

Denver International Airport Solar III Project



Presented by John Ackerman
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Denver International Airport
July 21, 2010

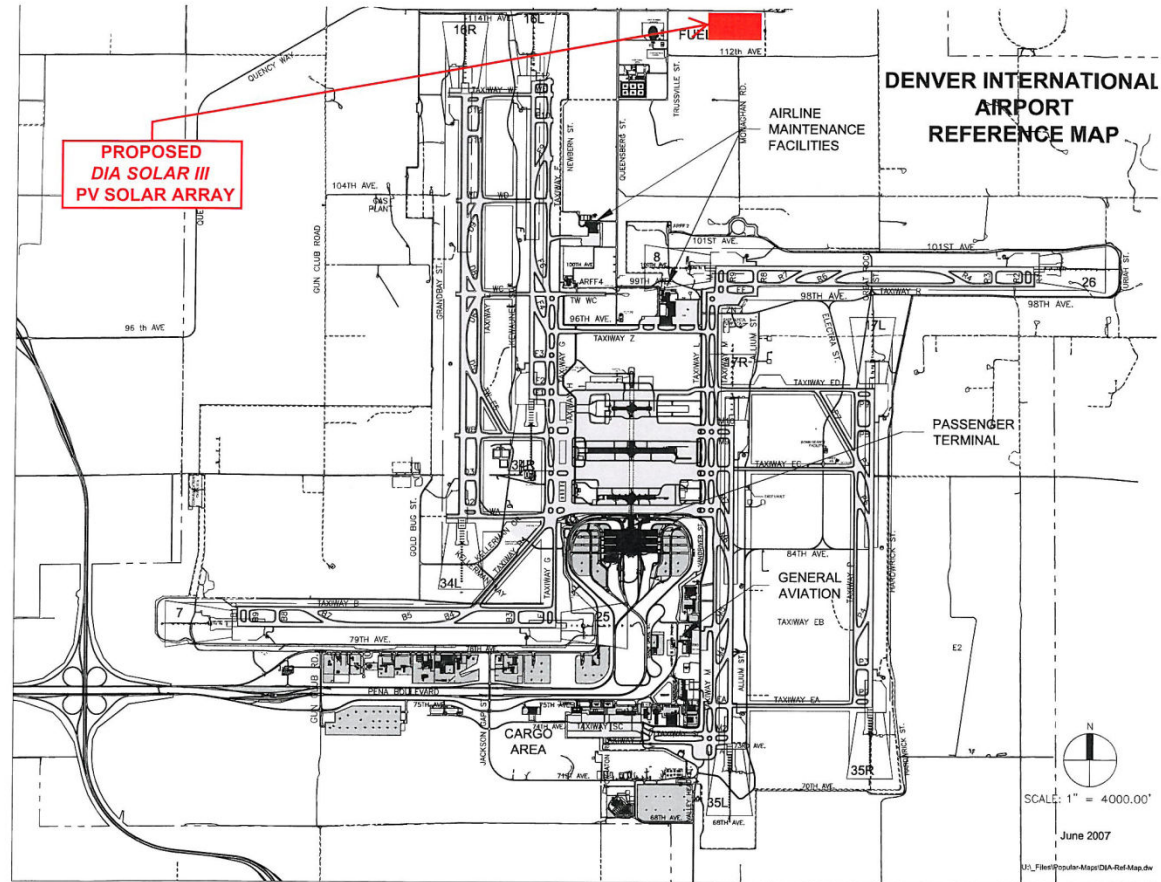
Presentation Overview

- Project Overview
- Financial Structure
- Power Purchase Agreement (Ordinance)
- Ground Lease (Ordinance)
- Loan Terms (Ordinance)
- DIA Benefits

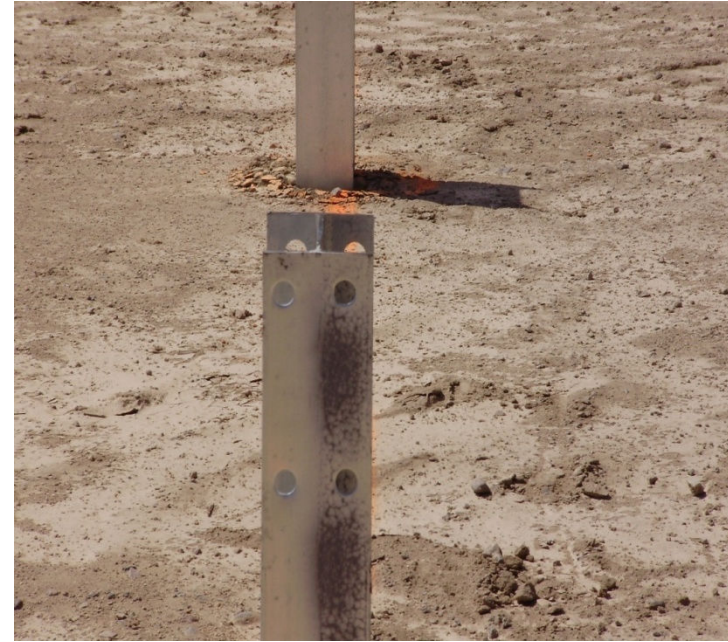
Project Overview

- 4.5 MW ground-mounted fixed-tilt solar photo voltaic (PV)
 - Similar to existing 1.6 MW Fuel Farm system
 - Will generate approximately 7,000,000 kwh annually
- Planned completion 6/1/11

Project Location

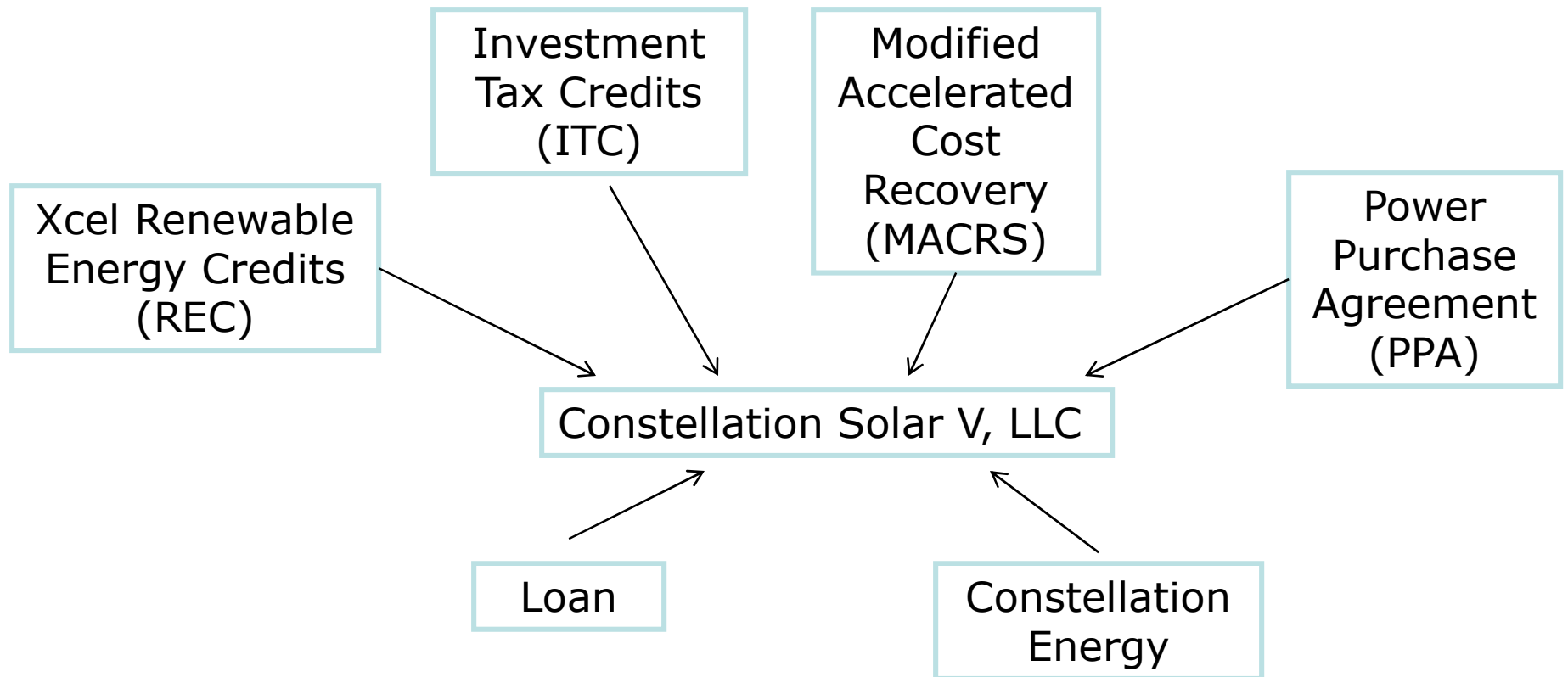


Project Construction Details



Drilled Pier Mounting System

Financial Structure



Power Purchase Agreement (PPA) Terms

- 20-year term
- DIA to pay 80% of current Xcel fuel charge or \$.037/kWh, whichever is greater
- DIA has option to buy system at pre-negotiated price after year 6

Ground Lease Terms

- 20 year term
- Thirty-five acre unused parcel east of fuel facility
- System owner to pay \$11,900 per year
 - Fair market value based on independent appraisal
- 30% DBE goal

Loan Terms

- \$7,500,000 principal amount
- 20 year amortization, 5.5% interest rate
- Collateralized with perfected security interest in PV system
- DIA has priority lien position
- Loan not funded until system commissioned and tested
 - No construction risk for DIA
- Average coverage ratio of 1.32

DIA/CCD Benefits

- Positive net present value (NPV)
- Projected fuel charge savings of 20% over life of agreement
- Advances DIA/CCD sustainability goals
- Leverage low DIA cost of capital to capture federal stimulus funds
- Creates jobs
- Increases investment income

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