

Istanbul, Turkey
15 - 18 July 2018

**INTEGRATED PROJECT
FINANCING AND
FINANCIAL MODELING
(POWER AND WATER)**



Email: info@mattermend.com | Website: www.mattermend.com

The daily training will commence at 9:00 am each day, with refreshments available from 8:30 am. We will have a morning break at 10:30 am and an afternoon break at 3:00 pm (each for 20-30 minutes). Lunch will be served between 12:30 pm to 1:30 pm. We will end the day between 4:30 pm and 5:00 pm, depending on where we are with each topic.


Participants are encouraged to ask questions or seek further clarification of any points raised during the training. Participants will be provided with copies of the presentation along with a soft copy (Pdf file) of all the material at the end of the 4-day workshop.


The detailed schedule follows. Topics are flexible in terms of timing, as the amount of time spent on particular topics will depend in part on Participant interest. Moreover, some topics may overlap from day to day.

It is important that all participants carry with them their own portable computers so that a "clean" copy of the Financial Model can be loaded. On-going references will be made to the financial model throughout the training.

SCHEDULE & PRELIMINARIES

Day	Time	Topic or Activity*
 Sun, July 15	8:30 am to 9:00 am	• Refreshments
	9:00 am to 10:30 am	• Introductions & Expectations • Overview of Topics & Summary of PPPs
	10:30 am to 11:00 am	• Break - Refreshments
	11:00 am to 12:30 pm	• Key Project Assumptions – Deal with an IWPP • Project Risks in Power, Water Combined Power and Water
	12:30 pm to 1:30 pm	🕒 Lunch Break
	1:30 pm to 3:00pm	• Scope and Nature of Project Financing • The Importance of Leveraging & Cost of Capital
	3:00 pm to 3:30 pm	• Break - Refreshments
	3:30 pm to 4:30 pm	• Interest Rates and other Time Value of Money • Financial Evaluators – IRR, Payback, NPV
	4:30 pm+	• End of Day 1
	 Mon July 16	8:30 am to 9:00 am
9:00 am to 10:30 am		• Summary of Project Financing & Bankability • Other Key Features of Project Financing
10:30 am to 11:00 am		• Break - Refreshments
11:00 am to 12:30 pm		• Overview of the Financial Model – Loading • What the Model is Designed to do and not do
12:30 pm to 1:30 pm		🕒 Lunch Break
1:30 pm to 3:00pm		• Setting up the Data • Model Output: Assessors, Financial Statements
3:00 pm to 3:30 pm		• Break - Refreshments
3:30 pm to 4:30 pm		• Step by Step Model Simulations • Key Assumptions
4:30 pm+		• End of Day 2

Day	Time	Topic or Activity*
 Tues July 17	8:30 am to 9:00 am	• Refreshments
	9:00 am to 10:30 am	• Populating the Model and Model Simulations • Tips on Model Simulations
	10:30 am to 11:00 am	• Break - Refreshments
	11:00 am to 12:30 pm	• Model Dos and Don'ts • Model Outputs and Interpretations
	12:30 pm to 1:30 pm	🕒 Lunch Break
	1:30 pm to 3:00pm	• Various Model Simulations • Two Perspectives: Utility and Private Sector
	3:00 pm to 3:30 pm	• Break - Refreshments
	3:30 pm to 4:30 pm	• Tariff Impact and Returns • Impact of Subsidies, Expected Tariffs
	4:30 pm+	• End of Day 3

 Wed, July 18	8:30 am to 9:00 am	• Refreshments
	9:00 am to 10:30 am	• Impact of Model Simulations on Overall PPP Costs • Other Model Impacts
	10:30 am to 11:00 am	• Break - Refreshments
	11:00 am to 12:30 pm	• Other Model Simulations • IWP Simulation
	12:30 pm to 1:30 pm	🕒 Lunch Break
	1:30 pm to 3:00pm	• Interpretation and Application • Other Model Simulations
	3:00 pm to 3:30 pm	• Break - Refreshments
	3:30 pm to 4:30 pm	• Model Guidelines • Wrap up and Summary
	4:30 pm+	• End of Workshop

** Topic timing is tentative. More or less time will be spent on each topic depending in part on Participant interest. There may also be additional topics covered. However, at minimum, all topics indicated will be covered in the Workshop.*



TRAINER'S PROFILE

Michael M. Palmieri
Founder & President
P3Point, USA

SUMMARY

Globally experienced senior project finance executive in Public Private Partnership (PPP) Infrastructure Projects and Utilities, including Power, Water, Infrastructure, Transportation, District Energy, Gas and Private Equity.

- Comprehensive and deep experience in infrastructure, power and water utilities and projects, including renewable (wind, hydro, solar, biomass, WTE, geothermal), conventional (gas, coal), water/wastewater (desalination, transport, bottled), transportation (light rail, airports, roads), PPPs and concessions, equity investment, project finance and procurement on over 250 deals totaling over \$50 billion in 45 countries, with a passion for and successful track record of origination and deal making backed with expert structuring and negotiating skills, team building personality and leadership character
- Led 21, team member in 52, major infrastructure project procurements for over \$40 billion of new assets; successfully led and closed private equity investments in 19 companies (15 power, 4 water) in 11 countries totaling \$369 million, team member for 9 additional private equity deals for a total of \$554 million equity invested at an average 19% IRR and 2.2x cash return in deals totaling over \$7 billion of financing; raised \$625 million of private equity fund capital; structured and closed 16 U.S. public power and water utility bond deals totaling \$1.25 billion

EXPERIENCE

P3POINT

San Francisco, USA 2013- present

Founded consulting firm advising public sector clients, infrastructure funds, banks, utilities and developers on strategy, procurement, due diligence, deal structuring and capital raising, including:

- Long Beach Civic Center \$530 million PPP – Lead PPP financial advisor to City, developed RFP, led financing and affordability analysis, financial bid evaluation, deal structuring, assisted in negotiations, innovated millions \$ of savings
- Denver National Western Center – Lead PPP financial advisor to City, developed RFQ and RFP, leading financing and affordability analysis, financial bid evaluation and financial deal structuring for net zero district energy PPP
- Santa Clara Aquatic Center \$200 million – Team member advising City on the development of project funding sources
- Texas seawater desalination \$200 million PPP – Built project financial model, coordinated with technical advisors and provided PPP input the development of a 20-30 MGD project
- Texas Facilities Commission – Approved as one of eight firms to advise on Texas PPPs
- Abu Dhabi PPP – Lead PPP financial team member advising government on the development of first transportation PPP
- Infrastructure PPP fund \$1 billion – Assisting in development of investment opportunities in transportation, water, municipal buildings
- State Correctional Facilities \$1 billion – financial model procurement alternatives
- Connecticut \$25 million – developed P3 financial affordability model for maintenance facility



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Website: www.mattermend.com

Partner – Global Infrastructure and Projects Group

Managing Partner and team leader for infrastructure (power, water, transportation, and infrastructure) in UAE and Oman (five years based in Dubai); originated and advised utilities, funds, developers and governments on PPP projects and strategy. Seconded to \$6 billion Thames Tideway PPP project, co-led KPMG's team working with Thames, government (Ofwat, IUK, Defra) and numerous other advisors, developed alternative deal and tariff structures, analyzed investor markets/profiles, coordinated financial modeling, procurement, regulatory, accounting and tax analysis. Advised Saudi National Water Company on three PPP JVs

- Grew the UAE and Oman infrastructure advisory business from less than \$1 million/year to avg \$6 million/year
- Won and led multiple advisory mandates each with +\$1 million fees, including largest private utilities program by a government company in the Arab Gulf of 18 separate PPP projects totaling over \$10 billion capex
- Developed local market reputation for excellence and reliability in utilities recruited, led and developed local advisory team, growing from 6 to 12 staff
- Managed a team of 25 consultants at all experience levels including multiple Partners and Directors, with over 10 staff on multi-month rotations from UK and France

ARCH CAPITAL ADVISORS

San Francisco, CA, USA 2002-2007

Founder

Originated and assisted clients on capital raising, due diligence, deal structuring, valuation, start-ups, private equity fund formation, market studies and turnarounds

- Electric Utility Merger: Led the financial, legal and tax due diligence team for valuation and risk analysis, including tariff and regulatory, of utility serving three million clients in Brazil as part of \$7 billion U.S. utility merger
- Retained to advise and participate as founding member of start-up \$200 million fund for European infrastructure projects. Originated deal pipeline including power, water and toll roads, with \$5 million wind power project closed by fund sponsor bank. Established relationships with institutional LP investors, developed fund structure and documents
- Reviewed and summarized all active U.S. geothermal power developers and projects in development and operation, including investment opportunities and risk factors for U.S. based private equity infrastructure fund

TEXAS PACIFIC GROUP - AQUA

INTERNATIONAL PARTNERS, L.P.

San Francisco, CA, USA 1997-2002

Principal and Deal Partner - \$232 million private equity fund

Originated water utility and project private equity deals in 13 countries, led due diligence teams, structured, negotiated and closed investments, raised LP capital

- Member of institutional LP capital raising team; successfully raised \$60 million
- Replaced Fund's lead investor with new institutional LP by raising \$15 million of capital from new LP which saved Fund from early closure and allowing Fund to continue making investments
- Closed Fund's 1st deal and structured/negotiated 41% preferred equity; led negotiations, deal structuring and due diligence on 12 investment opportunities totaling a potential of \$667 million planned equity investment:
 - 3 PPP water utilities, \$440 million revenues, \$400 million equity
 - 3 PPP water supply projects, \$138 million revenues, \$87 million equity
 - 2 cement manufacturers, \$271 million revenues, \$100 million equity
 - 2 equipment companies, \$134 million revenues, \$48 million equity
 - 2 soft drink companies, \$43 million revenues, \$32 million equity

EDUCATION

COLUMBIA UNIVERSITY GRADUATE SCHOOL OF BUSINESS: M.B.A. - Finance and International Business - 1987

UNIVERSITY OF MICHIGAN: B.S.E. - Chemical Engineering – 1981

OTHER

SEC/MSRB Registered Municipal Advisor, Series 50

Johns Hopkins School of International Studies, Adjunct Professor – taught two semesters of graduate level classes of international project finance 1995-97

Speaker at over 50 industry conferences

Avid traveler, car and wine collector, swimmer, US passport



Michael M.

Palmieri

Founder & President
P3Point, USA**WORLD BANK GROUP - INTERNATIONAL FINANCE CORPORATION**

Washington, DC, USA 1993-1997

Investment Officer - Power Department

Led project finance investment teams for electric utilities, power projects and private equity funds, in 16 countries

- Developed and structured three private equity power project funds totaling \$880 million; advised funds, assisted in deal due diligence and negotiations, including Global Power Investments (with founders GE Capital and Soros) and Scudder Latin American Trust for Independent Power (now Conduit) with CMS and NRG
- Closed on direct investments of \$310 million senior debt, \$10 million warrants and \$320 million equity in 12 power projects for a total of \$7.6 billion financing, including the first IPP in the Arab Gulf region and the first private sector financing for an electricity company in Argentina

ENERGY INVESTORS FUND, L.P.

Boston, MA, USA 1991-1992

Manager - Market Development - \$161 million private equity fund

Founded and backed by John Hancock and Kenetech. Originated power project deals, co-led due diligence, built financial models, reviewed project contracts, analyzed risks, wrote investment recommendations

- Originated and screened over 25 power project deals from developers and investment banks, reviewed and analyzed deal terms, PPAs and other project agreements, analyzed/developed financial models and operational (construction, fuel supply, O&M, etc.) scenarios impacting investment returns including US Windpower, Indeck, Ormat, Hydra-Co, Luz SEGS
- Co-led due diligence and negotiations, wrote investment recommendations for four power project equity investments totaling \$42.7 million in 334MW of gas, hydro and fuel-oil fueled plants approved by Investment Committee; three closed totaling \$24.9 million in 125MW of gas and hydro projects for \$256 financing

MERRILL LYNCH CAPITAL MARKETS

Los Angeles, CA, USA 1987-1991

Senior Associate - Public Finance Investment Banking Western U.S.

Originated, structured and executed bond deals for electric, water and sewer utilities, and real estate infrastructure projects

- Executed five co-managed utility deals totaling \$990 million, four sole and four senior managed deals totaling \$167 million
- Restructured \$43 million debt resulting in \$8 million in present value savings for utility
- Identified client investment opportunities and analyzed tax arbitrage strategies; implementation resulted in \$4 million client savings and a \$35 million new debt issue for water utility
- Originated relationship, obtained credit approvals for \$17 million senior managed utility financing

CHEVRON/TEXACO - CALTEX PETROLEUM CORPORATION

Senior Sales Representative - 14 Country Region - East Africa/Middle East Nairobi, Kenya 1983-1985

Project Design Engineer - Refinery Construction Sydney and New York 1981-1983

- Initiated alternative supply source which increased East Africa/Middle East regional sales by \$1.4 million
- Re-established brand by negotiating first sale in Somalia in over two years
- Signing authority for \$500,000 capital investment budgets for subsidiaries in Mauritius, Reunion and Sudan
- Project lead for multiple refinery engineering improvements at Australian Oil Refinery

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