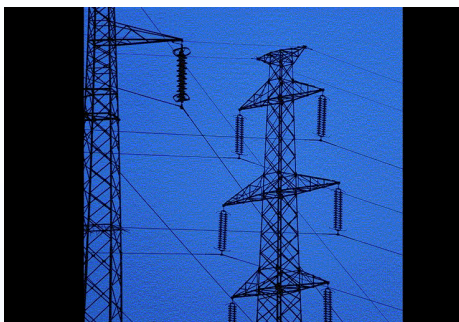




Power Generation and Transmission Asset Valuation and Due Diligence



ICF Consulting's wholesale power practice supports private- and public-sector clients by providing economic and technical services and policy analyses that enhance our clients' ability to make the best strategic and resource development decisions.

Our analyses and technical services cover all aspects of the wholesale power industry including the following:

- Power Plant Due Diligence
- Transmission Asset Due Diligence
- Forward Valuation and Dispatch Analysis
- Stranded Costs Assessments
- Litigation Support
- Mergers and Acquisitions
- Divestitures
- Regulatory and Policy Support
- Power Market Assessments
- Supply, Demand, and Pricing Analysis
- Policy Impact Analysis

In today's volatile business environment, increased focus on true value and financial reporting has brought several critical issues to the forefront. The industry's traditional focus on the future expected range of power market prices needs to be altered to focus on broader issues, such as **achieving the highest value for generation and transmission assets**. Critical questions focus not only on how to support the business value, but also what regulatory changes should be expected and how they will impact your business:

- How can I support an investment grade rating for my generation business?
- How much are my company's power generation and transmission assets worth today?
- Will a bank finance these assets or acquisitions? Why or why not?
- Are there potential acquisition targets that would better position my company?
- Could my company be a takeover target?
- How will major regulatory changes affect my company's value?
- What do my CEO and CFO need to know about how our asset valuation could be affected by key power market, fuel, and regulatory changes?

ICF Consulting has an outstanding track record in performing **due diligence**, **market assessments**, and **asset valuations** for **power generation and transmission development projects, acquisitions, and divestitures**. To provide informed and expert analysis, ICF Consulting uses a fully integrated modeling approach that captures the entire scope of interactions of the power, fuel, and allowance markets to forecast forward market projections. Over the past decade, ICF Consulting has performed domestic and international evaluations and assessments on numerous cogeneration, peaking, baseload gas, coal, nuclear, and hydroelectric facilities as well as portfolios of generating assets and transmission facilities. We are unique in our ability to combine the right mix of economic, engineering, and industry knowledge to provide our clients with the best information possible for making informed decisions.

Featured Projects

Power Plant Acquisition Support

For numerous generation asset auctions and sales, ICF Consulting provided the fundamental analysis for investors to evaluate the forward performance of individual assets and portfolios of assets. ICF Consulting's analysis included review of the expected case performance as well as stress analysis associated with specific risks, such as fuel costs, introduction of new generation facilities, transmission congestion, and demand variations. ICF Consulting has evaluated portfolios throughout the United States and Canada that include nuclear, hydroelectric, fossil, and renewable capacity types. Recent assessments have focused on assets in the European and Asian markets.

GENCo Portfolio Financing

ICF Consulting supported the first-of-its-kind GENCo formation for a large utility and several rating agencies. We have since provided support for several GENCo related financings. Our services included valuating the GENCo portfolio as well as providing a framework for evaluating markets and risks associated with unregulated operation of GENCo assets. Specific items reviewed include assessment of potential retirements, environmental factors, and competitive market conditions. Our studies also consider risks and associated mitigating factors relative to geographic diversity and primemover diversity within the portfolios, and have been well received by the financial community and rating agencies such as Moody's, S&P, and Fitch.

Merchant Power Plant Financings

ICF Consulting supported the first-of-its-kind development for a number of financing transactions including the first 144A bond financing for a merchant coal-fired power plant; the first new peaking-plant financing in the Midwest; and the first project-financed merchant plant in Canada. In addition, we supported numerous bank syndication and capital market transactions in North America, including New England, PJM, MAIN, ECAR, the Rockies, VACAR, ERCOT, Entergy, Southern, TVA, and Alberta. Our analyses include forecasts of market prices, characterization of market uncertainties, determination of market risk, wholesale power revenues, and fuel costs. ICF Consulting also assisted in the marketing efforts for the bond offerings and in obtaining investment-grade ratings from Moody's, S&P, and Fitch.

Transmission Investment Support

ICF Consulting continually helps clients identify and value merchant transmission investment opportunities in the Northeast, Midwest, and Western markets. We help clients realize value through determining optimal transmission capacities to ensure a specified return on equity while simultaneously considering the key risks, such as capacity investments from generation and load response programs. We supported a potential merchant power transmission investment financing.

Cogeneration Due Diligence Support

ICF Consulting has provided independent valuation and due diligence review for financial arrangers, developers, and investors in support of cogeneration development in the United States, Canada, and Singapore. Our analyses typically include pro-forma style models, risk comparisons to other project types, and review of the market impact of the cogeneration technology. Our due diligence review focuses on economic and financial feasibility, pricing, and reliability of the fuel supply and transportation; dispatchability of the project; and the technical operating assumptions.

Legislative Support

ICF Consulting supported development of a merchant IGCC facility. Our analysis included review of the operational characteristics of the unit and recommendations and verification of performance standards for operation. ICF Consulting also determined the forward expected dispatch and revenue stream from operation of the unit as well as the expected value to consumers. Our staff testified before state legislative committees in support of this project development.

Site Assessment Due Diligence

ICF Consulting helped a client enter the Wisconsin power market by employing our transmission modeling expertise to identify suitable sites to build a combined-cycle generation unit. In recommending potential locations for the client, the study considered potential risk factors, such as demand, existing installed capability, transmission adequacy, voltage support, and transmission congestion issues on the deliverability of megawatts while providing the necessary initial due diligence efforts to support further project review.

Stranded Cost Due Diligence

ICF Consulting provided forecasts for future market prices, power plant revenues, power plant dispatch, and grid system operations for the first U.S. stranded cost case. We also provided asset valuations and market price forecasts for a major energy company in the largest U.S. stranded cost case. ICF Consulting has worked with several companies to value their expected forward generation asset position in support of stranded cost hearings.

About ICF Consulting

ICF Consulting is a leading management, technology, and policy consulting firm. Drawing upon extensive industry knowledge, distinguished professionals, and innovative analytics, the firm develops solutions to complex energy, environment, emergency management, community development, and transportation issues. ICF Consulting's approach to these issues is strengthened by its expertise in information technology, organizational improvement, program management, and communications. Since 1969, ICF Consulting has been serving major corporations, government at all levels, and multinational institutions. More than 1000 employees serve these clients from key business centers in North America, Europe, and Asia.

For more information contact:

Judah Rose
Phone: 1.703.934.3342
E-mail: jrose@icfconsulting.com

Stacey Hohenberg
Phone: 1.703.218.2504
E-mail: shohenberg@icfconsulting.com