

The Green Finance Challenge

Diverse Issues/Diverse Change Agents

American Bar Association
Renewable Energy Resources Committee
National Teleconference/
Brown Bag Meeting
March 16, 2005

Roger D. Feldman, Moderator
Senior Partner
Bingham McCutchen, LLP
Washington, D.C.

The Green Finance Challenge

Diverse National Policy Goals

- To mitigate the environmental impact of current and future energy production
- To replace dependence on unstable foreign energy fuel resources
- To achieve “sustainability”

The Green Finance Challenge

Diverse Private Business Objectives

- To optimize returns on capital investments for private capital investors
- To promote technological breakthroughs which can lead to breakthrough corporate returns
- To mobilize socially responsible private capital to facilitate the leveraging of desirable policy results
- To bridge the gap between R&D and commercialization

The Green Finance Challenge

Diverse Development of Government Resources and Powers

- Basic Technology
- Suitable Incentives for Investors
- Conducive Investment Climate – Federal/State Cooperation; Consistent Policy Environment
- Protecting the Public Consumers' Pocketbook

The Green Finance Challenge

Diverse in Resource Technology Finance Requirements

- Technical Maturity
- Capital Requirements
- Environmental Challenges
- Compatibility with Regulatory Systems
- Contribution to Diverse Policy and Financial Objectives

The Green Finance Challenge

Cellulosic Biofuels: Case Study in Complexities

- Implicit Disruption of Current and Emerging Market Solutions
- Technology Choice Issues
- Avoidance of Irrational Subsidies
- Meshing Policy Expectations and Investor Time Frames
- Forms of Investment Choices

The Green Finance Challenge

Unanswered Questions for Would-Be Change Agents

- Fine-Tuned Incentives – Are they pushing the Limits of Social Engineering?
- Social Capital: Is it an Oxymoron?
- Market-Based Solutions – Is it a Naïve Bet on an Imperfect System?
- Uniform Legal Treatment of Renewables and Conventionals – Should it be a Goal of Energy Law?

The Green Finance Challenge

Introducing: Diverse Change Agents

- Nancy Floyd, Managing Director, Nth Power
- Russel Pullan, Head of Venture Capital, U.K. Carbon Trust
- Winston Hickox, Portfolio Manager, CalPERS
- Lewis Milford, Executive Director, Clean Energy States Alliance
- Moderator:
 - Roger D. Feldman Chair, ABA
Renewable Energy Resources Committee

The Green Finance Challenge

- Senior Partner, Bingham McCutchen LLP (Resident, Washington, DC)
 - 850 Lawyers, 11 offices

Firm Specialties Include

- Energy; Environment; Intellectual Property
- Venture Capital; Private Equity; Corporate, Structured and Project Finance
- Chair, American Bar Association, Renewable Energy Resources Committee; Director, American Council on Renewable Energy; Editor, Journal of Project and Structured Finance; Merchant Power Monthly
- Former Deputy Administrator, Federal Energy Administration; White House Staff
- Brown University, Yale Law School, Harvard Business School