



**“Aligning Green Power Partners with  
New Renewable Energy Projects”**

Environmental Protection Agency’s  
Green Power Partner Webinar Series

July 24, 2013



# Carroll Area & Alexander Wind Farms



Steve Krebs

# OwnEnergy is a Leading Developer of Community Scale Projects

**Pipeline**  
**21 Projects**  
**>1,200 MW**  
**~800 MW '14 / '15**

Project	State	MW
Carroll Area Wind Farm	IA	21
Windthorst 2 Wind Farm	TX-N	65
Two Dot Wind Farm	MT	10
Alexander Wind Farm	KS	50
Copenhagen Wind	NY	80
Ivester Wind Energy, LLC	IA	90
Ringer Hill Wind, LLC	PA	37
Iron Road Wind Farm	OK	70
Muenster Wind Farm	TX-N	106
SummitWind Farm	SD	90
Green Mountain Wind Farm	VT	18
Magnet Wind Farm	NE	80
Freer Wind Farm	TX-S	62
<b>Total</b>		<b>779</b>
<b>Average</b>		<b>60</b>

**Local Partners**  
**Breakthrough model**  
**for local ownership**



**Experienced Team**  
**20 employees with**  
**depth of experience**

  
**Owns Almost 20%**

**Spinning Assets**  
**3 projects, 140 MW**  
**completed and sold**

60MW Blackwell Wind Farm



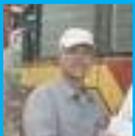
51MW Windthorst-1 Wind Farm



30MW Patton Wind Farm



## Our network of energy entrepreneurs



**Marty Yahner**  
*Board Member, Farm Bureau*  
• Sixth generation of Yahners to farm and live in the Patton community.



**Doug Price**  
*VP Power Systems, Garrad Hassan*  
• Doug's family has been on the farm for more than 100 years  
• His Mom was born on the land in the house



**David Healow**  
*Anesthesiologist*  
• Native of Billings, MT



**David Malleck**  
*Investment Advisor, Raymond James*  
• Grew up on a farm in NE that has been in his family since the 1800's.



**Joel Bannister**  
*Associate, Patton Boggs LLP.*  
• The Bannister family have been farming and ranching in Rush County for over 100 years



**David Savage**  
*Systems Consultant, Etherios*  
• Grandfather bought the land in Blackwell in 1912



**Jimmy Horn**  
*Nuclear Engineer*  
• Family has been living in the community for over 50 years

► OwnEnergy cultivates local champions to initiate projects and manage local development



Projects completed

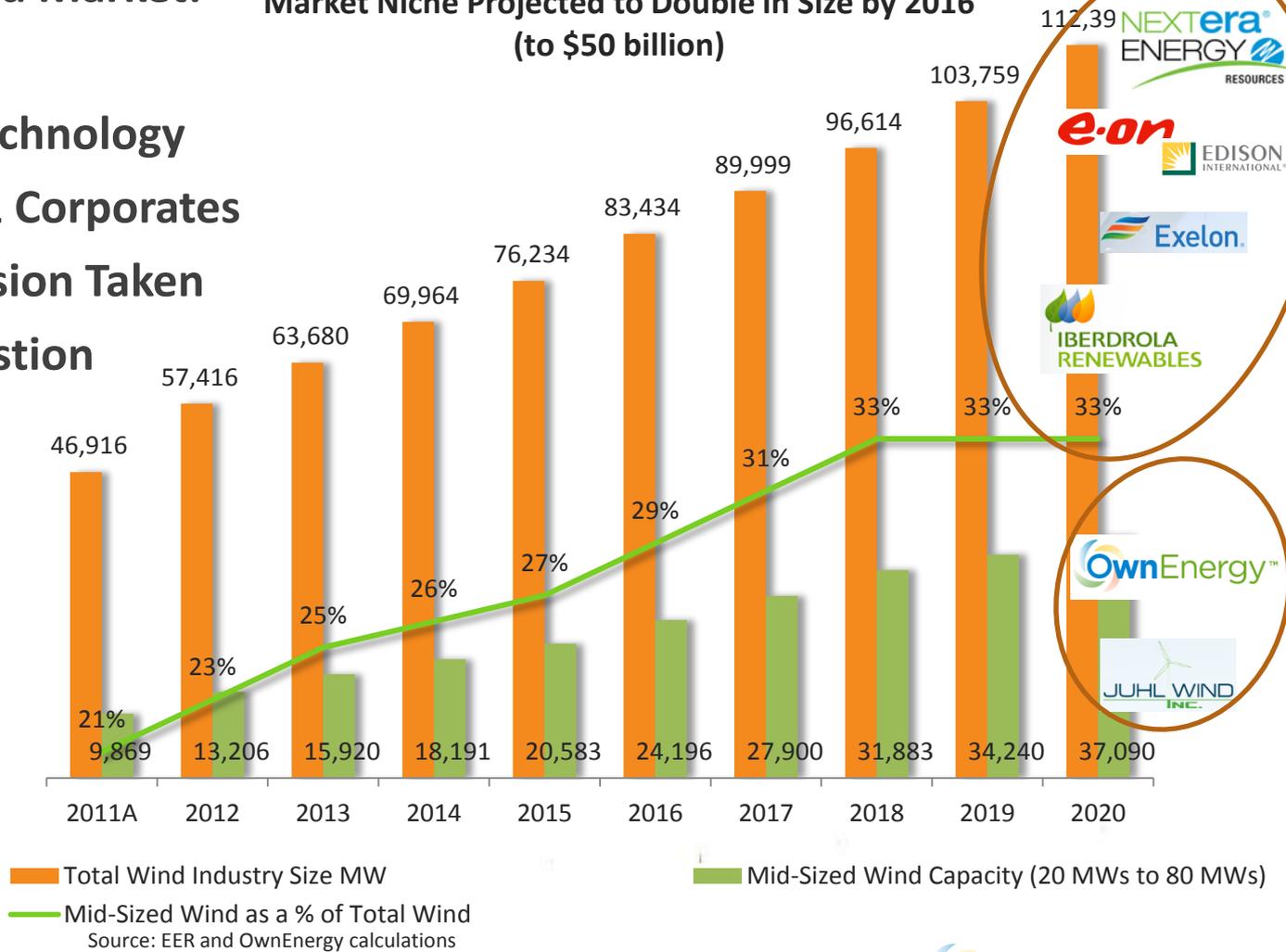
# Market Segment

One of the few professional platforms targeting an underserved but growing niche

## Drivers of Mid-Sized Market:

- ▶ Local Demand
- ▶ New Turbine Technology
- ▶ Coops, Munis & Corporates
- ▶ Spare Transmission Taken
- ▶ Growing Congestion
- ▶ Regional RPS

Market Niche Projected to Double in Size by 2016 (to \$50 billion)



# Case Study – Cowboy Wind



60 MW, Cowboy Wind Farm, Kay County, Oklahoma, originally developed by OwnEnergy, constructed by NextEra, commenced operations in December 2012, selling output to Oklahoma Gas & Electric, on-selling to Oklahoma State

**See a video of the development of the project:**

<http://www.ownenergy.net/media-center/videos/blackwell-winds-change>

**See also a presentation on the project:**

[http://www.ownenergy.net/sites/default/files/images/Krebs\\_Presentation\\_AWEA\\_Windpower2013.pdf](http://www.ownenergy.net/sites/default/files/images/Krebs_Presentation_AWEA_Windpower2013.pdf)

# □ Pipeline

21 projects across 15 states

Project Name	State	MW Est.	COD	Land Secured Pct	Met Tower Installed	Met Data (months)	IC Queue Filed	IC Feas Complete	In PPA Discussions
<b>Advanced Stage</b>									
Carroll Area Wind Farm	IA	20.7	14-Sep	95%	Y	61	Y	Y	Y
Windthorst 2 Wind Farm	TX-N	65.0	14-Jun	100%	Y	37	Y	Y	Y
Two Dot Wind Farm	MT	10.0	14-May	100%	Y	27	Y	Y	Y
Alexander Wind Farm	KS	50.0	14-Aug	100%	Y	68	Y	Y	Y
<b>Mid Stage</b>									
Copenhagen Wind	NY	80.0	14-Dec	95%	Y	16	13-Dec	-	-
Rothsay Wind Energy, LLC	MN	20.0	16-Dec	90%	Y	59	Y	-	Y
Ivester Wind Energy, LLC	IA	90.0	15-Dec	75%	Y	61	Y	Y	Y
Ringer Hill Wind, LLC	PA	37.0	15-Dec	80%	Y	83	Y	Y	-
<b>Early Stage</b>									
Iron Road Wind Farm	OK	70.0	15-Jun	75%	Y	32	-	-	-
Macochee Creek Wind Farm	OH	46.0	16-Jun	60%	Y	96	-	-	-
Muenster Wind Farm	TX-N	106.0	14-Dec	64%	Y	11	13-Jun	-	Y
SummitWind Farm	SD	90.0	15-Oct	80%	Y	15	-	-	Y
Green Mountain Wind Farm	VT	18.0	15-Jun	50%	Y	13	-	-	-
Magnet Wind Farm	NE	80.0	15-Sep	50%	-	-	-	-	-
Freer Wind Farm	TX-S	62.0	15-Jun	22%	Y	17	-	-	Y
<b>Feasibility</b>									
Wetegrove Wind Farm	TX-S	100.0	15-Dec	0%	-	-	13-Sep	14-Jun	-
Ness-Trego	KS	103.5	15-Dec	0%	Y	35	-	-	-
Cashton Wind Farm	WI	45.0	16-Dec	-	-	-	-	-	-
White Horse	PA	30.0	16-Dec	0%	Y	76	-	-	-
Vermilion County Wind Farm	IL	50.0	16-Dec	-	-	-	-	-	-
Iowa County Wind Farm	WI	45.0	16-Dec	-	-	-	-	-	-
<b>Total</b>		<b>1,218.2</b>							

## □ Executive Summary – Carroll Area Wind Farm

### Opportunity

#### Equity investment in \$43mm wind farm

- Sponsor investment ~\$16 million to fund 100% of equity
- Attractive IRR with State PTC
- Relationship with OwnEnergy (pipeline of 2014 – 2016 COD pipeline more than 1,200MWs)

### Project

#### Carroll Area Wind Farm, 20.7 MW in Iowa

- Construction estimated to begin in November, COD estimated in Q4 2014
- Located 60 miles northwest of Des Moines
- 25 year PPA proposal from investment grade IOU offtaker

### Structure

#### Unlevered tax equity

- Open to proposals on full sale of the project, or sponsor equity only (have had initial discussions with tax equity)
- OwnEnergy is open to managing construction and serve as long-term asset manager
- The \$15/MWh State PTC requires a unique structure with local partners

### Highlights

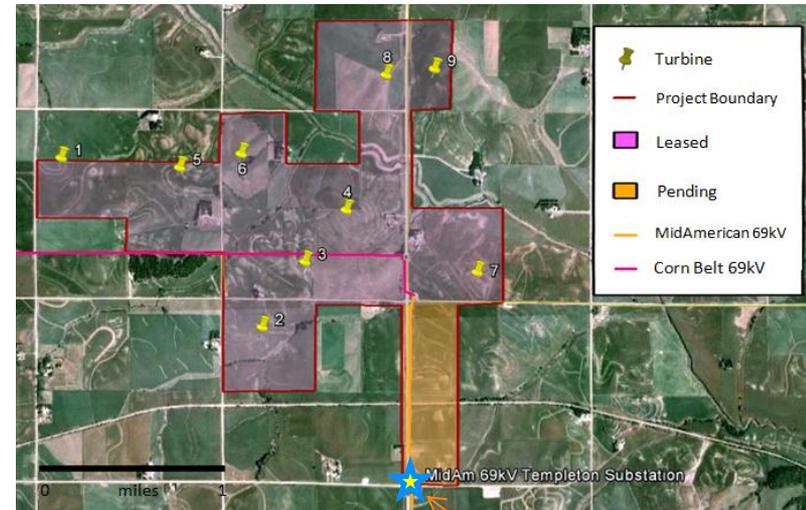
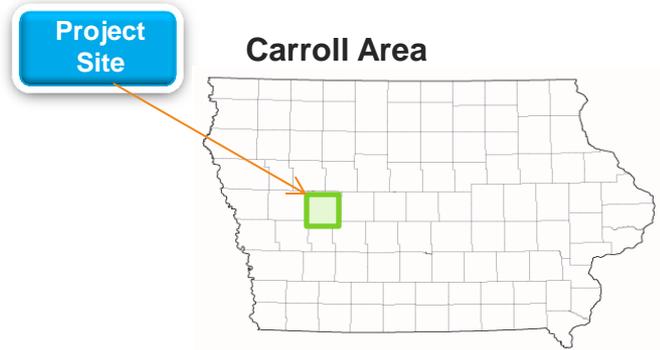
#### Long-term Offtake with Substantial Yield Potential

- Very attractive dividend yield, driven by State and Federal PTCs in years 1-10, escalating PPA in years 11-25
- Attractive IRR
  - Key project variables impacting returns include the State PTC, potential transmission upgrades and capacity payments

# Carroll Area: Carroll County, IA

Start Construction Q2'14; COD 11/30/14

Capacity	20.7 MW; SWT 2.3MW 108
Offtake	Term Sheet with Investment Grade IOU
Land	100% under lease
Wind	3+ years onsite data at 60m; GH est ~49% NCF
Permitting	Secured; tower permit expected Q4 2013
Transmission	Executed 20 MW IA with investment grade IOU
IA PTC	Attained initial IUB approval (\$15/MWh)
Local Partners	Ed Tomka and Ed Woolsey – Lead developers since 2006 <ul style="list-style-type: none"><li>•Secured State and Federal Incentives and land agreements</li><li>•Community education and political outreach</li></ul>



Templeton 69kv Substation

# □ Development Status and Steps to Shovel Ready

## ▶ Offtake

- 25-year PPA term sheet from MidAmerican Energy for energy, RECs and capacity

## ▶ Turbines

- Received budgetary estimate
- TSA comments have been turned to Siemens for the same turbine on other projects – no material differences are expected for Carroll
- Suitability have been approved

## ▶ BOP / Engineering

- RMT firm proposal received
- 10% engineering complete
- Budgetary bids received from TVIG and AMEC

## ▶ O&M

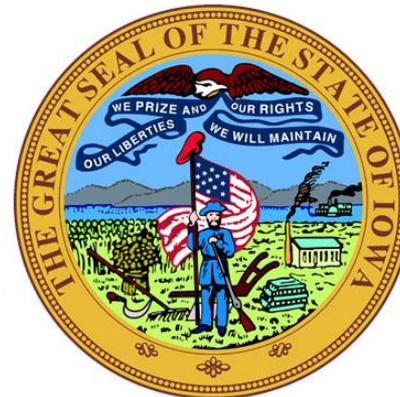
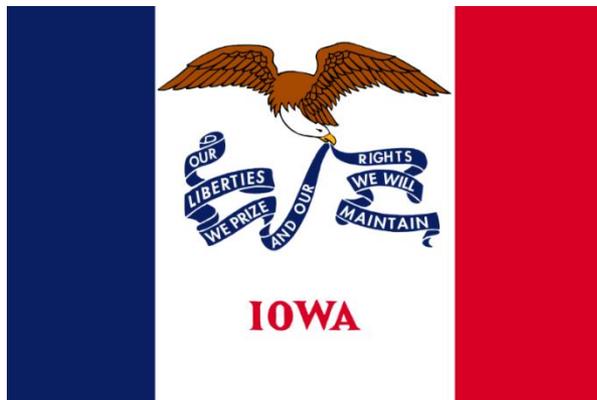
- EDF Renewable Energy budgetary proposal received

## ▶ Tax Abatement with Carroll County

- Have verified compliance with Carroll County Ordinance #24 and Iowa Code Section 427B.26
  - ▶ Year 1 assessment = 0% of net acquisition costs (i.e. capital costs)
  - ▶ Years 2-6 assessment = increases by 5% increments each year
  - ▶ Years 7+ assessment = 30% of net acquisition costs

## □ Iowa State PTC

- ▶ The Iowa State 476C Production Tax Credit (the “State PTC”) provides for a \$15/MWh credit over ten years for projects in which various locally owned entities have at least 51% voting control
  - Receipt of the State PTC has no impact on eligibility for the Federal PTC
- ▶ The approved structure (on following slide) complies with the IUB requirements; the local JV Partner for each expected turbine site has 51% voting rights
- ▶ The project has been qualified to receive the State PTC. Final certification by the IUB will occur at COD
- ▶ Credits are assignable / transferrable, and can be allocated to investors in any proportion (i.e., in the case of a flip structure, it is not necessary to allocate the State PTC in the same proportion as either the Federal PTC or the project free cash flow)
- ▶ Additional upside possible for Iowa taxpayers (pro forma assumes sale for \$0.85/\$1 credit)



## □ Executive Summary – Alexander Wind Farm

### Opportunity

#### PPA for 203,000 MWhs annually in Kansas

- Shovel ready, but for committed offtake
- Competitive pricing as discounted supplier pricing
- PPA in Q3 enables project to qualify for the PTC, OwnEnergy can “Safe Harbor” or initiate “continuous construction”
- Relationship with OwnEnergy (pipeline of 2014 – 2016 COD pipeline more than 1,200MWhs)

### Project

#### 48.3MW in Western Kansas

- Supports Community Wind in Kansas
- Naming Rights Available and Good Story to Support Additionality

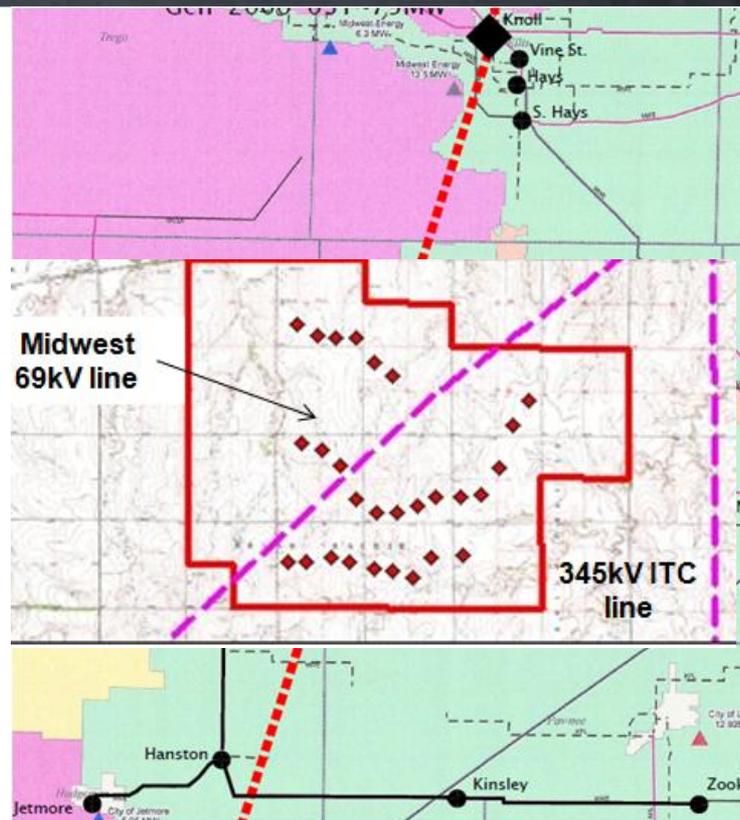
### Economic Development

#### Community Brings Local Economic Development

- 150 direct / indirect full-time-equivalent jobs from construction, 5 permanent jobs on-site
- Support jobs at Siemens factory in Hutchinson, KS
- More than \$7.3 million in income to Rush County farmers and ranchers who lease their land to the project,
- Significant equity remaining in the hands local owners

# □ Alexander: Rush County, Kansas, COD 2014

Capacity	48.3 MW; SWT 2.3MW
Offtake	No committed offtake
Land	100% under lease
Wind	4+ years onsite data GH est. ~47% NCF
Permitting	Pre-construction permits studies complete
Transmission	Executed IA with Midwest Energy
IA PTC	Attained initial IUB approval (\$15/MWh)
Local Partners	Bannister Family – Lead developers, local ranchers for 100 years <ul style="list-style-type: none"><li>•Conducted wind studies, agreements, tax abatements</li><li>•Community education and political outreach</li></ul>



# Partner Profile Bannister Wind Ranch

## Local Halo

"It differs from other wind projects in that you have community control," Bannister said. "We make sure all our **neighbors have the same protections and insurances that we have** as far as what they're receiving from wind generation."



Local ranchers for last 100 years



## Corporate and Community

"Another benefit of partnering with OwnEnergy, Bannister said, is having **access to capital**. Although a community wind farm is small by industrial standards, it still might require nearly \$200 million to develop. OwnEnergy is able to bring outside investors into the fold to sponsor the project."

## Local Economic Impact

Rush County landowners have been working with the county's planning commission, according to Bannister, to adopt appropriate zoning regulations. **With commitment to local contractor participation, they also have enlisted participation of local trucking companies** to "ensure local participation when the time comes,"



## Bannisters' Role

- Wind studies
- Land agreements
- Community relations
- Community education
- County gov't outreach



Thank you!

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