



Regulators and Infrastructure Investors: A Quest for Harmony

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Project Finance Statistics— Global (1st Half 2009)



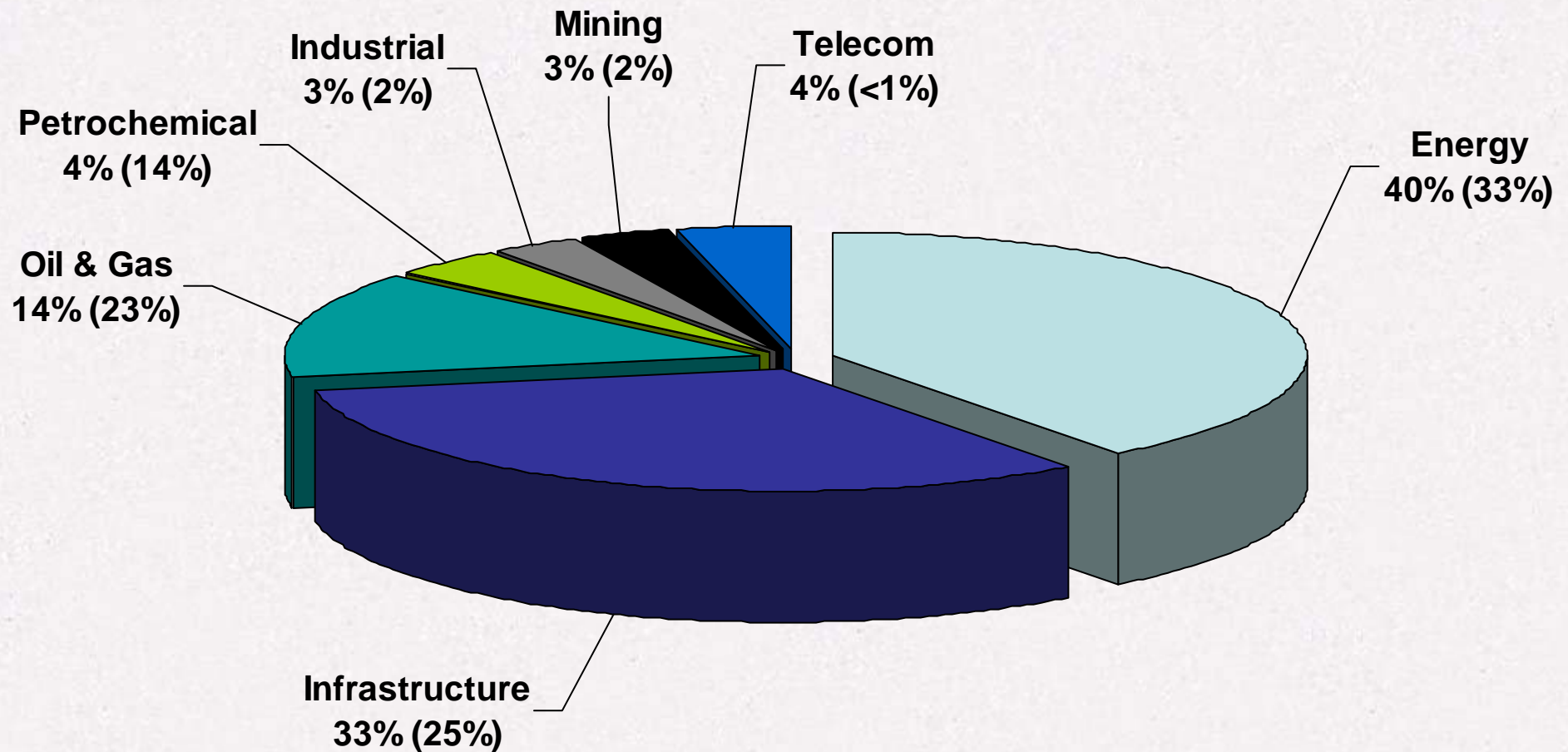
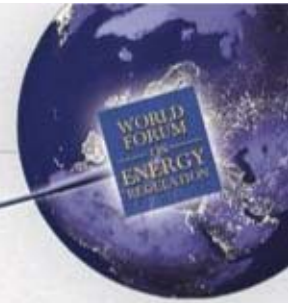
- Global project finance volume down 41% to \$115 billion in the first half of 2009, compared to the first of half of 2008.
 - Energy project finance down 29%
 - Infrastructure project finance down 23%
- The largest deal in the first half of 2009 was the Santo Antonio Hydroelectric Plant in Brazil at \$5.7 billion.
- India had 4 of the top 10 infrastructure deals, totaling \$15.275 in the first half of 2009.

Project Finance Statistics by Region (1st Half 2009)



- Asia: +6% (\$36 billion).
- Australasia: -83% (\$2.6 billion).
- Eastern Europe: -85% (\$3.7 billion).
- Western Europe: -41% (25.6 billion).
- Latin Am/Caribbean: +39% (\$21.3 billion).
- Middle East/Africa: -68% (\$12.8 billion).
- North America: -37% (\$13 billion).
- Statistics from Dealogic, slides 2-4.

Global Sector Share—1st Half 2009 (1st Half 2008)

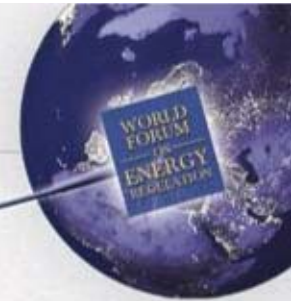


New Investment Opportunities/Issues



- Renewables, Renewables, Renewables!
- Price of Oil?
- Nuclear Renaissance?
- Cost of Climate Change?
- Network expansion in the developing world.
- Greater regional cooperation on energy trading and regulatory oversight, planning, etc.

Investor/Developer Concerns



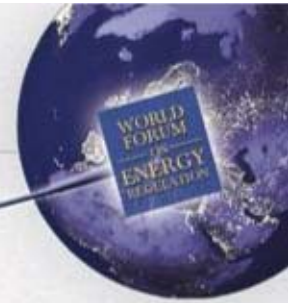
- Consistency, Consistency, Consistency!
 - Commitment to contractual provisions or market rules
- Accessible and Easily Understood Information.
 - Transparency
 - Fair and Expedient Processes
- Reasonable Rate of Return.
- Access to Capital.

Regulator/National Government Concerns



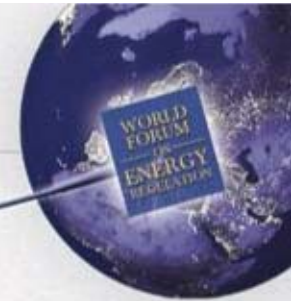
- Balancing the needs of consumers with the need for investment.
 - Ability of consumers to pay and protection against price volatility
- Reputation, knowledge, resources, financing, etc.
- Stability and level of commitment.

Regulator & Investor Harmony?



- Regulatory Renaissance?
- Mutual understanding of the requirements and important issues for each party.
 - Communication
 - Be realistic—e.g. long term contracts
- Capital intensive industry.
- Don't look for fools.

Regulators' Role in Encouraging Investment in the Developing World



- Traditionally, a limited role.
 - Perceived level of risk
 - Nascent regulator
 - Intra-government authority issues
- Maybe, a limited role should continue?
- Maybe, a more robust role should be envisioned?
- Be innovative when it comes to encouraging investment.
- Hold government entities to the same standard of performance as privately owned entities.



THANK YOU

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