

Asset Valuation



How do we evaluate assets?

For each Generation or Transmission project or financial transaction, a pro forma financial analysis reflecting key project variables is conducted to determine the life-cycle cost, expected revenues, and year-by-year after-tax cash flow over the project life. The ZGlobal pro forma model is consistent with the model used by most state regulators in calculating the Market Price Refer-

Factors affecting project costs:

ZGlobal's GridSelect™ Suite performs cost estimates for the following:

- Fixed Operation & Maintenance
- Interconnections ("gen-tie")
- Fuel
- Transmission
- Wheeling
- Engineering & Construction
- Environmental Mitigation
- Cost of money

Factors affecting revenue:

ZGlobal's GridSelect™ Suite performs revenue calculations of the following:

- Congestion & Transmission Losses (Cost or Revenue)
- Emission (Cost or Revenue)
- Tax Credit
- Expected Energy
- Capacity (System & Local)
- Ancillary Services

Resulting Information:

- Cost Benefit Analysis
- Return on Investment
- Internal Revenue Rate (IRR)
- Cash Flow Assessment

State	Sample of Asset Valuation projects	Resource Type	Transmission Interconnection	Cost Benefit and Economic Analysis	Due Diligence & Risk Analysis	Engineering	Strategic Planning and Regulatory
CA	Two 500 kV lines in Southern California	Transmission		•	•	•	•
CA	Re-Power two large power plants (total 5000 MW)	Combined Cycle	•	•		•	•
CA	Perform due-diligence for acquiring over 3000 MW of wind resources	Wind	•	•	•		
CA	Five large Solar projects ranging from 75 MW to 550 MW	Solar	•	•		•	•
NM	Two geothermal plants in South West New Mexico	Geothermal	•				
NV	Seven geothermal plants in Northern and Western Nevada and three large power plants in South West Nevada	Geothermal /Combined Cycle	•	•	•	•	•
OR	Two geothermal projects in Southern Oregon	Geothermal	•				
UT	New 550 MW in central Utah	Combined Cycle	•	•	•		
AZ	Three Solar farms ranged from 50 MW to 300 MW in Western Arizona	Solar	•	•	•		•
Mexico	Large wind generation in Northern Mexico	Wind			•		•