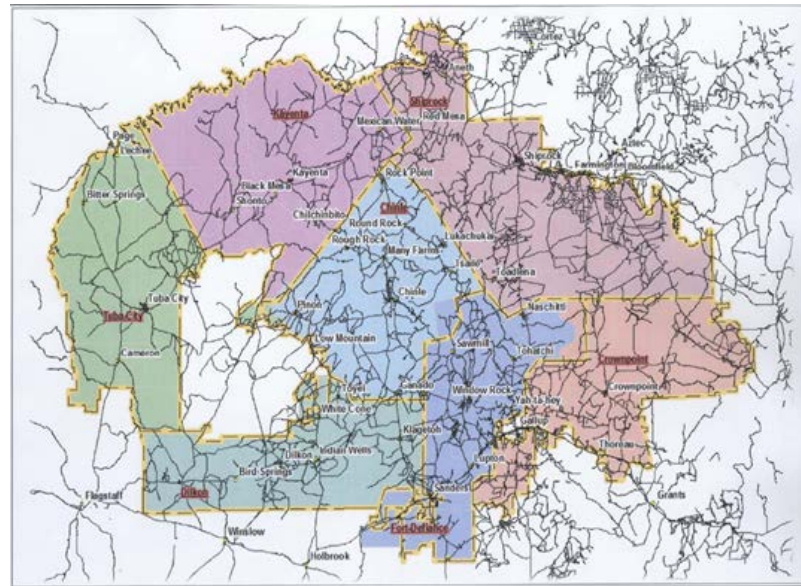
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NTUA SUMMARY

- The Navajo Tribal Utility Authority (NTUA) is a non-profit enterprise created 1959 to provide utility services to the Navajo Nation
- To promote the implementation of electricity and other utility services, the Navajo Nation Council created the Navajo Tribal Utility Authority in 1959
- Prior to the establishment of NTUA, the rural electrification of the Navajo Nation was under the purview of the U.S. Bureau of Indian Affairs
- Organized for the operation, maintenance, and expansion of utility services to customers within the Navajo Nation
 - To promote employment for Navajo people
 - To improve the health and welfare of the residents of the reservation
- Headed by a General Manager and governed by a seven-member Management Board, which is confirmed by the Navajo Nation Council

Service Territory

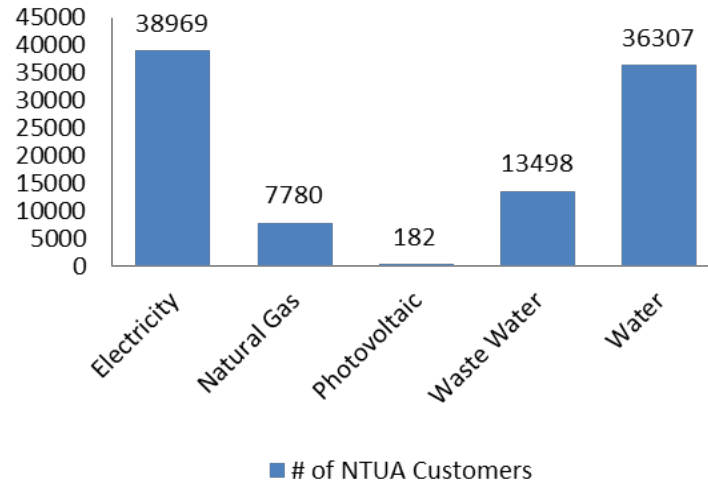
- Seven District Offices
- Headquarters
 - Engineering & Technical Services
 - Electricity & Information Services
 - Safety
 - Human Resources
 - Finance & Accounting



Multi-Utility Services

NTUA provides a range of services on the Navajo Nation in Arizona, New Mexico, and Utah:

- Electricity
- Natural Gas
- Photovoltaic (Off-grid power)
- Waste Water
- Water
- Communications



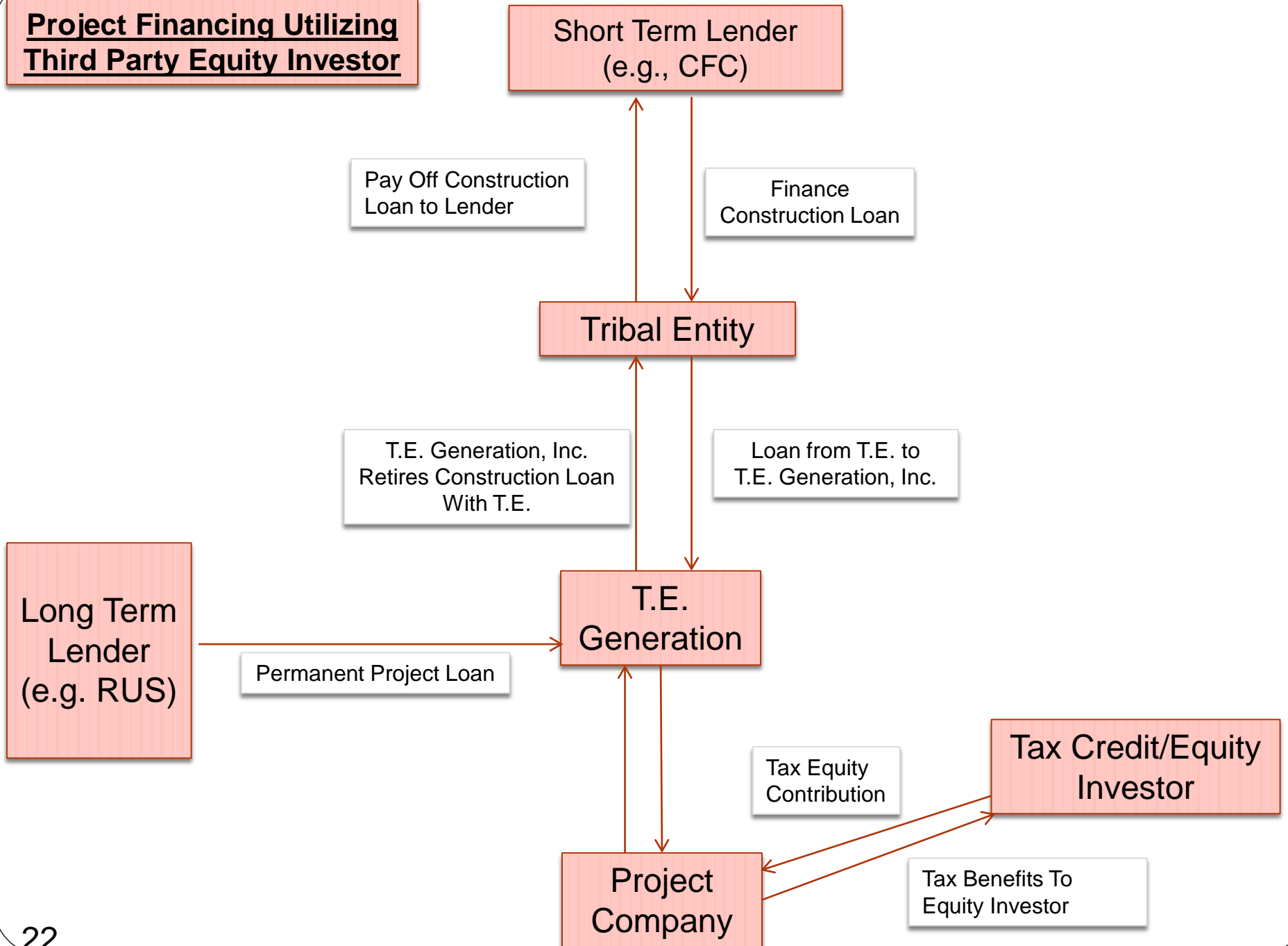
Kayenta Solar Project

- The Navajo Tribal Utility Authority (NTUA) created NTUA Generation, Inc. (NGI) to own, build and operate utility scale generation projects
- NGI is a for profit subsidiary of NTUA
- NGI and NTUA entered into power purchase agreement wherein NTUA will purchase all of the energy and environmental attributes from the Kayenta Solar Project.
- The electricity generated will feed into the Navajo Tribal Utility Authority substation located in Kayenta, Arizona.
- The proposed solar project will have a name plate capacity of approximately 27.3 MW.
- The site was selected by considering daily average solar radiation, ease of access to the local electrical system and environmental considerations.

Financing Options

- Development Expenses
 - Grants
 - Cash – NTUA Investment
- Construction Financing
 - National Rural Cooperative Finance Corporation
 - Short-Term Bank Financing
 - Typically look toward local financing institutions that you have a relationship with
- Equity Investment
 - Investment Tax Credit
 - 30% of qualifying cost may be written off within first year for solar through 2019
 - New Market Tax Credit
 - Cash – NTUA Investment
- Permanent Debt Financing
 - Rural Utility Service
 - Project needs to serve rural load
 - Need to demonstrate 1.05 ROI
 - Bank Financing

**Project Financing Utilizing
Third Party Equity Investor**



QUESTIONS?

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