

Infratil

Longroad Energy Holdings LLC

Investor briefing pack – 5 October 2016



Summary of Longroad investment

Commitment to the development of renewables in the US



- Attractive access point into the US renewable energy market
 - Experienced team with a demonstrable track record of developing and operating utility scale renewable generation facilities
 - Partnership with Longroad combines local knowledge with the capital of Infratil and the NZ Superannuation Fund
 - Increased investment into a sector where Infratil has significant operating experience
- Compelling industry fundamentals with strong anticipated growth in the medium term
 - The US provides a unique opportunity to enter one of the largest and fastest growing renewable markets in the world
 - Macro environment is increasingly supportive of renewable energy development
- Potential to invest up to USD\$100m in renewable energy development projects
 - Infratil and the NZ Superannuation Fund will initially own 90% of the business while Longroad Energy Partners (LEP), an entity held by the Longroad management team will own the remaining 10%
 - Over time, Longroad will provide an option for further investment in stable, low risk operating assets



Investment rationale

Attractive entry point into one of the largest and fastest growing renewable markets globally



1 Attractive access point backed by strong management team

- Senior management team with a long and demonstrable track record in development and operation of utility scale renewable assets
- Experienced in operating across a number of different states, networks and regulatory environments in the US

2 Large and readily available pipeline of opportunities in the US

- The US is a collection of '50' markets under a single umbrella
- Significant need for new capacity to replace existing aging coal fleet
- Multiple sources of long term offtake (e.g. utilities, large corporates, banks)
- Opportunity to construct a pipeline that we are comfortable with from inception

3 Ability to optimise capital across a portfolio of investment options

- Opportunity to secure a broad portfolio of wind and solar development options across different US electricity markets
- Option to build and retain assets or exit into a deep, liquid and growing market for pre-construction or operating assets

Underpinned by favourable tailwinds in the US as it transitions to energy independence and a low carbon economy

Management team

Experienced and proven management team



Paul Gaynor, Chief Executive Officer



- Former CEO of Firstwind (2004 – 2015)
- Over 25 years experience in leadership and finance roles in the energy, power, pipeline and renewable energy sectors
- Led Firstwind through its sale in January 2015 to SunEdison
- Co-Founder of Longroad (2015)

Michael Alvarez, Chief Operating Officer



- Former CFO and President of Firstwind (2006 – 2015)
- Over 30 years experience in finance and operational roles
- Responsible for managing all engineering, procurement, construction and asset management activities
- Co-Founder of Longroad (2015)

Peter Keel, Chief Financial Officer



- Former Senior Vice President of Finance at First Wind (2006 – 2015)
- Responsible for managing all of Longroad's finance-related activities

Charles Spiliotis, Chief Investment Officer



- Former Vice President of Corporate Development and Project Finance at Firstwind (2007 – 2015)
- Responsible for managing all of Longroad's M&A and capital investment activities

Attractive industry fundamentals

The macro environment is increasingly supportive of renewable energy development



1

Global policy is positive toward renewables

- Energy security and climate change remains a high priority for many countries, with a structural shift in generation towards renewables
- The Paris Conference on Climate Change 21 provided a legally binding treaty on climate action which contains emission reduction commitment from 187 countries starting in 2020
- Many major economies are now focused on diversifying their energy mix, which improves energy security by reducing their physical dependence and price exposure, from only a few fuel sources and countries

2

Fall in oil prices has not slowed rate of development

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- Fundamentals for investment have not changed, as economics for renewables remain primarily policy driven
 - Low oil price will have a variable impact globally on the deployment of renewables, depending on the composition of the electricity market and source of marginal supply
 - The introduction of the Clean Power Plan and an extension of the policy which supports renewables has reinvigorated the US market

Attractive industry fundamentals

The macro environment is increasingly supportive of renewable energy development



3

Increasing role of technology

- Capital cost of equipment continues to fall, particularly solar PV. Efficiency improvements in conversion to energy is increasing for both wind and solar PV, improving total capital economics
- Projects are increasing significantly in size, giving rise to engineering, procurement and construction economies of scale
- Energy efficiency, demand response, load shifting, battery storage and generation at point of consumption will play an increasingly important role but unlikely to replace the role of centralised generation

4

Acceptance as an investment class

- Increasing number of mainstream infrastructure funds entering the sector, competing for returns on operating projects and replacing the gap left by yield-based renewables companies
- A few of the larger pension funds have begun moving up the risk curve, taking direct exposure to development risk
- In some markets, utility PPAs are being supplemented by direct corporate PPAs from large consumers of electricity

Immediate focus

The immediate focus is on building the development pipeline



Business build out

- Governance structures
- Team expansion
- Secure development options

Pipeline development

- Tollgate process for assessing and prioritising initial opportunities
- Ongoing spend to maintain pipeline

Steady state

- Sustainable run-rate of development
- Options to build & own projects or transfer to 3rd parties
- Combination of development returns and more stable cashflows from operational assets