

Technical Status Report

US Dept of Energy

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Windustry

Institute for Agriculture and Trade Policy

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Project Name: US Wind Farmers Network.

Period Covered by this Report:

8/31/02 – 11/30/02

The theme of the work in this quarter was community-based wind and locally owned wind projects. The work Windustry has done is just beginning to touch the heart of the matter for a hugely interested audience of rural landowners and rural communities.

We revised and published a Windustry Newsletter on two farmer owned wind projects called Minwind I and Minwind II. (See attachment A) This article was largely researched and written last quarter but the principal individuals that organized the wind projects didn't want any more farmers calling them up than they already had, so they urged us to put a hold on the article or not publish it. This presented a unique problem for Windustry. Up to this point, we had not dealt with generating too much attention for a wind energy project. The story of a group of farmers and individuals pooling their resources for two locally owned commercial-scale wind projects is very compelling and the organizers of the projects were getting a great deal of attention from other farmers that want more details on the project. However, the organizers committed a large amount of their own resources toward the set up of this project which took many hours with their legal counsel and they did not have the capacity or the desire to provide answers for all the other farmers and individuals who were requesting information.

Windustry worked with the business entity and did not publish the newsletter until we resolved some of the problems with the high level of interest in this project. Windustry resolved to address this issue by creating a custom track in the state and regional wind energy conference held in Minneapolis, November 21-22, 2002. There were a few sessions in the Landowner and Citizen Workshops track that were specifically created to talk about the "how-tos" for rural landowners to put together their own projects.

Also, the conference's Community-Based Wind track addressed what makes a good project and what moneylenders are looking for when they evaluate wind projects. All of this contributed to the general knowledge base for other farmers to understand what it takes to put together their own wind energy enterprise.

In the end, we published the Minwind article in our Fall 2002 newsletter and it has turned out to be the most requested Windustry Newsletter in recent memory with several requests for hundreds of copies from people organizing wind meetings in states such as Oklahoma, Colorado, Idaho, Wisconsin and Illinois. Once we saw that the November wind conference would be a good forum for addressing many questions, we created the sessions that featured the principal people involved in Minwind I and Minwind II. (Attachment B is a conference program.) A small fraction of the labor hours spent on the conference were charged to this project as the time was spent on developing these new materials. The conference created a custom forum for other materials we have designed, and for new discussions about expanding wind energy in the Midwest. We had approximately 525 people attend the conference, including representatives from 22 different states.

From September-November, Windustry participated in other wind meetings held primarily in the Midwest. In October, Windustry prepared and delivered wind energy economic development information at the wind energy meetings in Lawrence, Kansas. The meetings were held over three days, each day with a different emphasis ranging from small wind, large wind and working with public power entities.

Windustry continues to be involved in discussions as the USDA builds the new programs that are included in the 2002 Farm Bill. We have made a good connection with the USDA office based in St. Paul, Minnesota, which includes one of the twelve national representatives on a work team that is developing the new energy programs.

In a limited way, Windustry is beginning to define, differentiate and explore new types of wind energy business models. A good initial step is defining community-based wind as projects that are publicly owned - by a municipality, a rural electric coop, a county, or public entity like a school system, or hospital or jail. Ultimately, this work will lead to new materials on wind energy business models for rural landowners and communities.

The principals of Minwind I and II consider their business model proprietary. The projects are privately owned endeavors and it appears the principals have declined to respond to certain requests for information. We have recently come to the understanding that securities deals such as the ones these businesses employed need to be designed carefully for the specific deal. Every project has to hire a securities attorney to be sure their deal is legal and follows regulations for LLCs or other business entities.

There is a large amount of interest in the Minwind model because it promotes a form of local ownership, but as long as there is money to be made with wind development, there will be a tension between the need for open access to information and the need to keep information proprietary. Windustry will continue to work to bring more of this information into the public domain in the form of new materials for all to learn and benefit from.

Update on other Windustry work not funded by the US DOE Cooperative Agreement

The major project undertaken by Windustry in Fall 2002 was the organization and presentation of Wind Energy: New Economic Opportunities, a state and regional wind energy conference held in Minneapolis November 21-22, 2002. The conference was widely considered to be a huge success with 525 attendees from 22 states and 30 exhibitors. Participants, speakers, exhibitors and sponsors included farmers, rural communities, economic development professionals, wind industry leaders, state and Federal agencies, elected officials, utilities, wind energy advocates and many other interested citizens. The event was sponsored by the Energy Foundation, Minnesota state agencies, utilities, corporations, and other energy organizations.