Riverstone Overview

Leading global energy-focused private equity firm

- 2000: Founded by David Leuschen and Pierre Lapeyre

- Today: Leading private equity firms dedicated solely to the energy industry

- Traditional private partnership with more than 100 professionals, including 44 investment professionals, operating from offices in New York, Houston, London and Mexico City

- Over $31 billion raised since inception across 8 private funds and Riverstone Energy Limited

### Sector Focus

<table>
<thead>
<tr>
<th>Sector</th>
<th>Investments</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration &amp; Production</td>
<td>53</td>
<td>$14.0 billion</td>
</tr>
<tr>
<td>Midstream</td>
<td>21</td>
<td>$6.0 billion</td>
</tr>
<tr>
<td>Energy Services</td>
<td>20</td>
<td>$3.8 billion</td>
</tr>
<tr>
<td>Power &amp; Coal</td>
<td>6</td>
<td>$1.8 billion</td>
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</tbody>
</table>
## Representative Riverstone Investments

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
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</table>
| Topaz Power              | • Topaz Power operates three natural gas plants in Texas with a total generation capacity of 1.8 GW  
                            • Topaz also provides commercial optimization, asset management, dispatch, hedging, risk management, and contract negotiation/execution services to maximize the value of its managed assets  
                            • Topaz was recently merged with Raven Power and Sapphire Power into Talen Energy |
| Raven Power              | • Raven operates three coal-fired plants in Maryland with a total generation capacity of ~2.6 GW  
                            • Raven was recently merged with Topaz and Sapphire Power into Talen Energy |
| Sapphire Power           | • Sapphire Power operates seven gas-fired CCGT power plants in the Northeastern U.S. with a total generation capacity of 778 MW  
                            • Sapphire was recently merged with Topaz and Raven Power into Talen Energy |
| Foresight Energy, LLC    | • Leading coal producer in the Illinois Basin  
                            • Owns approximately 3.1 billion tons of recoverable coal reserves  
                            • Operates four mining complexes with access to both Class I railroad and barge transportation |
Despite headwinds in the coal market, Foresight achieved a 27% annualized production growth rate from 2008 – 2014.

**Total U.S. Coal Production vs. Foresight**

(Millions of Short Tons)

Foresight

Foresight: 27.1%

Total U.S.: (2.6%)

U.S. Power Consumption: (3.3%)

**Source:** EIA and Company data
## Recent U.S. Regulatory Activity

### Mercury & Air Toxics Standards (MATS)
- **2015**

### Cross-State Air Pollution Rule (CSPAR)
**Replacement for Clean Air Interstate Rule (CAIR)**
- **2014**
- **2015**
- **2018**

### Clean Power Plan (CPP)
**Federal Plan**
- **2014**
- **2015**
- **2016**
- **2020+**

### Clean Power Plan (CPP)
**Existing Source Performance Standards**
- **2014**
- **2015**
- **2020+**

### Clean Power Plan (CPP)
**New Source Performance Standards**
- **2014**
- **2015**
- **2020+**

### National Ambient Air Quality Standards\(^{(1)}\) *(NAAQS)*

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<tr>
<th>DRAFT</th>
<th>FINAL</th>
<th>COMPLIANCE</th>
</tr>
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</table>

\(^{(1)}\) NAAQS was a 1990 amendment to the Clean Air Act. The pollutants governed by NAAQS are Carbon Monoxide, Lead, Nitrogen Dioxide, Particle Pollution, Sulfur Dioxide, and Ozone.
The Clean Air Act ("CAA") regulates air emissions from stationary and mobile sources.

- The CAA of 1955 was the first federal air pollution legislation.
- Provided funds for federal research on pollution.
- CAA begins air pollution control.
- CAA established NAAQS, and requirements for states to meet NAAQS.
- Created compliance standards for new-build facilities.
- Established standards for motor vehicle emissions.
- Air Quality Act established.
  - Expanded federal government authority.
  - Authorized federal enforcement procedures for air pollution.
- CAA adds several amendments to NAAQs to ensure compliance.
- CAA created requirements for geographic areas not in compliance with NAAQS.
- Acid rain legislation introduced.
- CAA begins regulating 189 toxic pollutants believed to harm ozone layer.
Evolution of Air Quality in the U.S.

Emissions of Sulfur Dioxide and Carbon Monoxide have been reduced

- The below charts detail the middle 80% distribution of U.S. pollution levels over time, as measured by Sulfur and Carbon in parts-per-billion.

**U.S. Sulfur Pollution Levels Over Time**

**U.S. Carbon Pollution Levels Over Time**

Source: EIA and EPA Data
Sources of Power in the U.S.

Though decreasing as a percentage of overall generation mix, coal still plays an integral role as a power source in the U.S.

US Electric Generation Mix by Year

Source: EIA data

U.S. Coal Consumption Over Time

(Millions of Short Tons)

Source: EIA data
## Levelized Cost of Electricity (LCOE) for New-Build Power Plants

### Cost of Carbon Capture Technology for New-Builds

($ per MWh)

<table>
<thead>
<tr>
<th>Power Plant Type</th>
<th>Average LCOE Without Carbon Capture</th>
<th>Average LCOE With Carbon Capture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated Combined Cycle</td>
<td>$97.8</td>
<td>$141.7</td>
</tr>
<tr>
<td>Natural Gas Combined Cycle</td>
<td>$75.0</td>
<td>$137.1</td>
</tr>
<tr>
<td>Pulverized Coal</td>
<td>$74.7</td>
<td>$108.9</td>
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### Kemper Facility Costs Breakdown

($ in millions)

- **Write Downs**: $2,057
- **AFUDC**: $630
- **Plant Cost Cap (Securitized)**: $480
- **Related Infrastructure (Rate Base)**: $649
- **Plant Retail Cost Cap (Rate Base)**: $2,400
- **Total Kemper Costs**: $6,216

Source: Southern Company and Wall Street Research.

Note: The 582 MW Kemper facility will be the first large-scale coal-fired plant built with Carbon Capture technology in the U.S.