Strategic Decision Criteria Analysis for Brownfields Redevelopment

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Presentation Objectives

• Discuss approach and benefits of EPRI’s Multi-Criteria Decision Analysis (MCDA) program

• Provide background information on a unique decision support system called SBS *Discovery*®

• Step through the engagement work process and outputs

SBS *Discovery* is a service mark of Research Triangle Institute
Recent Market Observations

Efforts to Divest Surplus Properties by Major Corporations

- Small scale pilot programs
- Preliminary market evaluations of idle or surplus properties
- Inventory of all idle properties to understand clean-up costs under different use scenarios
- Complex settlements with communities or 3rd parties
- Portfolio analyses to identify uplift (upside) potential
- Development of beneficial reuse strategies
### Our Observations – The Situation

#### Drivers
- Favorable development environment
- Community “good will”
- “Green” policies
- Sarbanes-Oxley and FASB 143/FIN 47 – others

#### Challenges
- Disjointed work processes and systems
- Lack of integrated framework
- Silos of information
- Lack of a unified perspective
Key Decision Criteria for Integrated Analysis

- Marketability
- Environmental
- Financial
- Community

Optimal Management Strategy
SBS Discovery
Overview of RTI’s Decision Support System

- Methodology is designed for strategic assessment
- Analysis and reporting of marketability, community, financial, and environmental dimensions
- Integrated property portfolio analysis
- Enables stakeholder collaboration via web-based access
- GIS visualization of property and surrounding area
- On-line document management
SBS Discovery’s Integrated Analysis
Specifically designed for surplus property strategy development

Inputs
- Derived Data
  - Marketability
    - Financial Impacts
      - Due Diligence
  - Knowledge
- Data
  - Physical
  - Financial
  - Environmental
  - Community

Outputs
- Predictions/Forecasts
  - Consolidated Information and Visualization
  - Valuations
  - Highest and Best Use
  - Net Present Value
  - Transaction Options
  - Environmental Index and Issues
  - Reputation Issues

Outcomes
- Analysis to Support Decision-Making
  - Portfolio Assessments
    - Ranking
    - Preferred Options
    - Variability and Uncertainty
  - Portfolio Sales
  - Economic Reuse
  - Beneficial Reuse

Impacts
- Selection of Preferred Alternatives
  - Detailed Plans
    - Financial return
    - Reduced risks

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EPRI’s Program Helps Manage Corporate Portfolios of Sites in All Categories

![Quadrant Diagram]

- **Quadrant 1**: Beneficial Use or Long Term Risk Management
  - Rural Power Plant

- **Quadrant 2**: Economic Revitalization
  - MGP in Metro Waterway

- **Quadrant 3**: Monitor or Donate for Public Benefit
  - Residual Contamination Rural

- **Quadrant 4**: Quick Win
  - LUST at Sub Headquarters
Expected Results for Power Companies

• Full-scale property portfolio analysis and assessment

• Clear definition of opportunities and risks

• Identification of best reuse strategies

• Optimization of property value

• Confident decision-making supported by EPRI-RTI collaboration

• Reuse of impaired assets to productive use
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