

Invenergy



# Invenergy LLC



## RPS and Economic Impact



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CONFIDENTIAL AND PROPRIETARY

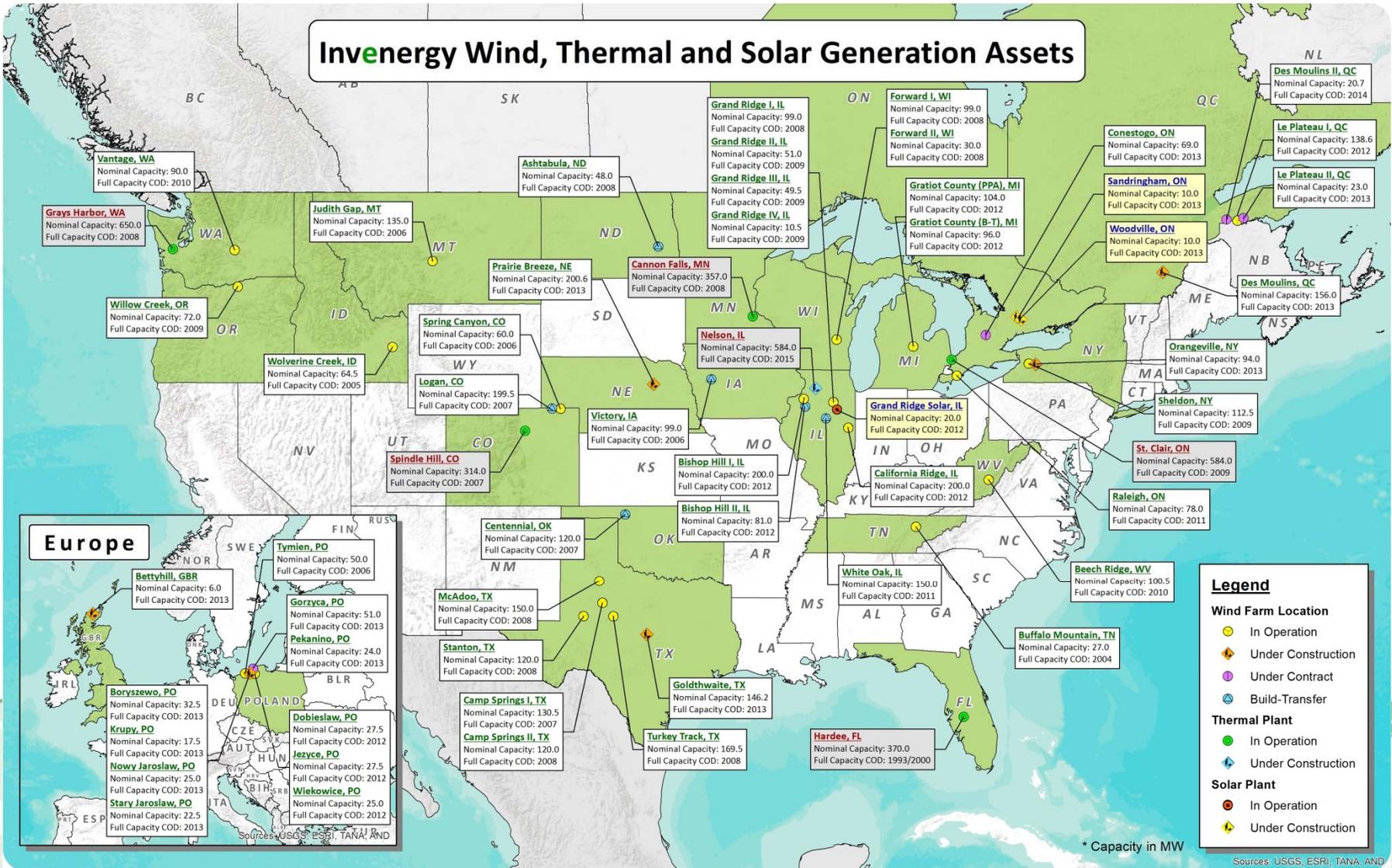




## Invenergy Background

- Invenergy develops, owns, and operates power generation facilities in North America and Europe.
- Invenergy owns and operates over 7,000 MWs of utility-scale renewable and natural gas-fueled power generation facilities in the United States, Canada and Europe. **We are North America's largest independent wind power generation company.**
- Invenergy's senior executives - each with an average experience of 25 years in energy generation - have worked together as a core group for two decades. Invenergy founder, president, and CEO Michael Polsky is a recognized and respected industry leader, and is the majority owner of Invenergy and its affiliated companies.
- Our expertise includes a complete range of fully integrated in-house capabilities: Development, Permitting, Transmission, Interconnection, Energy Marketing, Finance, Engineering, Project Construction, Operations and Maintenance.
- Invenergy is headquartered in Chicago, with regional offices in Denver and Toronto.

## Invenergy Wind, Thermal and Solar Generation Assets



## Benefits of Wind

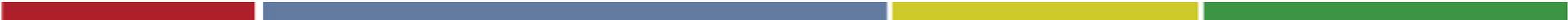
- Local economic development
- Keeps local taxes stable
- Creates local jobs
- Income for farmers and ranchers
- Long term price stability and low operating costs – no fuel costs
- Cost competitive





## Montana is Wind Country

- #1 in wind power potential in the western United States
- 11 operational wind farms totaling over 646 MW of wind production
- Capital Investment of \$1,368,000
- 1,319 construction jobs
- 86 permanent jobs





## Judith Gap

- Invenergy is owner/operator
- Northwestern is the buyer
- Operations began in 2006
- 135 MW – 90 turbines
- 8,300 acres of private land in Wheatland County



## Judith Gap Economic Development

- Over \$183 million capital investment
- Over \$1.5 million to Wheatland County in property taxes annually
- Over \$400,000 to landowners in lease payments
- Over \$900,000 in employee salaries
- Powers over 400,000 homes annually
- 10 jobs



# Cost Effectiveness of Wind Energy

## Unsubsidized Levelized Cost of Energy Comparison

Certain Alternative Energy generation technologies are cost-competitive with conventional generation technologies under some scenarios, before factoring in environmental and other externalities (e.g., RECs, transmission and back-up generation/system reliability costs) as well as construction and fuel cost dynamics affecting conventional generation technologies



Source: Lazard estimates.

Note: Assumes 60% debt at 8.0% interest rate and 40% equity at 12% cost for conventional and Alternative Energy generation technologies. Assumes Powder River Basin coal price of \$1.70 per MMBtu and natural gas price of \$4.50 per MMBtu. As many have argued, current solar pricing trends may be masking material differences between the inherent economics of certain types of thin-film technologies and crystalline silicon.



## Montana RPS

- RPS drives the market
- Montana's 15% by 2015 standard is relatively modest
  - Colorado is 30% by 2020
  - California is 33% by 2020
  - Oregon is 25% by 2025
- Resource diversity
- Drives down cost of electricity
- Stability in the market





# Thank You

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