



**MALLECK**  
FARM & WIND VENTURES L.L.C.

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Fourth Generation Nebraskans  
Investing in innovations that  
benefit the communities of  
Nebraska

Presented by: Dave Malleck  
Managing Partner

# HALLWAY & COCKTAIL HOUR QUIZ

How to identify people in a group

- ▶ I live on the windiest nob in 5 states
- ▶ Landowner
- ▶ What the heck is a nob
- ▶ Wind developer
- ▶ State & Federal laws really don't define a nob, we would have to start discovery on certain statutes pertaining to "said nob" of course this will require a \$5,000 retainer
- ▶ Wind attorney

# Discussion Topics

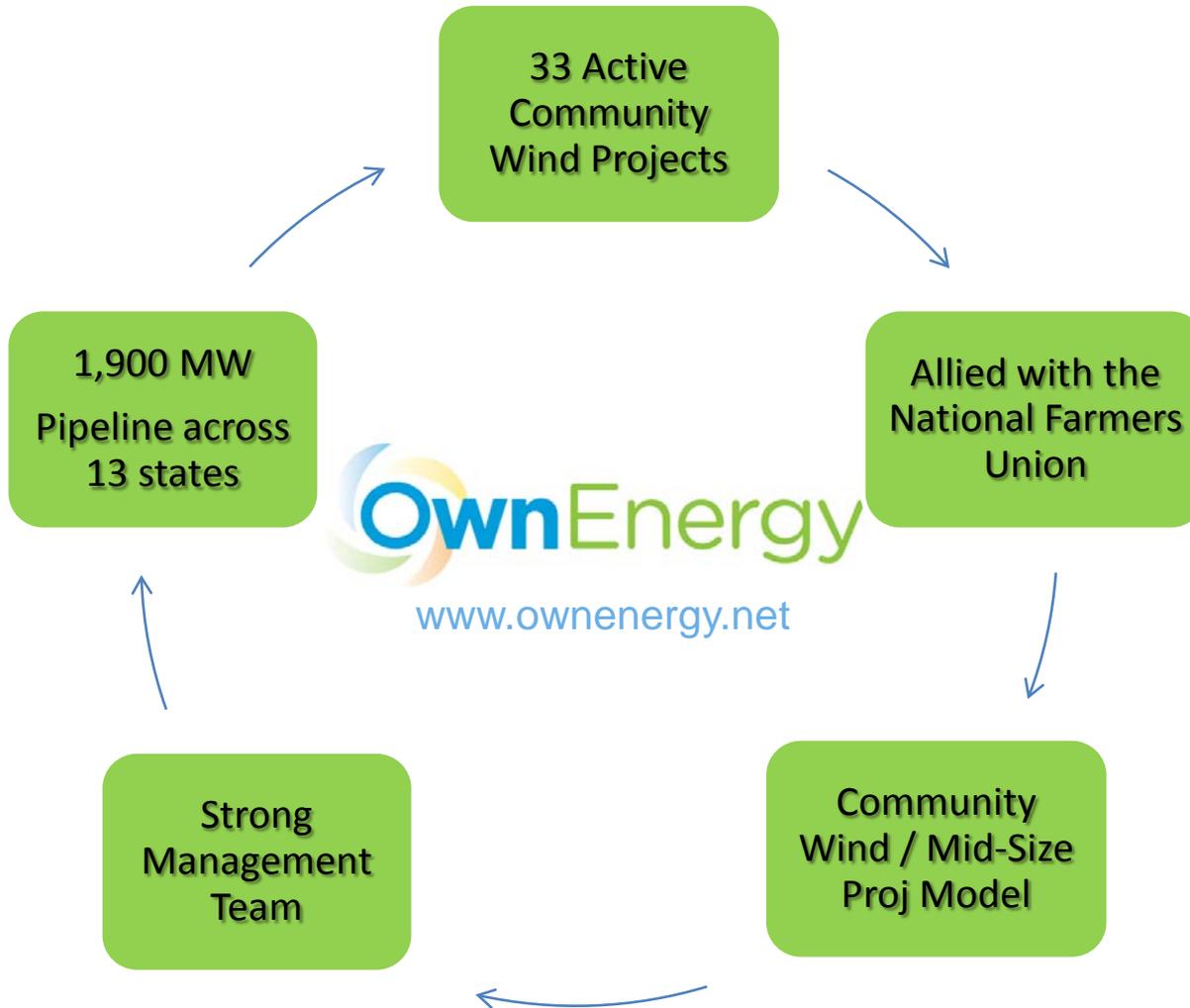
- I. Malleck Farm & Wind Ventures / OwnEnergy JV in Nebraska
- II. Community Wind Joint Venture Development Process
- III. Why Community Wind is Good for Nebraska
- IV. Challenges of Community Wind
- V. Select Policies to Promote Community Wind

# Malleck Farm & Wind Ventures

## Who We Are

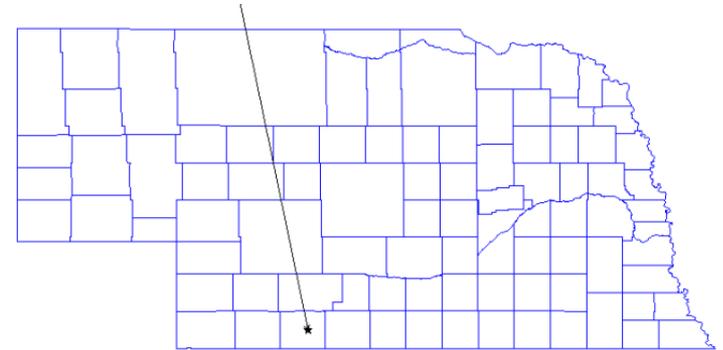
- ▶ Fourth generation landowners, great grandparents located to Red Willow county in the 1890's
- ▶ Griff is a long term owner of several large ag related business's in the McCook area
- ▶ Dave has been involved in the financial services industry since 1982 and is currently a registered principal with a financial services firm
- ▶ Aggregated seven of their neighbors farms to form their first project "Missouri Ridge Wind" in Jan. 2009
- ▶ Formed Hayes county project with 13 landowners in November 2009
- ▶ Responsible for providing early stage financing, assist in site selection, help form landowners assoc., educate landowners on benefits and pitfalls of wind farms, work with local attorneys on leases- zoning, community relations, etc.





# Missouri Ridge Wind Farm: Red Willow County

- ▶ Planned Capacity – 40 MW
- ▶ Land : 10 miles southeast of the town of McCook. Leases have been secured.
- ▶ Wind: 60 m met tower installed September 2009.
- ▶ Transmission – 69 kV line owned by McCook Public Power, crosses northern property.
- ▶ Permits – Preliminary desktop environmental study completed - no fatal flaws identified. According to Nebraska Game and Parks Commission, footprint is outside of sensitive wildlife habitation



60 Meter Meteorological Tower on site

# Cardinal Wind Farm: Hayes County

- ▶ Planned Capacity – 45 MW
- ▶ Land : 6 miles south of the town of Hayes Center. Leases for ~20 landowners in process of being secured.
- ▶ Wind: 60 m met tower installed March 2010.
- ▶ Transmission – 69 kV line owned by Southwest Public Power
- ▶ Permits – Preliminary desktop environmental study completed - no fatal flaws identified.



# Joint Development Process

# Differentiated “Franchise” Business Model

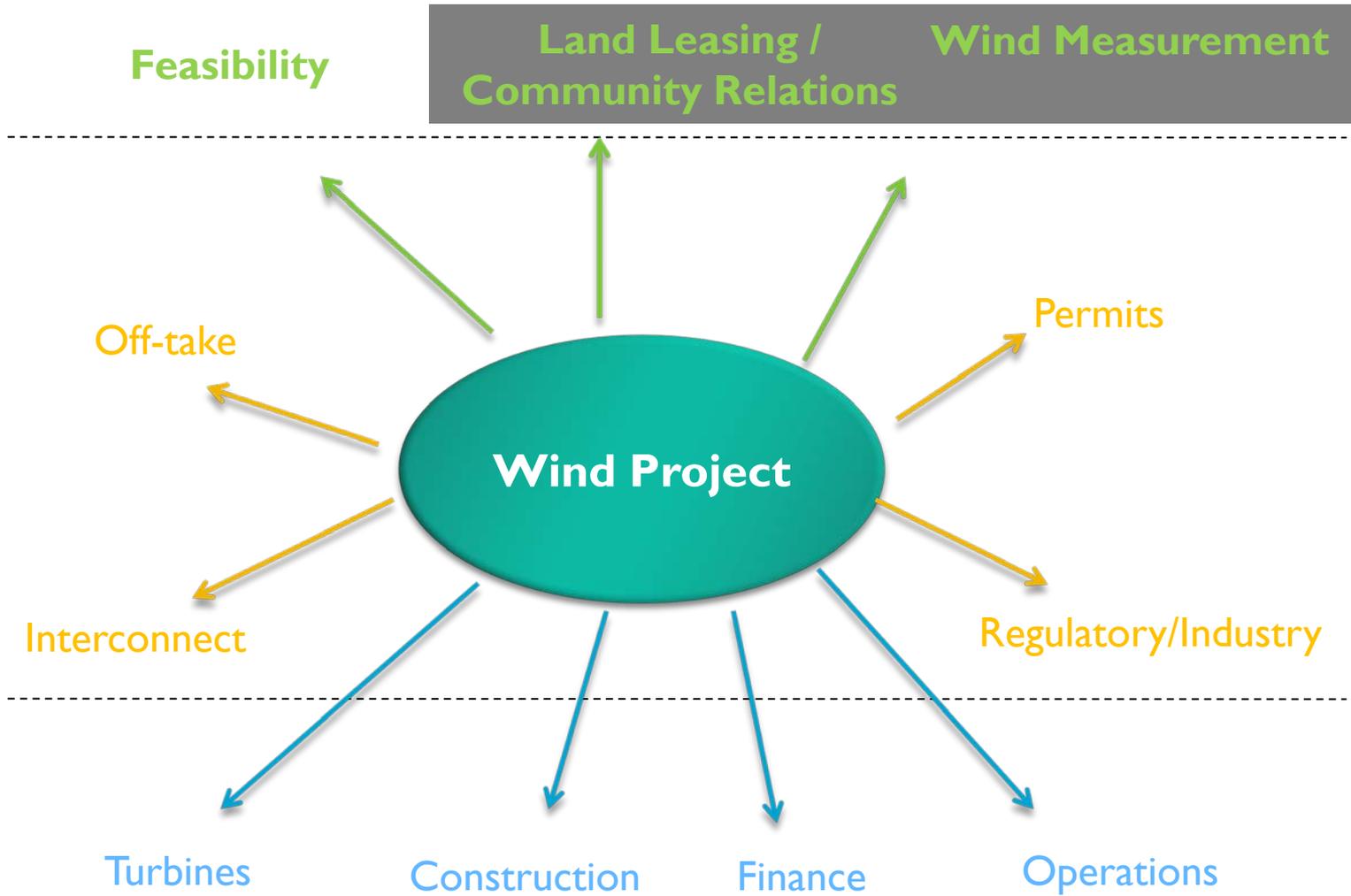
Local Landowners/  
Developers



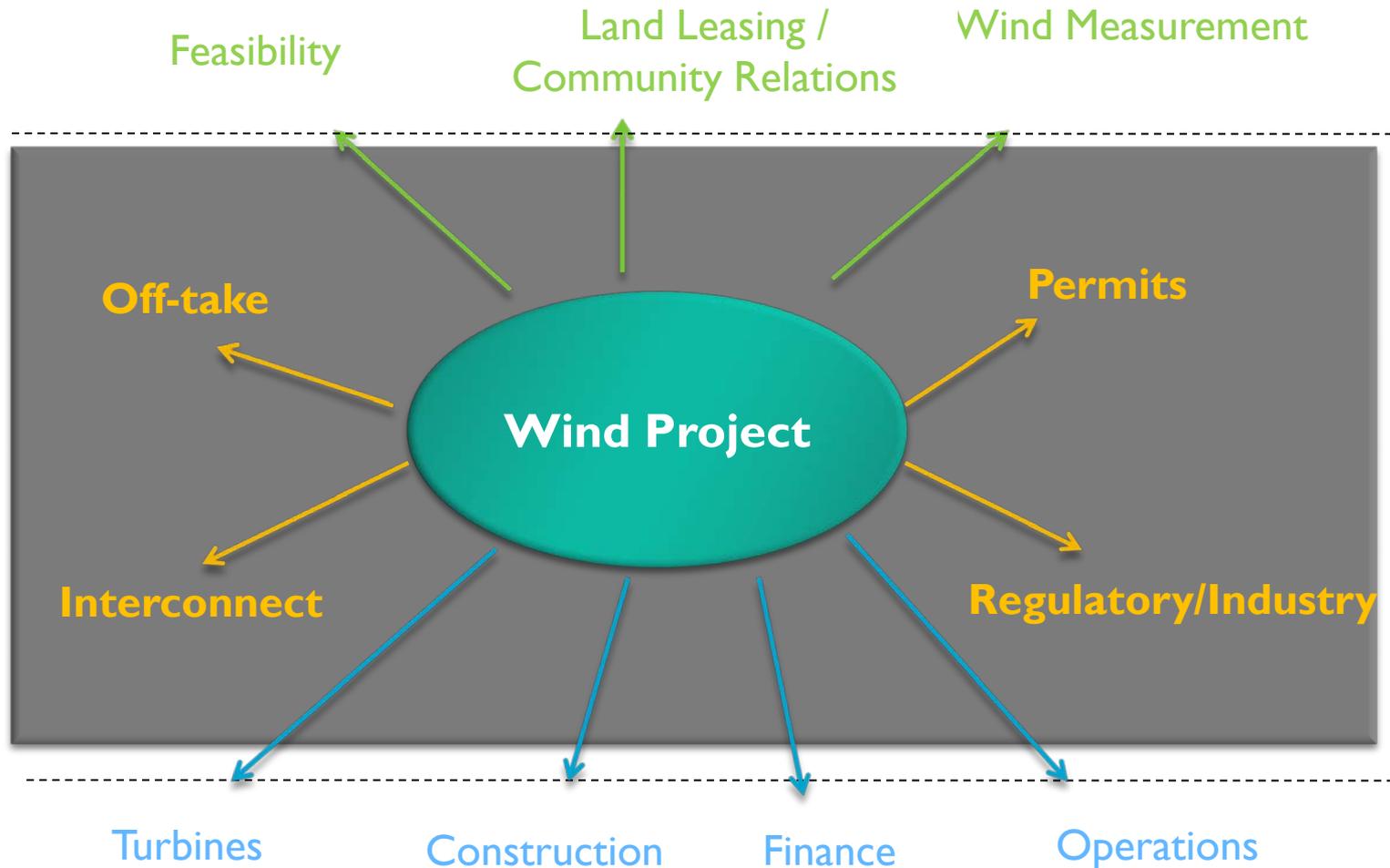
Aggregator of Mid-Size, Locally-  
Owned Projects



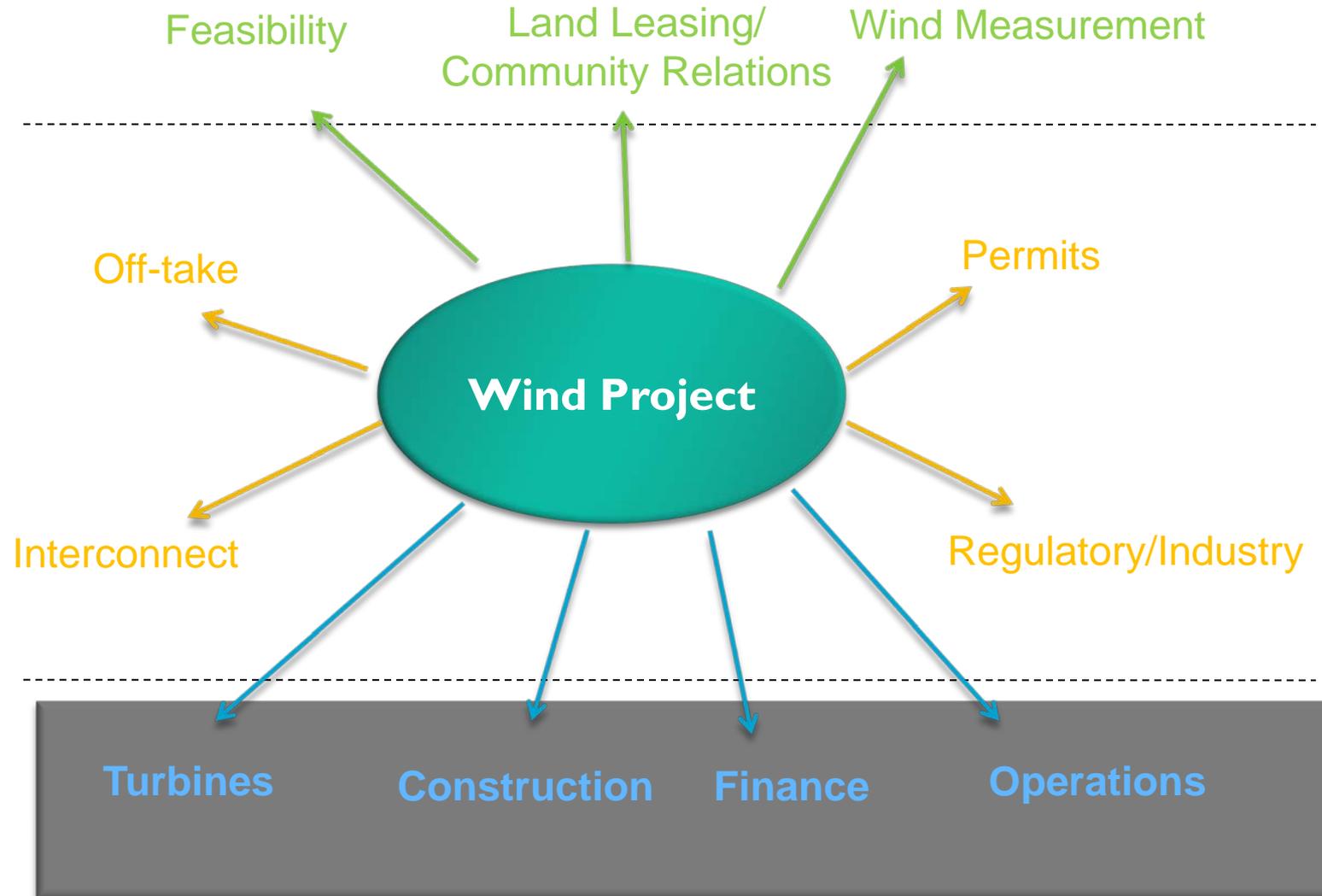
# Local Partners - Manage Early Stage



# OwnEnergy – Manage PPA & Permits



# OwnEnergy – Aggregate for Financing, Turbines & Construction



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# Why is Community Wind Good for Nebraska?



# Distributed, Community Wind is Great for Nebraska

- The ***Family Farm*** of the American wind energy business
- ***Ownership is retained*** in the community & ***profits are recycled***, creating incremental jobs, wages, business income and tax revenue over “absentee” projects
- Creates a broader footprint of stakeholders; ***more involvement = increased support***
- Can ***use existing grid infrastructure*** & does not rely on new transmission
- Distributed, Community Wind projects may ***reach ‘shovel-ready’ sooner***
- ***Utilities power purchasers often favor local generation*** over remote, imported power



# Highlights From NREL Nebraska Wind Study

Community Wind farms stimulate greater local economic activity than “absentee owned” farms

## Community Wind Economic Impact

<u>Construction</u>	<u>Absentee</u>	<u>Community Wind</u>	<u>Multiple</u>
Jobs	10,301	17,512	1.7 x
Economic Impact (\$B)	1.7 B	3.2 B	1.9 x
<u>Operations &amp; Maintenance</u>			
Jobs	1,166	2,332	2.0 x
Economic Impact (\$M)	144 M	245 M	1.7 x
In-state production revenues	3%	26%	8.7 x

Source: National Renewable Energy Lab

# Characteristics of CW Projects



Project Size = 0 MW - 100 MW; absolute inclusion below 20 MW

Community members have a direct financial stake and decision making rights

Local Ownership = Recycled Profits,

Greater local economic benefits than commercial wind

Genuine sense of community involvement

OwnEnergy = AWEA Community Wind Leader

State Policy in place & Federal Policy on the way supporting Community Wind

# Community Wind Challenges

- Power markets that reflect the full social value of the product
- Willing off-takers
- Access to construction capital at reasonable cost
- Policies that enable CW to compete without scale
- Access to development capital
- Available project financing
- Ability to monetize tax credits

*“What Community Wind needs all wind needs...”*

-Jim Walker, enXco Vice Chairman and former AWEA President



# Select Policies to Promote Community Wind

## Community Based Energy Development (C-BED)

- Previously adopted by Nebraska to incentive local ownership
- Needs more “teeth” to effectively promote community projects

## Standard Offer Contracts

- Program recently announced by Tennessee Valley Authority
- Fixed rate contract for projects below 20MW in TVA service territory



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