



**Nebraska Public Power District**

*"Always there when you need us"*

# NPPD's Met Tower Cost-Share Program

Wind Power 2008 Conference

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# Landowner Questions

- ▶ As a landowner, I am being pressured to sign a long-term contract. What should I do?
- ▶ How do I determine which developer I should sign with?

# What are Key Factors for a Successful Utility Scale Wind Project?

- ▶ 1. Very good wind resource
- ▶ 2. Buyer for the output
- ▶ 3. Transmission to move wind energy from project to buyer
- ▶ 4. Landowner support

# Challenges

- ▶ 1. Nebraska has limited transmission for new generation facilities within Nebraska.
- ▶ 2. Transmission to move wind energy out of the state is very limited.
- ▶ 3. Nebraska has hundreds of potential sites for wind.
- ▶ 4. Landowners are being deluged with wind developers, some of which have limited knowledge of public power and Nebraska C-BED statutes.

# Two Phases of a Wind Project

## ▶ **Phase 1 – Study Phase**

- Met Towers are installed – landowner payments to allow studies

## ▶ **Phase 2 – Production Phase**

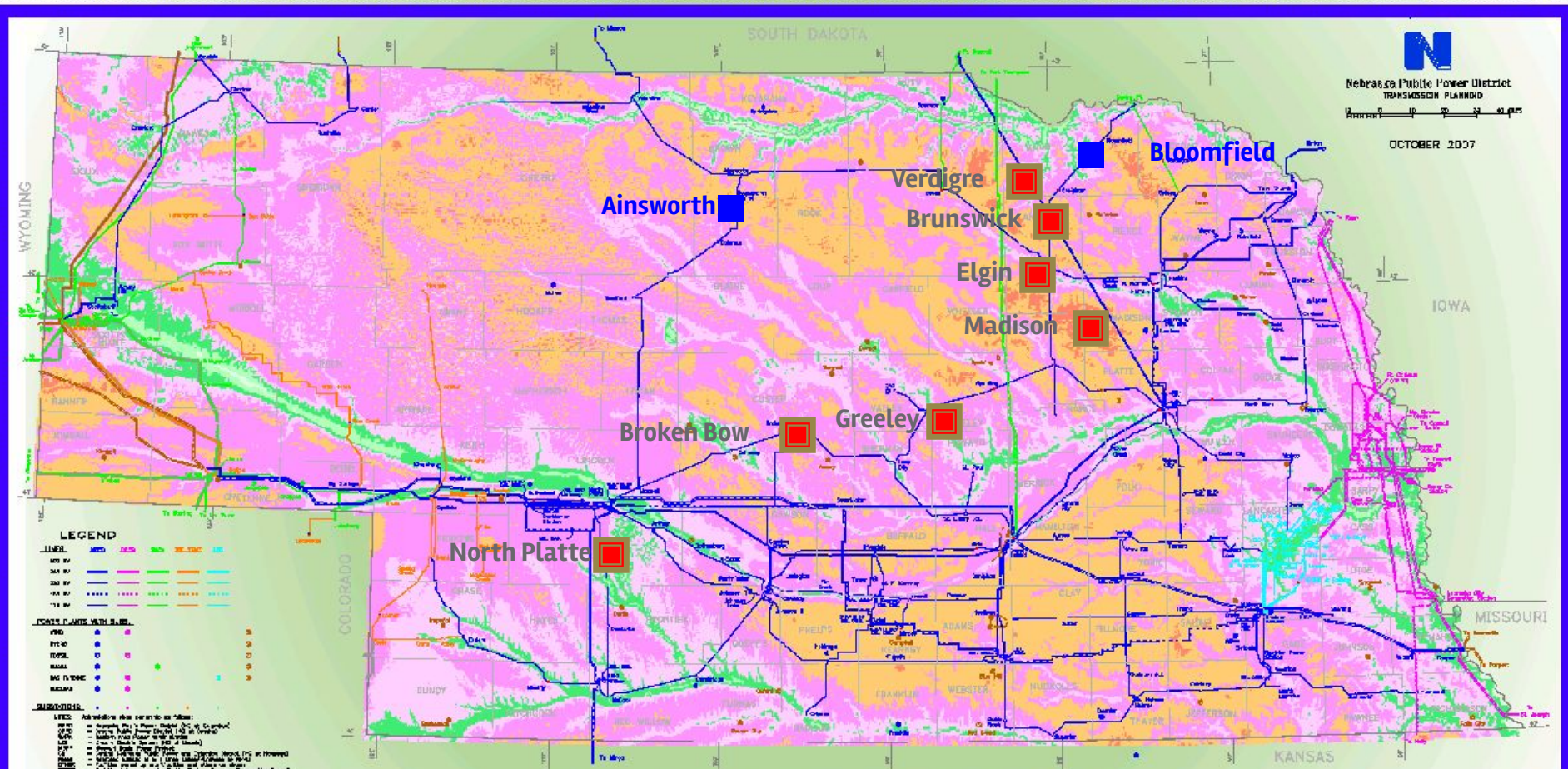
- Long-term landowner revenue
- ▶ **Public Power Utilities are the buyers (NPPD, OPPD, LES, MEAN, City of Grand Island)**
  - Lowest cost of wind energy
  - Least amount of investment in transmission

# NPPD is Developing Sites

- ▶ Sites based on consultants' (Wind Logics and HDR) recommendation.
- ▶ NPPD selected ten sites – seven have been announced.
- ▶ Short-term agreement.
- ▶ Primary goal is to gain landowner support and monitor wind.

# NPPD's Identified Sites for Wind Development

## Wind Resources at 70 Meters – AWS Truewind



	<b>“Current” NPPD Land Options Agreement</b>
Length of Contract	10 years
Land Owner Agreements	Engaged consultant to acquire agreements on behalf of NPPD
Payment to Land Owner	Years 1–5 \$3 / acre or \$1000 / parcel  Years 6–10 \$5 / acre or \$1667 / parcel
MET Tower / Site	NPPD purchases and installs Met Tower



	<b>“Current” NPPD Land Options Agreement</b>	<b>Proposed NPPD “Lite” Land Options Agreement</b>
Length of Contract	10 years	10 years
Land Owner Agreements	Engage consultant to acquire agreements on behalf of NPPD	<b>Landowners work together with NPPD’s help</b>
Payment to Land Owner	Years 1–5 \$3 / acre or \$1000 / parcel  Years 6–10 \$5 / acre or \$1667 / parcel	<b>Years 1–3 \$0</b> Years 4–5 \$3/acre or \$1000/parcel Years 6–10 \$5/acre or \$1667/parcel
MET Tower / Site	NPPD purchases and installs Met Tower	NPPD purchases and installs Met Tower

# Benefits of NPPD Agreement

- ▶ Keeps landowner options open.
  - C-BED or Private Project
  - NPPD Project
- ▶ Landowners are not bound to a long-term agreement at this time. Long-term agreement will be developed to incorporate current industry practices at time agreement is generated for the benefit of landowner (payment and terms and conditions) rather than generating speculated terms at this time.
- ▶ Landowners have time to organize and prepare for negotiations with developer.
- ▶ Increases probability of successful project.
  - Multiple developers can bid on project site
- ▶ After NPPD selects a developer through a competitive bid process, NPPD will bring successful developer and landowners together. NPPD's goal is to ensure landowners are treated fairly while working to get the lowest cost renewable energy for our customers.