

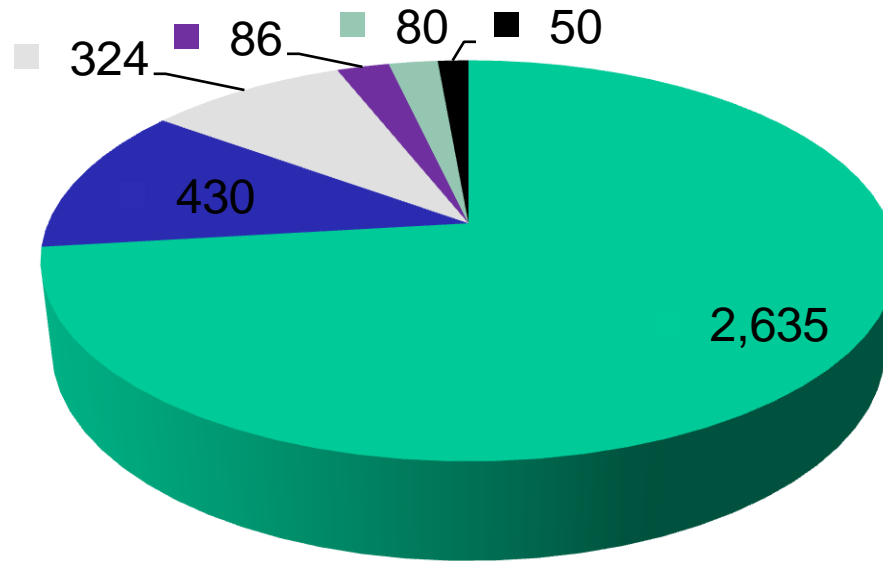


Investment Availability Panel
Powering the Future – Investing in Power and the Environment
Burns & Roe 18th Annual Seminar

April 15, 2008



- ArcLight Capital Partners, LLC (“ArcLight”) manages four private equity funds focused exclusively on the energy sector with over \$6.8 billion of capital under management
- The “greening” of the energy sector impacts all areas in which ArcLight invests both in North America and Western Europe
 - Upstream (coal, oil, natural gas)
 - Midstream (pipelines, gas storage, refined products terminals)
 - Power (coal, waste coal, natural gas, geothermal, solar, wind and hydro)
 - Downstream (LDC, CHP, steam loops)
 - Services (T&D construction and maintenance, refinery turnarounds, oil field services)
- This environmental transformation in the power sector will present investment opportunities for our Company as well as significant challenges along the way



■ Natural Gas ■ Wind ■ Geothermal ■ Coal Fired ■ Solar ■ CHP

ArcLight has positioned its operating portfolio to benefit from tightening environmental standards



- Our Strategy is to Partner with Leading Entrepreneurs and Industry Players on Development and Construction Opportunities
- Construction
 - Natural Gas – 560mw natural gas fired project in SPP
 - Coal – 300mw waste-coal project in PJM
- Development
 - Natural Gas – 500mw natural gas fired project in NY/PJM
 - Natural Gas – 800mw across (2) natural gas fired projects in ISO-NE
 - Natural Gas – 500mw natural gas fired project in SPP

We believe gas-fired generation will act a bridge fuel between today's demand needs and nuclear and renewable energy supply of the future



- **Permitting**
 - Meeting opposition
 - Methods of mitigation
- **Natural Gas**
 - Limited natural gas availability
 - Oil-fuel backup (or primary) unpalatable
- **Coal**
 - Political risk
 - Soaring constructed costs
- **Nuclear**
 - Permitting and capital cost recovery
 - Storage of spent nuclear fuel
- **Wind**
 - Visual impacts
 - Transmission requirements
- **Electric Transmission**
 - NIMBY
 - Cost
- **Water**
 - Drought conditions
 - Magnitude of water consumption
 - Elimination of once-through cooling
- **Mercury**
 - Enforcement of CAMR legislation
- **Carbon**
 - Sequestration requirements
 - Cost of carbon emissions and regime
- **Financing**
 - Carbon Principles
 - Enhanced due diligence

Virtually all environmental issues can be mitigated through added cost or time; however, nature of “playing field” and ultimate recovery is uncertain



- Develop and Flip
- Pass Through Risk to Counterparty via Off-Take Agreement
- Form an Institutional View on Carbon and Manage Risk
- Go Green
- Go Contrarian (Buy What is Discarded)

Heightened environmental regulation is here to stay;
Question is to be observer or principal?