



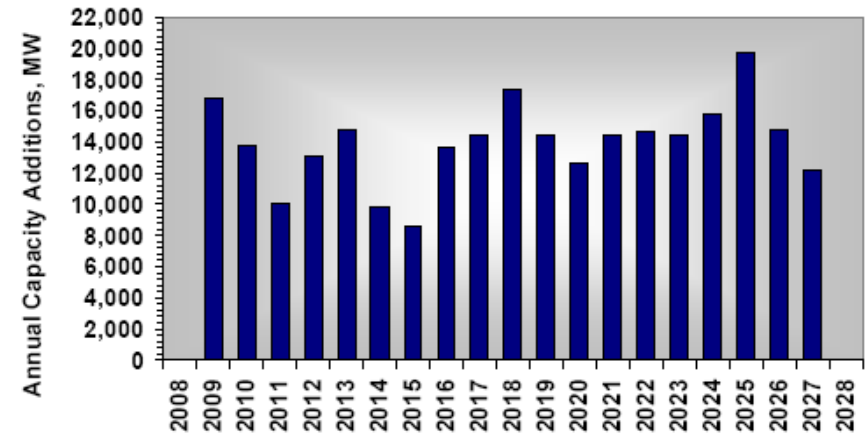
Energy Project Development Opportunities Through Enhanced Use Leasing

National EUL Industry Forum
February 12, 2009

Demand for energy asset development continues

- Energy demand is projected to grow at 1% per year, requiring nearly 250 GW of additional generating capacity by 2030
- Several factors have made energy planning decisions more difficult
 - Fuel and power price volatility
 - Capital market conditions
 - Regulatory and technological uncertainty
 - Carbon
 - NIMBY issues

Approximately 10,000 MW per year of generation capacity will be required



Source: EIA, Pace

\$20 billion-plus in renewable energy tax cuts in Stimulus Plan

-Associated Press, January 28, 2009

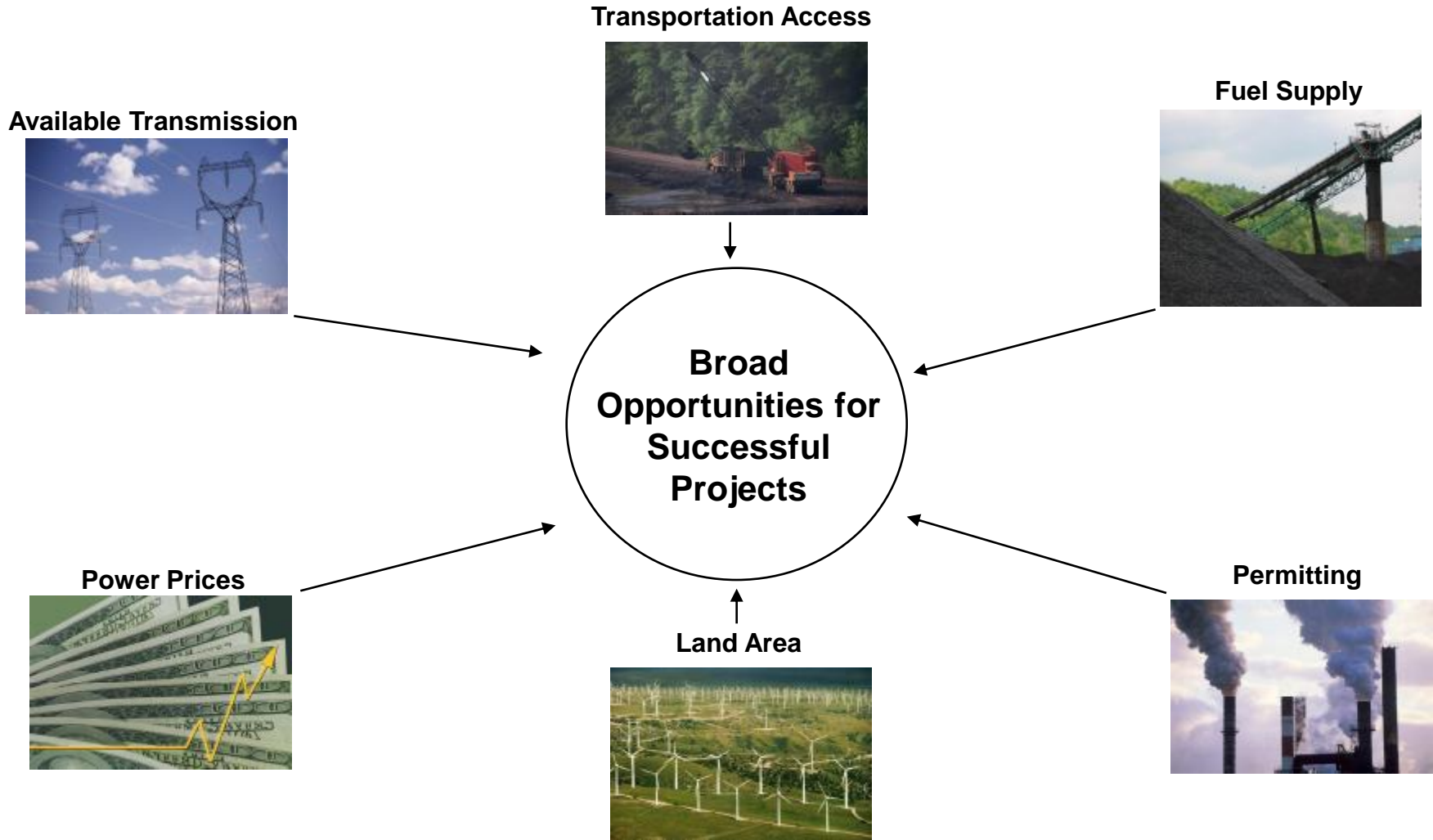
BG&E Customers to pay 85% more for electricity than in 1999

-Baltimore Sun, January 23, 2008

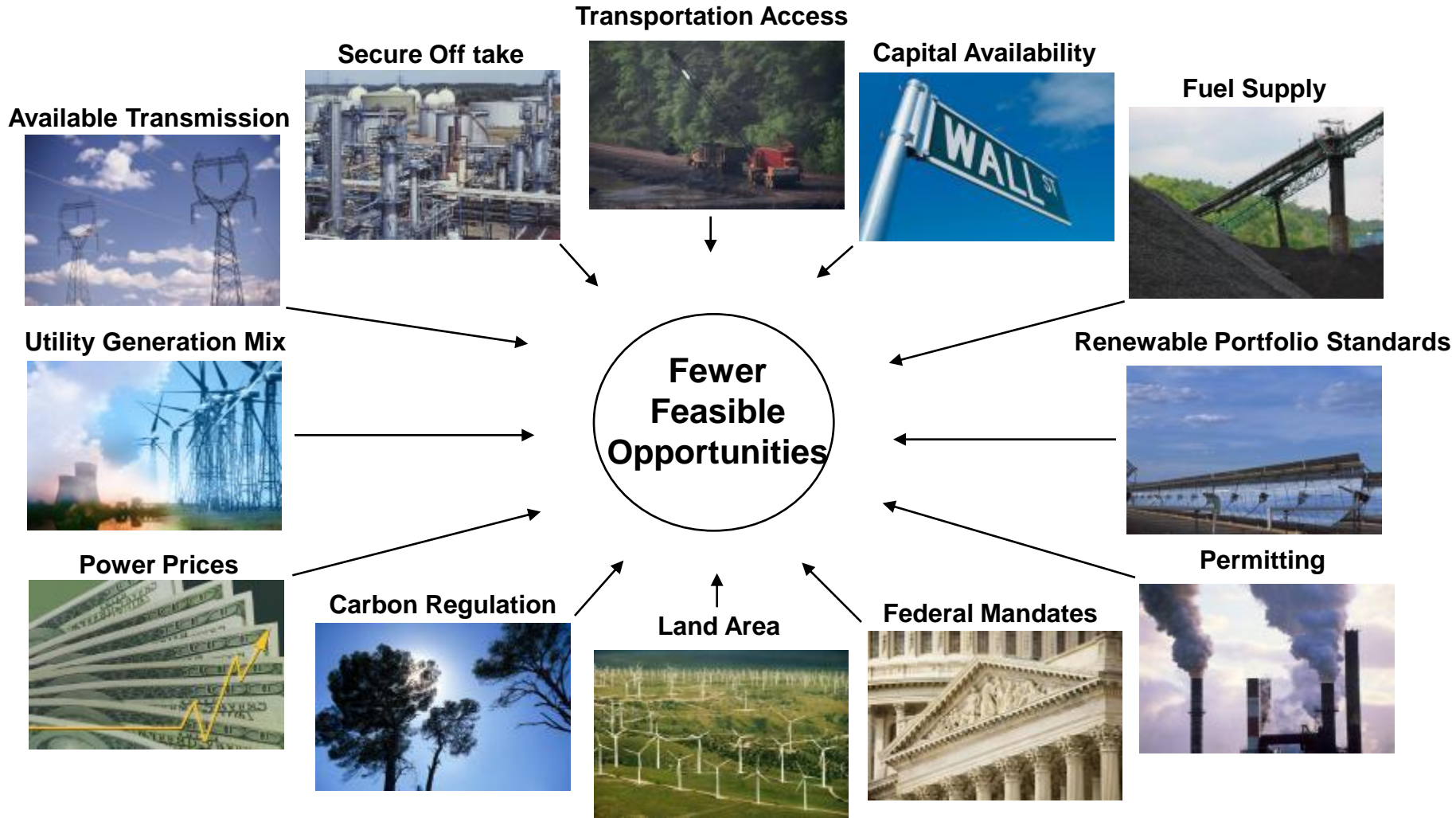
750 MW Elk Run Station [plans scrapped because of] regulatory environment

-Argus Air Daily, January 7, 2009

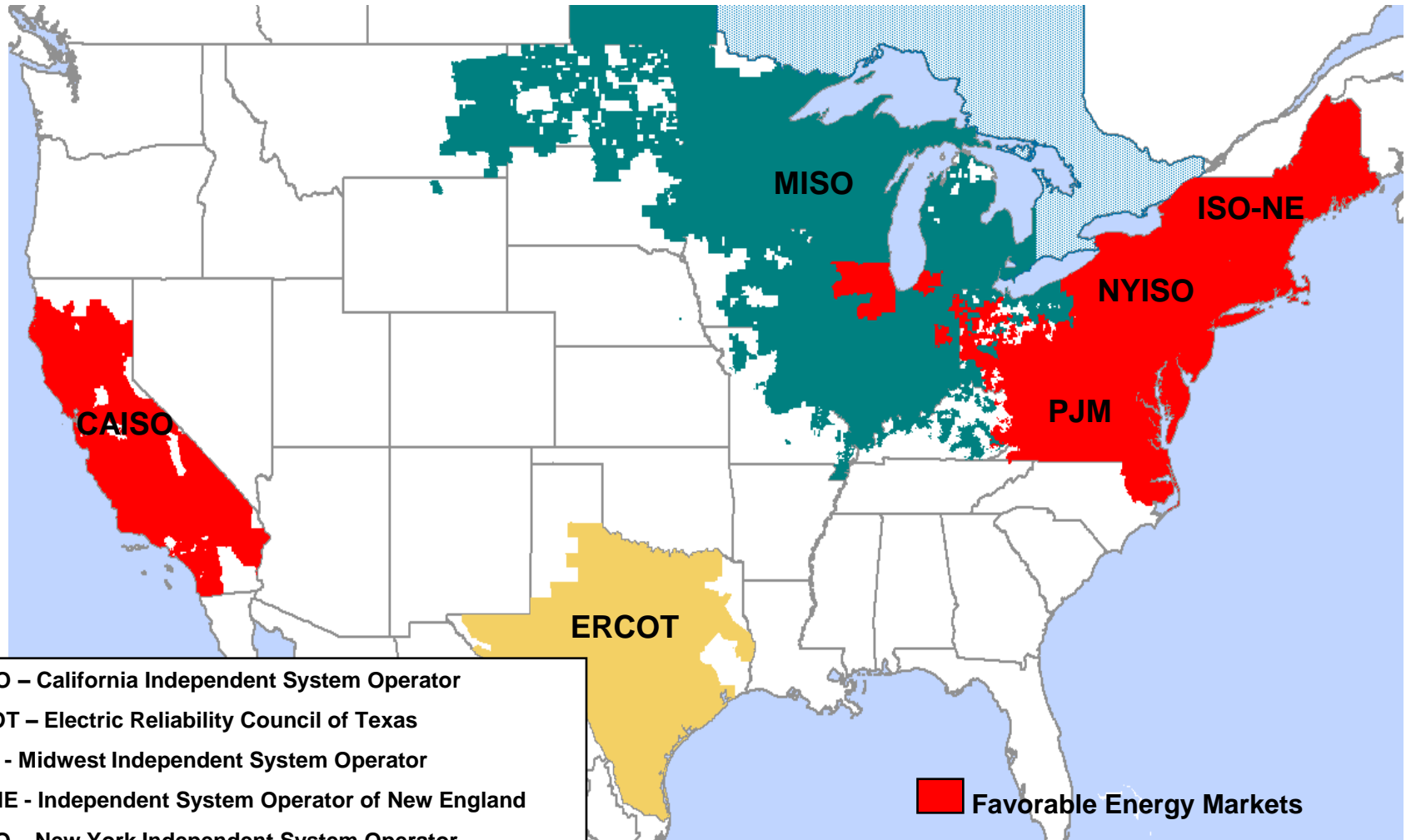
Key components of successful projects: old paradigm



New conditions make successful project development more difficult



Location drives project value: Not all power markets created equal

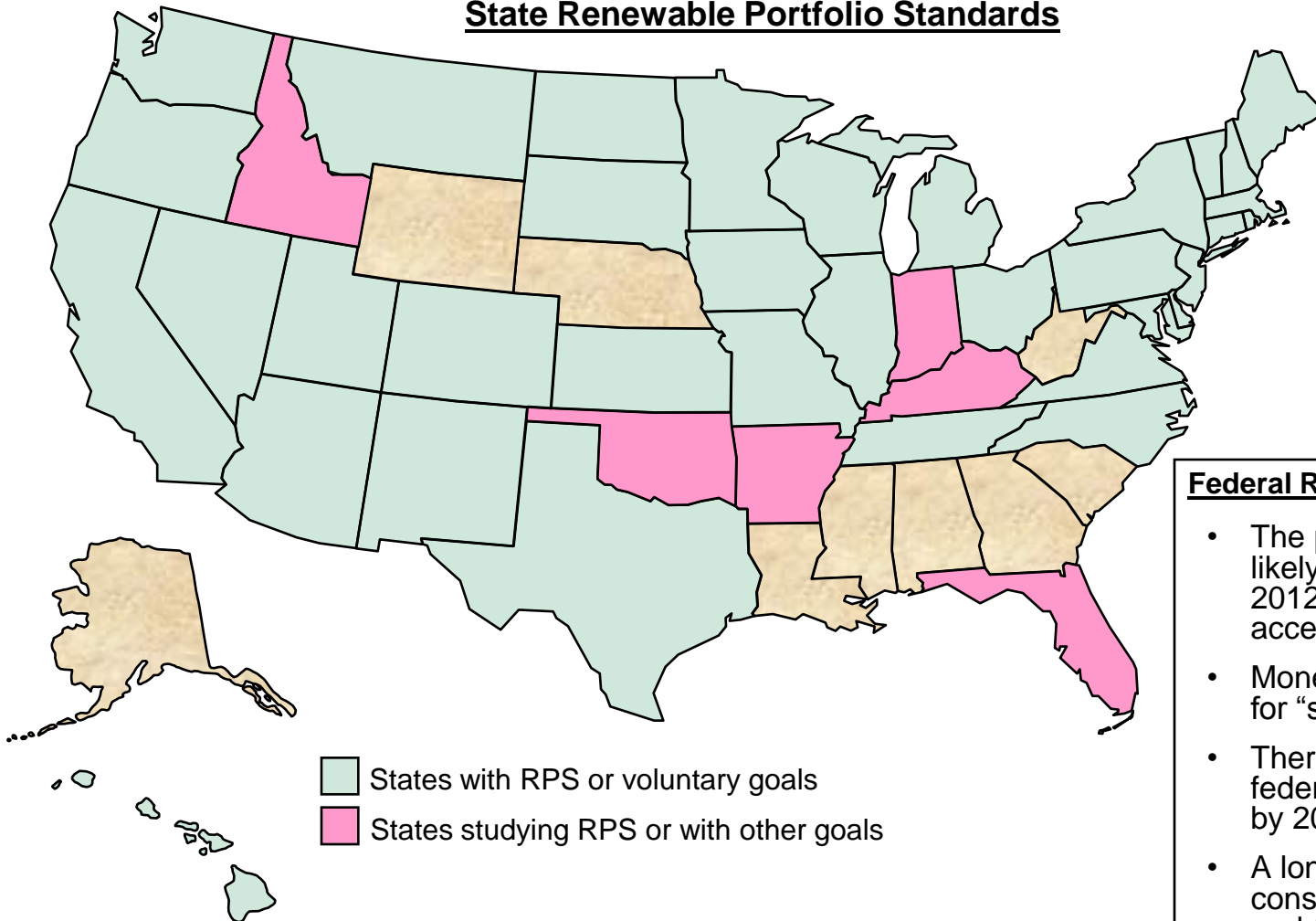


CAISO – California Independent System Operator
ERCOT – Electric Reliability Council of Texas
MISO - Midwest Independent System Operator
ISO-NE - Independent System Operator of New England
NYISO – New York Independent System Operator
PJM – Pennsylvania, New Jersey, Maryland Interconnection

 Favorable Energy Markets

RPS provides incremental revenue source

State Renewable Portfolio Standards



Federal Renewable Energy Mandates

- The production tax credit is likely to be extended through 2012 and made more accessible
- Money is being made available for “shovel-ready” projects
- There is movement toward a federal RPS (potentially 15-20% by 2025)
- A longer-term plan is being considered for a carbon cap-and-trade program

Navy installations may offer unique advantages to power project development



- The Navy has locations in high value power and RPS markets (California, New England, Mid-Atlantic)
- Existing installation infrastructure can limit development costs and provide security and other operational advantages
- Existing utility service can also lessen project costs
- Base lands can be used as a buffer between projects and the local community to address NIMBY concerns
- Existing contacts with the local community can be leveraged to assist in local project acceptance
- The Navy can act as a credit-worthy power off taker