



Brookfield Power and The Deep Creek Agreement

Whitewater Courses and Parks 2007
McHenry, MD
April 2007



Brookfield Asset Management Today

- ▶ **Brookfield Asset Management (parent company of Brookfield Power) is an asset management company, focused on property, power and infrastructure assets.**
- ▶ **Approximately US\$70 billion of assets owned and under management.**
- ▶ **Our asset management platform includes:**
 - **158 commercial properties totaling 110 million square feet**
 - **Over 140 power generating facilities with approximately 3,800 MW of installed capacity**
 - **2 million acres of timberlands**
 - **Public and institutional specialty investment funds**
- ▶ **Over 5,300 employees in the Americas and the U.K.**



Brookfield Power Today

Unique, low cost power operations spanning 8 markets



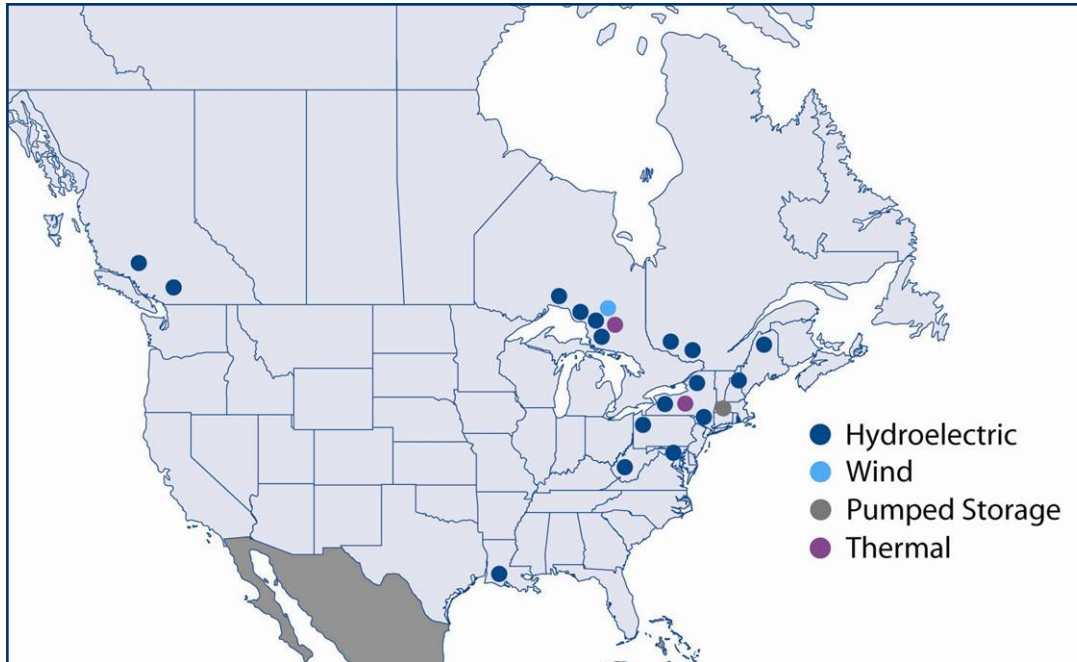
- ▶ 140 hydro generating stations
- ▶ 1 pumped storage facility
- ▶ 1 wind farm
- ▶ 2 thermal plants
- ▶ Almost 3,800 MW of installed capacity
- ▶ Over 12,000 GWh of electricity annually
- ▶ Storage capacity of 2,300 GWh



Brookfield Power Today

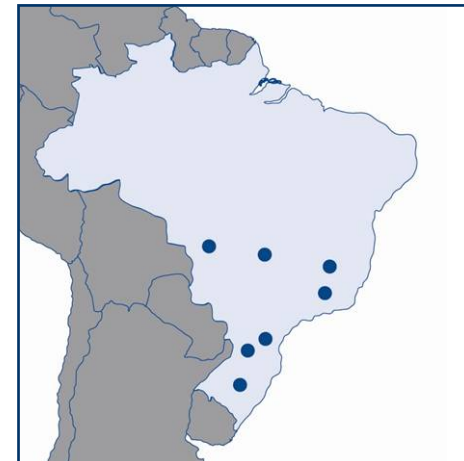
Geographically diverse operations

North America



- ▶ **3 distinct regions: Northeastern North America, Pacific Northwest, and Brazil**
- ▶ **8 markets**
- ▶ **50 river systems**

Brazil



Brookfield Power Today

Generating asset summary

Total Generation Portfolio

	Hydroelectric	Wind	Other*	Total
Generating Stations	140	1	3	144
Generating Units	349	126	8	483
Installed Capacity	2,794	189	815	3,798

*Pumped storage and thermal

Hydroelectric Generation Portfolio

Markets	River Systems	Generating Stations	Installed Capacity Megawatts	Annual Generation Gigawatt Hours	Storage Gigawatt Hours
Quebec	3	6	277	1,687	584
Ontario	10	21	897	2,624	519
British Columbia	3	3	127	612	158
New England*	5	19	240	1,401	506
New York	15	74	688	2,963	541
PJM**	3	3	150	629	-
Louisiana	1	1	192	903	-
Brazil	10	13	223	1,011	-
Total	50	140	2,794	11,830	2,308

* Facilities in the States of Maine, Massachusetts and New Hampshire.

** Facilities in the States of Maryland, Pennsylvania and West Virginia.



Resource Stewardship

Our operations are guided by:

- Licenses from the Federal Energy Regulatory Commission (FERC)
- Permits from State agencies
- Comprehensive river basin settlement agreements; and
- Corporate environmental, health and safety priorities.



EJ West Hydropower Plant



South Colton Hydropower Plant

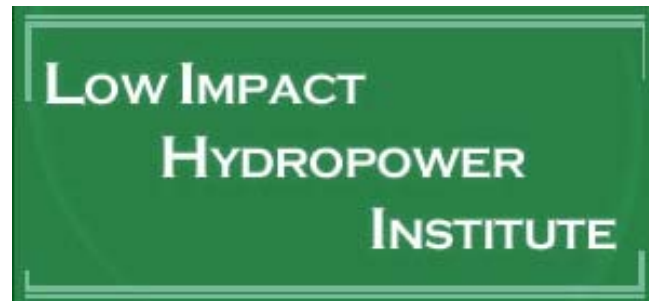
Resource Stewardship

- ▶ Balanced FERC licensing and other agreements reached over the last decade address power and non-power resources including:
 - Flow and water level management
 - Protection of aquatic resources
 - Integration of operations and environmental needs
 - Improved water quality
 - Enhanced recreational opportunities
 - Scheduled whitewater releases and flow notification systems
 - Historic and cultural preservation
 - Improved aesthetic resources
 - Preservation of clean, renewable energy resource through upgrades, expansion and application of new technologies
 - Ongoing partnerships with local communities



Resource Stewardship

- ▶ Benefits of hydro plants and settlement agreements are realized systemwide
 - More than 16,000 acres of lake habitat created or supported
 - 50 miles of river aquatic habitat restored
 - Screening to keep fish from turbines and dams equipped with safe fish movement routes
 - Canoe routes established systemwide
 - 36 public boat launches established
 - 66 river access points open to the public
 - Fishing platforms and recreational facilities created for the disabled
 - Waterfront picnic and overnight camping available
 - Whitewater releases scheduled on many river systems

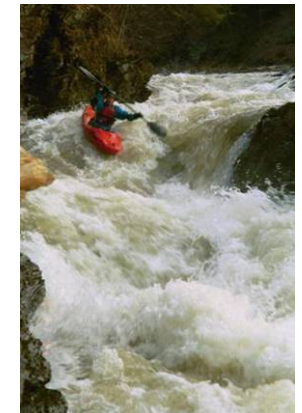


26 Brookfield hydro plants are certified by the Low Impact Hydropower Institute

“By earning these certifications, Brookfield Power continues to take the lead in this forward-thinking approach to green energy,” said Fred Ayer, executive director of LIHI, Portland, Maine

Overview of Whitewater Opportunities at Brookfield Projects

- ▶ Brookfield provides scheduled releases on the:
 - Raquette River (NY)
 - Beaver River (NY)
 - Black River (NY)
 - Salmon River (NY)
 - Sacandaga River (NY)
 - Hoosic River (NY)
 - Youghiogheny River (MD)
- ▶ Brookfield's "Waterline" at <http://www.h2oline.com/REL.asp> offers flow forecasting information at these and other rivers; Youghiogheny release information at <http://www.deepcreekhydro.com/>
- ▶ Brookfield partners with the whitewater community to support special projects such as the development of a rodeo hole on the Sacandaga River



Deep Creek Agreement

The Deep Creek Hydroelectric Station

- ▶ Constructed in 1925, the Deep Creek Hydroelectric Station and dam form Deep Creek Lake; station discharges into the Youghiogheny River
- ▶ Station has a capacity of 20 megawatts and generates about 28,000 megawatt-hours of clean renewable electricity annually.
- ▶ The Station was acquired by Brookfield (from Reliant Energy) in April 2005
- ▶ Deep Creek operates under permit issued by Maryland Department of Environment
- ▶ Prior 12-year permit expired January 1, 2006
- ▶ Re-permitting process initiated in November 2005 and culminated in new 12-year permit issued March 30, 2007



Deep Creek Agreement

Collaborative Approach to Re-Permitting

- ▶ Brookfield entered re-permitting seeking to generally maintain status-quo particularly with respect to important issues of water levels in Deep Creek Lake and releases for the protection of downstream trout fishery
- ▶ Changes sought in new permit included revised whitewater release schedules and increased operational flexibility to allow expanded participation in the PJM Energy Markets by Brookfield
- ▶ Diverse representation and collaboration of public interests between:
 - Upper Yough Whitewater Coalition consisting of:
 - » American Whitewater
 - » American Canoe Association
 - » Commercial Whitewater Rafting Outfitters led by Precision Rafting
 - » Team Friendsville
 - Mayor and Town Council, Town of Friendsville
 - Deep Creek Lake Policy and Review Board
 - Property Owners Association of Deep Creek Lake, Inc.
 - Maryland Department of Environment
 - Maryland Department of Natural Resources
 - Trout Unlimited (local and regional chapters)
 - Local land owners and other interested parties



Deep Creek Agreement

Balanced Outcome



- ▶ The new permit provides substantial and balanced improvements to both power and non-power resources
- ▶ Provides improved whitewater release schedule, improved fishing opportunities, better protection of downstream fishery resources and additional operational flexibility; *all achieved with no change to the existing Deep Creek Lake rule bands*
- ▶ The improved whitewater schedule is expected to be long term economic driver for downstream interests and municipalities
- ▶ Brookfield has achieved greater operational flexibility to the benefit of Brookfield and its shareholders



Deep Creek Agreement

Highlights of Improved Whitewater Release Schedule

- ▶ Prior permit allowed for 59 whitewater release days between April and October, distribution not optimized for either fishing or whitewater interests
- ▶ New permit provides 64 release days, distribution optimized to provide releases every Saturday from mid-June to mid-September
- ▶ Outcome is better fishing opportunities during the earlier part of the season and better whitewater opportunities in the heart of the whitewater season – when it matters most for each
- ▶ Releases days over Memorial Day weekend alternate every other year to provide equal benefit to fishing and whitewater interests
- ▶ The ability to moderately regulate generation (vary flow) during whitewater release now allows Brookfield to better participate in PJM's ancillary services markets



Deep Creek Agreement

The Improved Whitewater Release Schedule

	Sunday	Monday	Friday	Saturday
April	None	none	All Fridays After April 14 th (1000 hr to 1300 hr)	none
May	None	First two Mondays (1000 hr to 1300 hr)	First three Fridays (1000 hr to 1300 hr)	First Saturday (1000 hr to 1300 hr)
Memorial Day Weekend	Odd Numbered Years (1000 hr to 1300 hr)	Odd Numbered Years (1000 hr to 1300 hr)	Even Numbered Years (1000 hr to 1300 hr)	Even Numbered Years (1000 hr to 1300 hr)
June	None	Every Monday (1100 hr to 1400 hr)	Every Friday (1100 hr to 1400 hr)	Last two Saturdays (1100 hr to 1400 hr)
July	None	Every Monday (1100 hr to 1400 hr)	Every Friday (1100 hr to 1400 hr)	Every Saturday (1100 hr to 1400 hr)
August	None	Every Monday (1100 hr to 1400 hr)	Every Friday (1100 hr to 1400 hr)	Every Saturday (1100 hr to 1400 hr)
September	None	Every Monday (1000 hr to 1300 hr)	Every Friday (1000 hr to 1300 hr)	First Two Saturdays (1000 hr to 1300 hr)
October	None	All Mondays Before October 16 th (1000 hr to 1300 hr)	All Fridays Before October 16 th (1000 hr to 1300 hr)	First Saturday (1000 hr to 1300 hr)



In Closing...

Hydropower
**greener
than
ever**



The Deep Creek agreement is supported by a wide array of public and private interests, maintains the status quo for lake levels, increases recreational fishing and whitewater opportunities and expands operational flexibility for continued clean, renewable domestic power generation

