

Technical Workshop on Clean Energy Across the Border

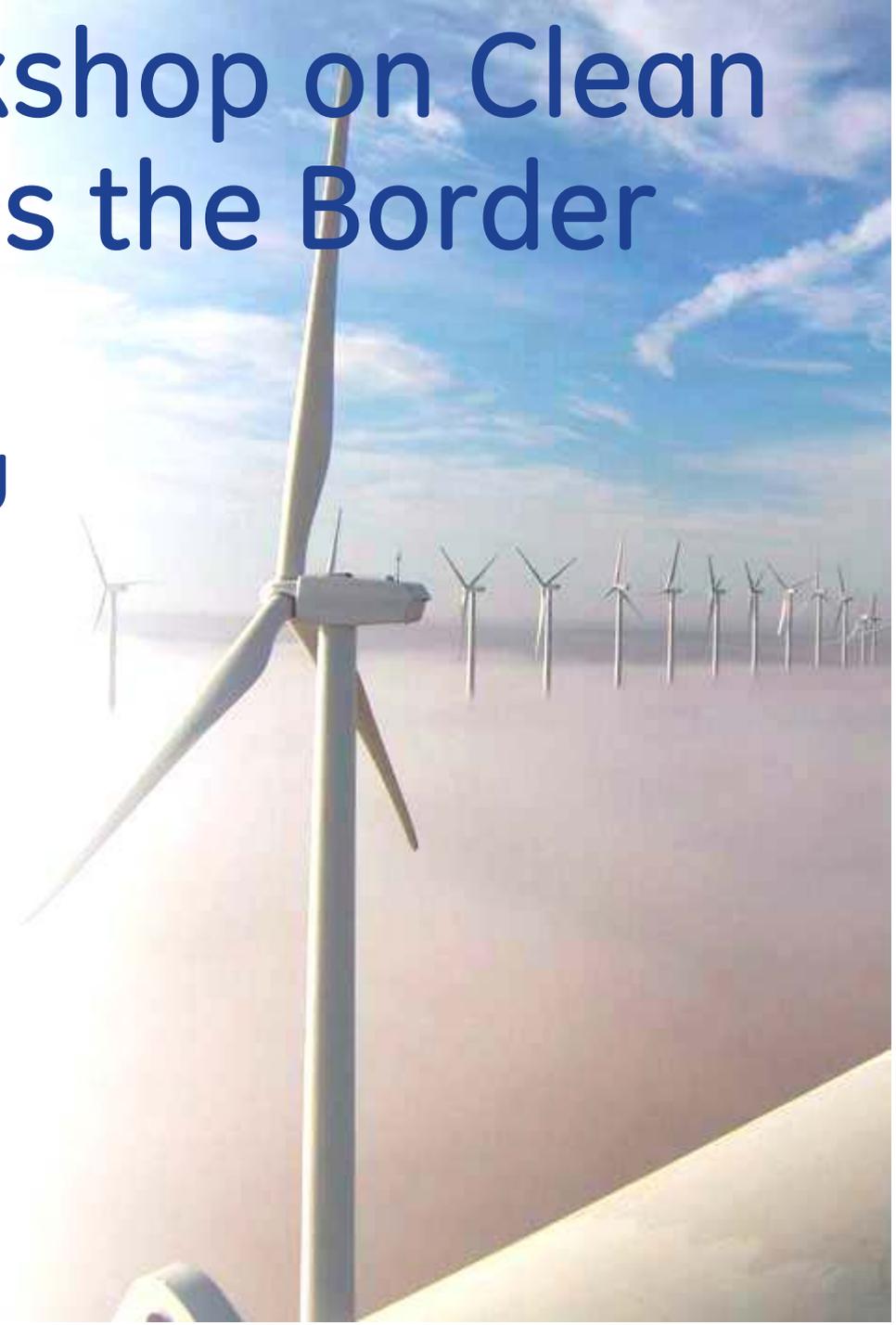
Incentive and Financing Open Market Business Models

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February 18 and 19, 2016



imaginatic



Success - Projects vs Goals

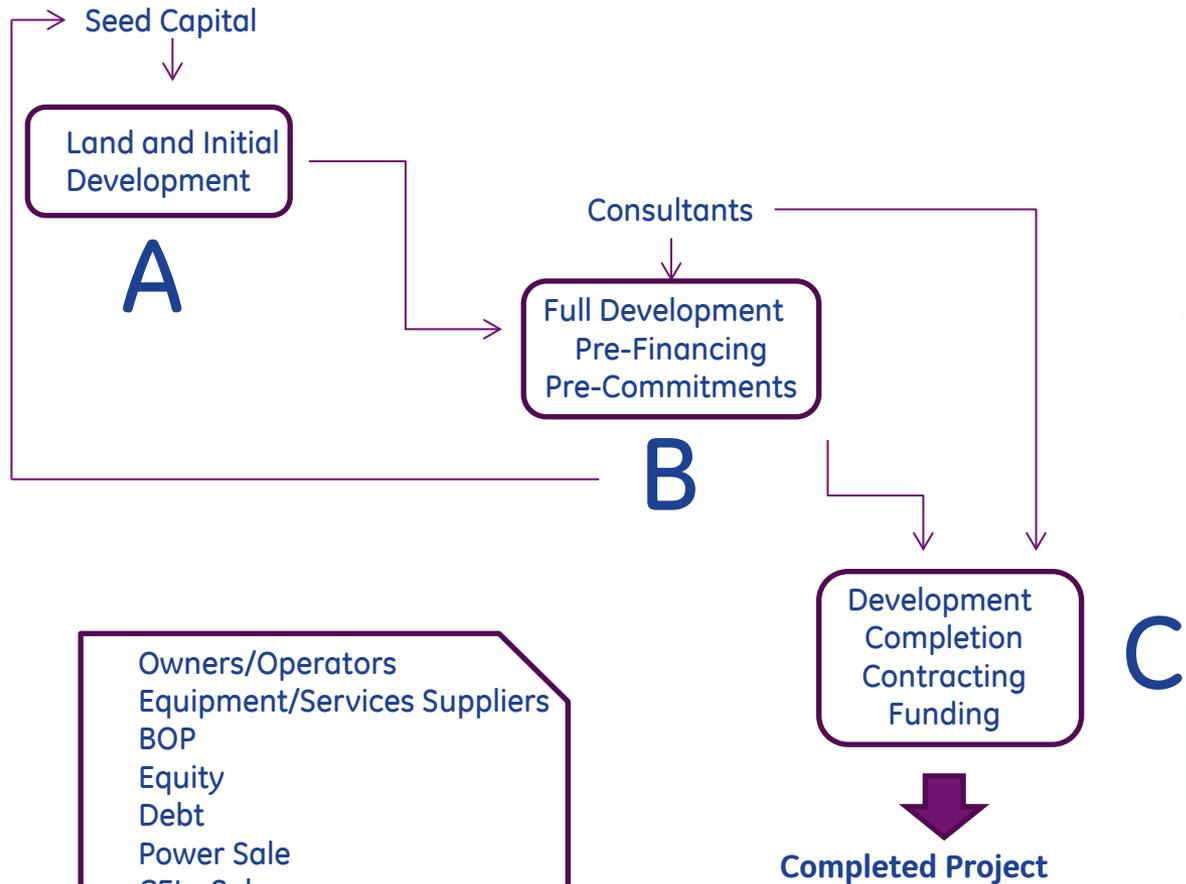
- Market Confidence
- Infrastructure – SIN/Baja System Interconnection
- Conflicting Signals in BC (921MW vs 300MW vs 225MW vs X)
- Bank-ability of Rules (stability, reasonable risk)
- Targets vs Lowest Cost of Energy (P50, P90, PX)
- Misses that end up Costing (Long Term Auction rules)
- Life Cycle Energy Price vs Buy As You Go

Important Considerations

- Adjustments of Pesos vs USD (Inflation vs Cashflow)
- Interconnection Delays Risks
- The Few Excellent and the Many Good projects
- Competition with Other Markets (attractiveness)
- Energy and CELs modeling – Wind Risk
- Cap Energy Price vs IRR's Minimum Threshold
- Local Currency Basis vs Commodity/Equipment Prices

Better Coordination with Lenders/Investors and Experienced Developers Would Enhance Results

Business Model



- Owners/Operators
- Equipment/Services Suppliers
- BOP
- Equity
- Debt
- Power Sale
- CELS Sale
- Land Royalties
- Permitting
- Taxes

