



Financial Management Association
One Washington Square
Accounting & Finance Dept, BT 850
San Jose, CA 95192
www.cob.sjsu.edu/fma

Fall 2009 Professional Development Meeting Minutes

Speaker: Ben Foster / VP Operations Optony

October 13th, 2009

4:30 PM – 5:30 PM

Held at BBC Room # 202

Finance Opportunities in the Renewables and Solar Industry

1. Two shades of green
 - a. Environmental aspect
 - b. Money aspect
2. Optony
 - a. Funded in 7/2007
 - b. World record efficiency thin film solar cells (20%)
3. Company and government: two areas of energy issues
 - a. Produce more energy (solar, wind)
 - b. Reduce demand
 - c. Together, the results of a. and b. above create new companies, resulting in new job opportunities (i.e. Tesla)
4. Federal Stimulus funding for renewables
 - a. Massive amounts of spending and support on the national, state, and local levels
 - b. Investment in small business today for cleaner energy alternatives tomorrow.
 - c. Government funding creates stability and encourages private investment
5. Solar project examples
 - a. Residential
 - b. Utility scale (giant-scale)
 - c. Solar thermal (focuses heat from the sun and focuses it to a central point, which power turbines)
6. Solar industry trends
 - a. Germany is currently the largest installment base even though conditions in Germany are not as great as in California.
 - This is due to government incentives in Germany.
 - b. U.S. is beginning to catch up to Germany in terms of installment base.
 - c. Overall, global growth has grown over the last five years



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7. Impacts of recession

- a. Late 2008 to Q3 2009
 - Costs for labor and materials go down
 - Capital markets dried up
 - Financing costs went way up
 - Major federal stimulus and policy changes
- b. Q4 2009 – Markets recovering
 - Stimulus funds distributed
 - Investments in renewables going up
 - Financing costs go down
 - Cities and states realize that it's a good time to buy
- c. Can never reduce energy usage to zero, so must find ways to produce clean energy → industry will continue to grow.

8. CA solar adoption trend

- a. CA leads the trend with direct investment in solar systems through policies, not only through adoption
- b. SJ goal of 100% clean energy by 2022
 - Capture waste heat and turn into energy
 - Car fleets → electrical vehicles

9. The economic and environmental benefits can be substantial for large installations

10. Clean transportation creates new opportunities

- a. Cost savings
 - Dramatically cut total costs of fleet ownership and operation
- b. Reduce fuel consumption
 - Independence from foreign oil sources and price fluctuations
- c. Create green jobs
 - Locally built, installed and operated transportation from local energy sources
- d. Reduce green house gas emissions
 - Accomplish local, state, and federal goals with ready to deploy technology

11. However, solar decisions are complex, because of multiple risks due to accounting and auditing requirements

- a. For example, Macy's task force took over half a year to figure out a strategy, still didn't figure out a strategy.
- b. Safeway had to back out because solar sales force was not doing a good job with background search.



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12. Four major financing options

- a. Grants from local/state government (best option)
 - Even partial offset could substantially reduce financing costs
- b. Direct project financing
 - Use existing Capex budget to create long-term savings
- c. Capital lease/operating lease
 - Use bank financing, and repay loan with energy savings
- d. Power purchase agreement
 - No investment required.
 - Purchase power directly from solar company who owns the actual system
 - Savings not large with this option, but will get clean energy out of it

13. China is expected to dramatically increase adoption of renewable and solar projects.

- a. Chinas has huge potential, but has many infrastructure challenges

14. Renewable and solar industry careers

- a. Finance, accounting, management, etc.

Minutes submitted by:
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October 16th, 2009