Wind Power 2009

State Legislative Issues Update

LB561 C-BED Changes

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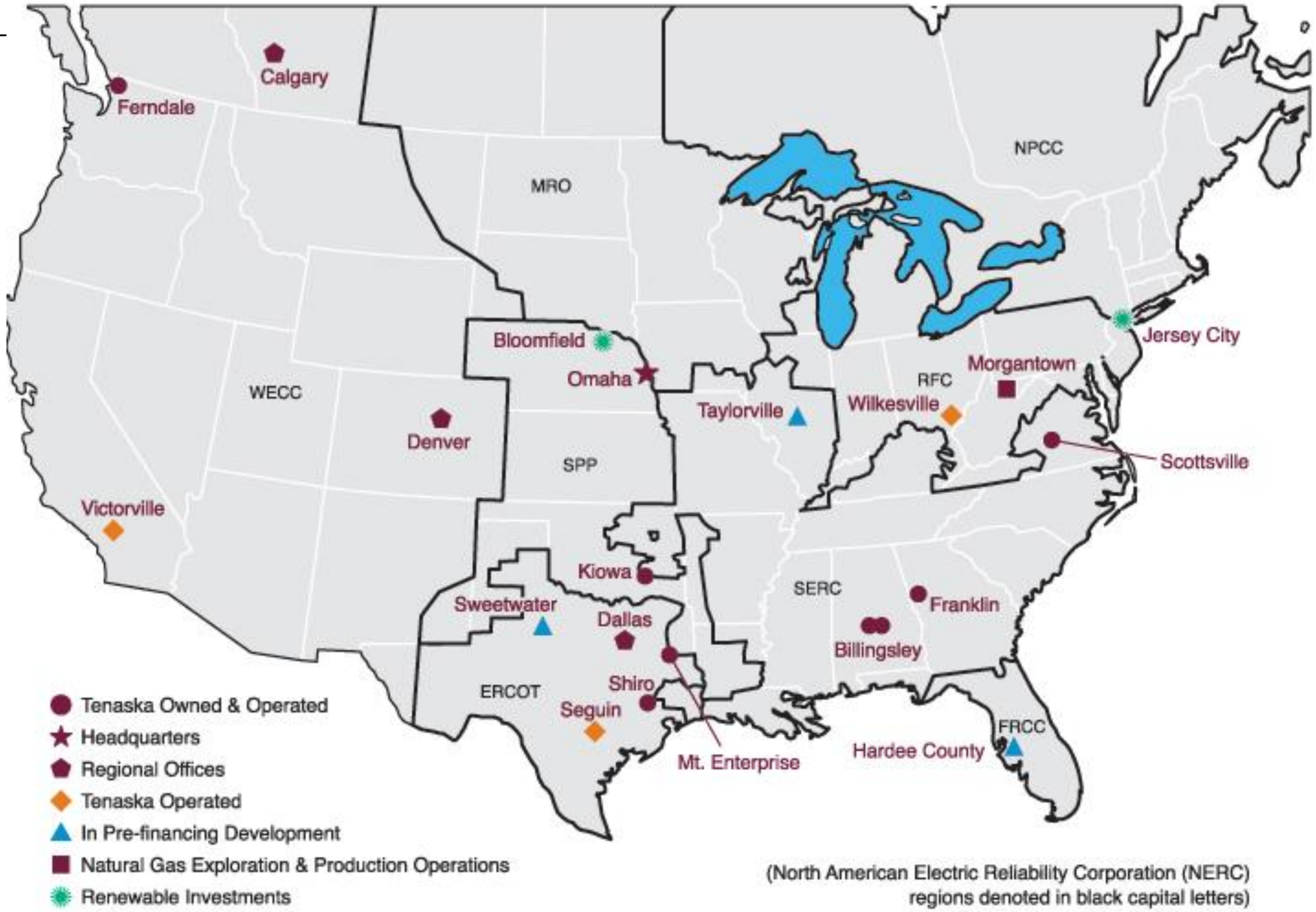
About Tenaska

- Develops, constructs, owns, operates electric generating plants; 9,000 MWs in 15 projects
  - Markets natural gas, electric power and biofuels
  - Manages private equity funds; more than $4 billion in assets
- Headquarters located in Omaha with offices in Dallas, Denver and Calgary
- 2008 revenues of $16 billion; #24 on Forbes list of privately-held businesses
- 33% owner of 80 MW Elkhorn Ridge project near Bloomfield, Nebraska
- Employee-owned; over 700 employees, approximately 260 in Nebraska

About Tenaska



C-BED Background

- Nebraska power generation limited by private investment prohibition (100% public power)
- Community-Based Energy Development (C-BED) law passed in 2007 to encourage private development of wind projects
- Power purchased by public utilities under long-term contracts
- Projects meeting the C-BED requirements receive sales tax exemptions on major equipment
- Project benefits passed on to local communities through joint ownership with developers and land leases with landowners
- Under the original C-BED law, qualified Nebraska residents were required to receive at least 33% of the gross payments received under the long-term contract
- This requirement restricted the remaining payments to the developer to the payment of operating expenses and a return of and on investment only
- The project would have to be funded with100% equity as the C-BED requirement did not allow for sufficient funds to leverage the project with debt

CBED Amendment

- Legislators perceived need for revision, worked with Tenaska, others to implement an amendment which would provide a more cost efficient financing structure by allowing projects to access the debt markets in a more practical and efficient manner
- Allows for use of debt financing at the project level which will result in the lowest price of power
- Preserves the initial intent of C-BED and ensures that 33% of the profits flow to the Nebraska residents
- The amendment redefined the 33% requirement by subtracting the payments for debt service from the gross payments to determine the minimum amount required to be paid to the Nebraska residents
- Amending the original law provides for greater access to capital by financing the projects rather than funding the costs with 100% equity
- Result is an improved bill that should benefit all Nebraskans by attracting more investment capital for projects

Q&A