

Nebraska Wind Power 2010

WORKING WITH LANDOWNERS - *the landowner view*

David L. Bracht

Husch Blackwell LLP

(402) 964-5025

david.bracht@huschblackwell.com

Landowner Concern . . .

Am I

- **Selling Manhattan Island, New York for trinkets and beads, or**
- **Letting “Iron Horse” lead to end of Buffalo hunts**

Key is understanding . . .

- What makes a viable wind resource
- Overall project stages / costs
- Where in the process [timeline]
- Value
- What is important to you

What makes a viable wind resource

- Wind Resource
 - More than “it’s always windy”
- Transmission
 - More than a power line nearby
 - Is there capacity
- Market
 - Is there a market for the power
 - LB 1048 helps on markets

The Three Phases of a Wind Project

Development

- Secure land leases
- Wind study
- Obtain permits
- Transmission
 - Interconnection study
 - Negotiate interconnection agreement
- Execute Power Purchase Agreement (PPA)
- EPC contract
- 18-36+ months
- \$2.0 MM Developer Cost

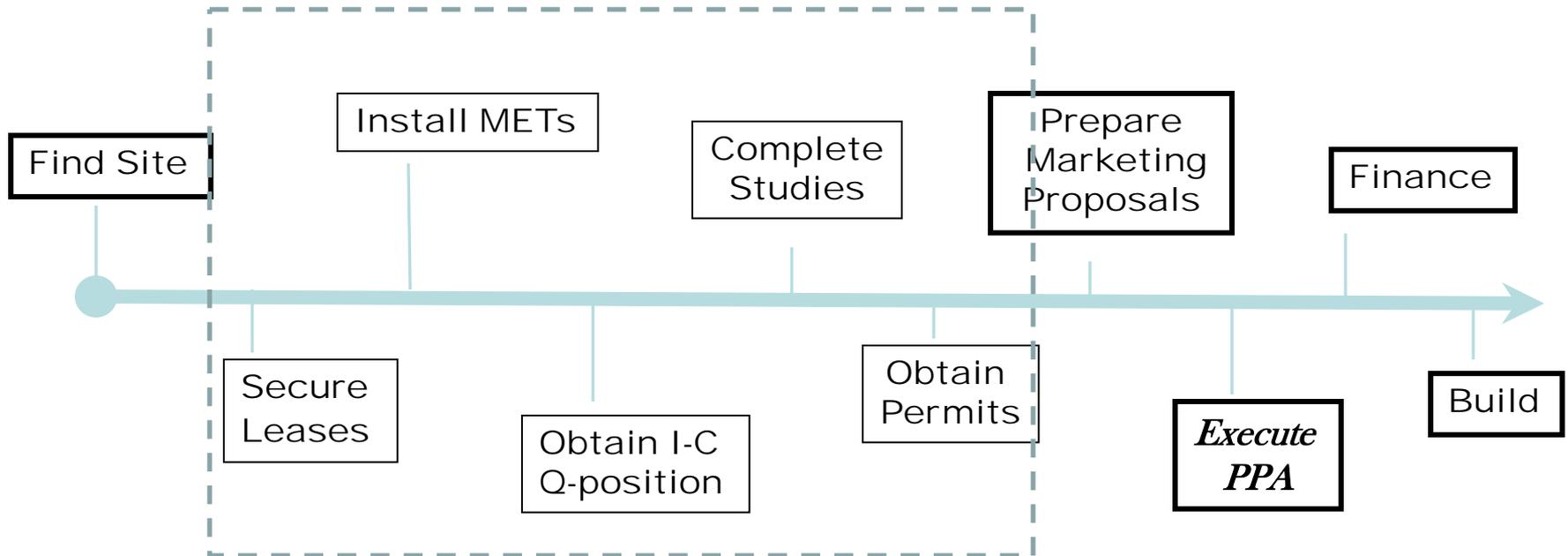
Construction

- Financial Close
- 6-12 months
- ~\$2,250/kw (80MW =
 $\$2,250 \times 80,000\text{kw} =$
\$180,000,000.00)

Operation

- O&M Agreement
- 2% of construction costs

Project Timeline Toward PPA



What is a “fair value”

- Biggest difference between sale of agriculture commodities
- Not a transparent market
- Depends on overall development cost
- Need to balance best value with ability to complete project
- Asking too much will mean your developer not successful in getting project built

What is important to you: More than just \$\$\$

- Development Term
- Operating Term
- Turbine location
- Crop loss provisions

Questions?

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