DEVELOPING AND FINANCING TRIBAL ENERGY PROJECTS

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DOE Tribal Energy Conference

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Iberdrola

Iberdrola S.A.
-- One of the world’s largest utilities
-- Scottish Power/PPM acquisition
-- Energy East acquisition

Iberdrola Renewables
-- Largest wind owner/operator in world
-- IPO in December 2007

Iberdrola USA
-- 2nd Largest US Owner (w/ PPM)
# Long-term US Wind Potential

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>13,366</td>
<td>3</td>
<td>3,125</td>
<td>23.4%</td>
</tr>
<tr>
<td>Spain</td>
<td>66,910</td>
<td>3,522</td>
<td>15,145</td>
<td>22.6%</td>
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<tr>
<td>Germany</td>
<td>120,376</td>
<td>1,667</td>
<td>22,247</td>
<td>18.5%</td>
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<tr>
<td>Portugal</td>
<td>12,176</td>
<td>434</td>
<td>2,150</td>
<td>17.7%</td>
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<tr>
<td>Ireland</td>
<td>5,510</td>
<td>59</td>
<td>805</td>
<td>14.6%</td>
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<tr>
<td>Netherlands</td>
<td>21,834</td>
<td>210</td>
<td>1,746</td>
<td>8.0%</td>
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<tr>
<td>India</td>
<td>137,578</td>
<td>1,730</td>
<td>8,000</td>
<td>5.8%</td>
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<tr>
<td>Italy</td>
<td>77,320</td>
<td>603</td>
<td>2,726</td>
<td>3.5%</td>
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<tr>
<td>United Kingdom</td>
<td>78,097</td>
<td>427</td>
<td>2,389</td>
<td>3.1%</td>
</tr>
<tr>
<td>France</td>
<td>112,719</td>
<td>888</td>
<td>2,454</td>
<td>2.2%</td>
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<tr>
<td>United States</td>
<td>956,673</td>
<td>5,244</td>
<td>16,818</td>
<td>1.8%</td>
</tr>
<tr>
<td>Other</td>
<td>2,269,393</td>
<td>5,289</td>
<td>16,518</td>
<td>0.7%</td>
</tr>
<tr>
<td>World Total</td>
<td>3,871,952</td>
<td>20,076</td>
<td>94,123</td>
<td>2.4%</td>
</tr>
</tbody>
</table>
Short Term Issues – Financial Crisis

Capital Availability
-- Access/Terms of Debt
-- Tax Equity

Policy Uncertainty
-- Extension of PTC?
-- National RPS? Carbon Regulation?

→ Wind Investment in 2009?
Potential Paths Forward

Land Owner: No Risk; Lease Payments

Early Stage Development
-- Feasibility: Wind, Land, Interconnect
-- Low $; High Risk; High Return

Mid Stage
-- Permit, Transmission, Engineering Studies
-- Medium $; Medium Risk; Medium Return

Construction/Operation
-- Acquire Turbines; Fund Construction
-- Large $; Low Risk; Low Return
Development Cycle

Early Stage

Mid-Development Phase

Construction Phase

Cumulative Development Cost ($)

0 5,000,000 10,000,000 15,000,000 20,000,000 25,000,000 30,000,000

Time (yrs)

Start Year 1 Year 2 Year 3 Year 4
Implications

-- Focus on desired opportunity

-- Only the best projects may move forward?

-- Be cautious about capital intensive efforts

-- Flight to Quality?

-- Take advantage of federal/other support