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Address to the  
Price College of Business  
24 September 2010

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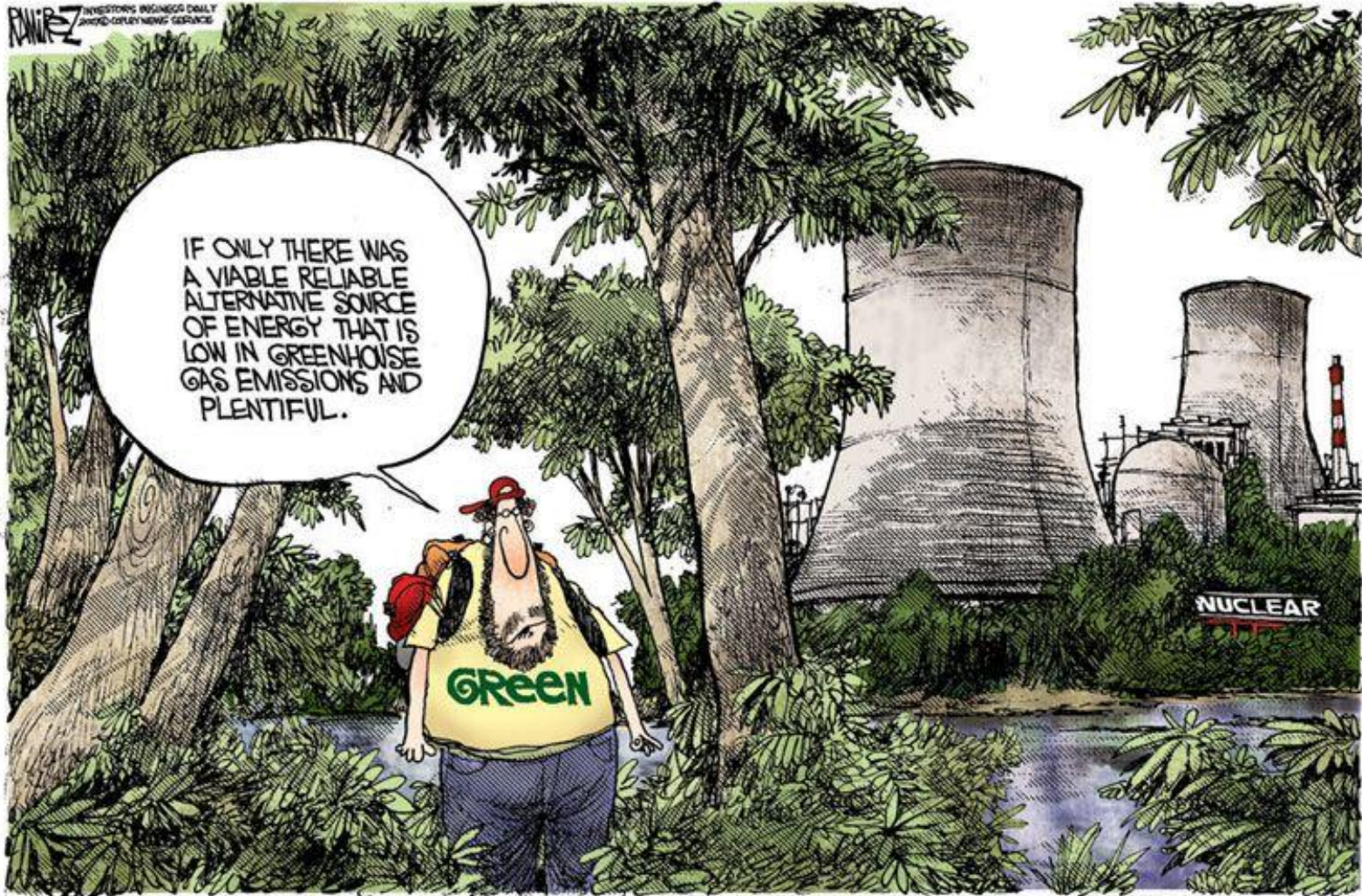


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Is Alternative Energy a Fad  
or  
Business Opportunity?

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# Can't We All Just Get Along?



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# What Do We Mean by Alternative Energy?

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- Alternative Power
  - Wind
  - Solar
  - Landfill Gas
  - Biomass
  - Geothermal
  - Wave/Tidal
  - Nuclear (?)
- Alternative Fuels
  - Ethanol
    - Food-based
    - Cellulosic
  - Biodiesel
  - Bio-crude
  - Algae



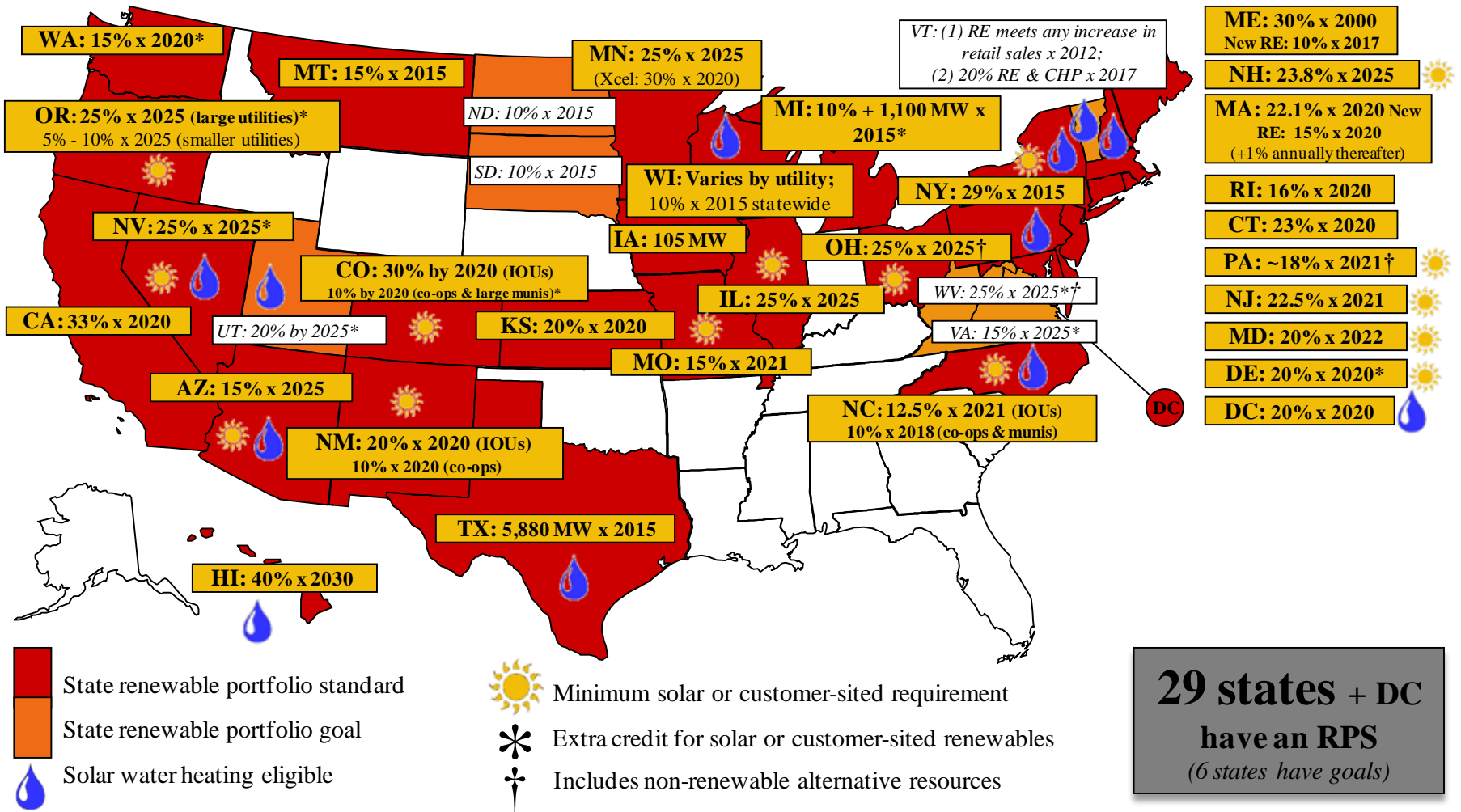
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# How Do We Encourage Alternative Energy?

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- Tax Credits
  - Production Tax Credit
  - Investment Tax Credit
- Renewable Energy Credits
  - Represent 1 MWh of Electricity
  - State Level
- Renewable Portfolio Standards
  - State Level
  - Federal Level
- ARRA (Stimulus Bill) Changes
  - PTC vs ITC
  - Fed Window Cash Out

# US Renewable Portfolio Standard



**29 states + DC**  
**have an RPS**  
*(6 states have goals)*

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# Why Do Alternative Energy Companies Fail?

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- No Focus on Profitability
- Reliance Upon State & Federal Economic/Tax Incentives
- Refusing to Accept Market Forces
- Belief in a 100% Displacement in Traditional Energy Sources
- Newer Technology Cash Needs Do Not Yet Mirror Return Expectations of Energy Investors

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# What Does the Future Look Like?

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- Portfolio Approach
  - Traditional Hydrocarbons are NOT Going Away
  - Blending of Need and Sourcing
- Continued Regulatory Push
  - Well Reasoned
  - Market Driven

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# What Should We Watch For?

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- Alternative Power
  - Increased Demand
  - Baseload is Better Than Intermittent
  - Portfolio Approach
- Alternative Fuel
  - Traditional Hydrocarbons Combined with Efficiency
  - Avoid the “Food or Fuel” Fight
    - Algae
    - Cellulosic Ethanol



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# Contact Information

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