



Electric Generation Asset Management and Annual Budgeting



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

Our integrated suite of forecasts, analyses, and services for asset management and budgeting include the following:

- Strategic Asset and Regulatory Services
- Near-term and Long-term Power Market Analysis
- Power Price Forecasts
- Detailed Plant Dispatch Forecasts
- Budgeting Support
- Environmental Regulations Impact Analysis
- Tolling Agreement and Contract Analysis
- Gas Supply Studies
- Detailed Transmission Modeling Studies and FTR Valuation
- Financial Due Diligence and Support
- Litigation Support

Today's changing electric energy market requires asset owners and position managers to understand how to optimize their holdings on a dynamic basis. This requires them to combine modeling tools for near-, mid-, and long-term forecasting into a single analysis that provides the necessary insight to maximize overall profitability from operations. ICF Consulting integrates our broad expertise in the energy industry with our innovative modeling approaches, our technical staff expertise, and our focus on the fundamentals of the market to provide clients with the insights that are crucial to managing and budgeting for power plant ownership, operations, hedging, and trading.

Challenges for Today's GENCO

Managing today's generation company (GENCO) is much more complex than just a few years ago. Unlike the days when a utility owned and operated assets in its home territory, modern GENCOs are regionally dispersed and diversified. Managers are faced with challenges on multiple fronts and have to respond to questions such as:

- How do I track market conditions in several places at once and optimize my asset position?
- How do I forecast revenue given volatility and uncertainty in fuel and merchant power markets?
- How will new regulations or market rules impact operation and the financial viability of my plants?
- How do I respond to new environmental regulations?
- What impact will overbuilds and retirements have on my portfolio revenue?
- How will the formation of Regional Transmission Organizations (RTOs) affect my assets?

Why ICF Consulting?

Successful GENCO management requires integrated analysis tools and experience beyond what is sufficient for utility planning. Successful management now requires analytical capabilities across all regional markets.

- ICF Consulting is a recognized leader in electric power market forecasting and analysis. Our track record in forecasting power markets and our acceptance and respect by the financial community in due diligence studies is unparalleled.
- ICF Consulting distinguishes itself with its fully integrated approach that explicitly analyzes the entire scope of interactions among the electric power, fuel, and environmental markets.
- ICF Consulting is unique in that its forecasting methodology allows it to predict capacity (price spike and volatility) value, even in markets that are overbuilt.

What ICF Consulting Delivers

ICF Consulting provides an objective, independent forecast and view on power markets and your GENCO operation and revenues to assist you in your company's planning and budgeting. We support our views with credible analyses to the financial community. We can also work with your in-house staff to augment your internal forecasts with our objective view or to assist you in any internal analysis or strategic planning.

ICF Consulting's Approach

ICF Consulting uses its proprietary electric power market model—the Integrated Planning Model (IPM®)—to forecast all aspects of the multi-regional power grid, including forward power prices, plant dispatch, transmission, and capacity expansion. We explicitly model fuel markets, emissions controls, and transmission constraints to ensure that our clients benefit from a comprehensive and integrated view of the market, its opportunities and risks. For the GENCO studies, this analysis is extended to provide an integrated, detailed dispatch analysis to present a consistent projection of GENCO plant operation, costs, and revenues.

ICF Consulting's modeling incorporates detailed real-world generating unit characteristics such as start-up costs, heat rates, ramp rates, operating restrictions, and environmental emissions for any number of dispatch blocks. ICF Consulting's dispatch modeling computes the optimal generating profile considering economic trade-offs between start costs, hourly power prices, fuel and variable costs, and running at a minimum or turndown level.



ICF Consulting's Forecasting Track Record

ICF Consulting's commitment to quality has made us a market leader. Rating agencies and investment bankers turned to ICF Consulting to support the first merchant power plant financing in the United States (a 144A bond offering). This success was followed by many conventional and cutting-edge studies for developers and the financial community, including the financing of the first merchant peaking plant.

ICF Consulting professionals have a comprehensive understanding of power markets and years of experience working in the power markets in Europe and North America. Our services and tools support blue chip companies, developers, the financial community, and the U.S. Environmental Protection Agency. ICF Consulting integrates fundamental economic concepts with detailed knowledge of policy directions and other considerations to analyze regulatory issues.

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.

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