

have a direct effect on workers. IBEW contends that introducing renewables alone won't meet rising energy demand. "We need to include all technologies including clean coal, nuclear, conservation and renewables. If we're going to be serious about renewables, we need to be serious about large investments in transmission," Hunter said.

Unions could see a spike in membership if Congress passes the Employee Free Choice Act, which Obama co-sponsored in the Senate. Grabelsky said that, if passed, the bill would "change the dynamics of union organizing," in three ways. Workers could opt to join a union by signing a demonstration card and no longer could employers demand a secret ballot, which discourages union membership. Penalties for violating an employee's right to unionize would substantially increase. Once workers vote to join a union, employers could not delay signing a contract, which often led to undermining union membership. If the bill passes, Grabelsky expects that unions would target independent power producers to increase membership.

One area of contention between unions and utilities has been the increase in merger activity.

Looking into the future, Grabelsky of Cornell University wonders, "What are the prospects of utility unions getting ahead of the curve on the future of renewables?"

Hunter said that IBEW has established a joint training program with Sharp Solar to train members to install solar panels, and Langford said that UWUA is working with solar and wind turbine manufacturers to train staff in installing renewables. "We want to be part of the solution," Langford said. If President Obama is preaching transformational change in energy, unions will have to step up and introduce more breakthrough programs on a larger scale to keep pace, observers said.

NewsFlash

ALBANIAN HYDRO

Albania plans to build three hydroelectric power plants, according to *Xinhua*. Austrian and Norwegian utilities will invest \$1.4 billion for the projects totaling 340 megawatts.

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MISSISSIPPI CAPTURE

Mississippi Power would like to build a 582-megawatt integrated-gasification combine-cycle power plant that would allow for carbon capture.

The utility has filed its plans for the \$2.2 billion plant with state regulators.

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Land Partners

A NEW APPROACH TO WIND DEVELOPMENT

BY PAM RADTKE RUSSELL

➤ THE IMAGE OF A SOLITARY WIND TURBINE rising above a farm in a lone prairie is a romantic idea – but usually not a profitable one. Yet the idea of dozens or hundreds of turbines owned by a corporation that profits from the wind over their land is appalling to many landowners.

One wind developer is trying to marry the two visions of independence and profitability for landowners in the West, and so far, appears to be successful. Rather than simply offering landowners lease payments for putting wind turbines on their land, Minneapolis-based National Wind gives landowners a share of the profits and works with them to develop the large-scale projects.

"They have a good business model, they have community equity and there's a lot of potential for that," said Michael Goggin, an analyst with the American Wind Energy Association.

National Wind's motives aren't all altruistic. The company benefits with the model because it can attract and work with a greater number of willing landowners, says Leon Steinberg, CEO of National Wind. Community opposition is almost nonexistent, he said.

"We get calls from communities, we get calls from farmer groups ... we get opportunities that other developers don't have. We get to pick the farms we want to work. That is a huge value, from a competitive standpoint," Steinberg said.

National Wind also can get projects going more quickly because its landowners want the wind farm to go up and often do much of the legwork for the

company, said Erin Edholm, a spokeswoman for the company. Because the company is tackling larger-sized projects, it overcomes the economies-of-scale barrier that many community wind projects have faced, said Mark Bollinger, a researcher at Lawrence Berkeley National Laboratory who has studied community wind projects. Bollinger, though, questions whether National Wind's projects – at 50 megawatts and up – are truly community wind projects.

To date, National Wind, along with 12 partner limited liability companies, is developing wind farms with a total capacity of 3,700 megawatts, and has another 1,600 megawatts of projects in early stages of development. If all of those projects bear fruit, National Wind would have close to 5,200 megawatts of capacity. By comparison, the nation's largest wind developer, FPL Energy, has an installed wind capacity of about 12,000 megawatts. National Wind is primarily working in Minnesota, Colorado, Iowa, South and North Dakota, but is also eyeing sites in Texas, Oklahoma and Nebraska.

After it finds the right project, National Wind helps the local group of landowners set up a limited liability company. It raises the initial development capital for the project, anywhere from \$1.5 million to \$2.75 million, by offering shares to landowners and other local investors within the state. Landowners in the footprint of the proposed wind farms have the option of taking a share of the company or receiving lease payments. About 70 to 80 percent of the landowners take shares of the company, Edholm said. For their stake, they will receive a development payment when the project goes into service, and collectively split about 20 percent to 30 percent of the project's profits over its life, Steinberg said. National Wind receives the remaining profit.

Once the project is ready for development, National Wind raises the money – several hundred million and occasionally topping \$1 billion – through debt and equity using federal production tax credits. The company also secures power purchase and interconnection agreements and oversees the development of the wind farms.

Throughout the process, National Wind meets regularly with a board of directors elected by the local company to update them on the project.

"We get the word straight from the horses' mouths," said Gerry Fisher, a member of the board of advisors of Dakota Wind Energy, a proposed 750-megawatt project in three South Dakota counties. Fisher works with potential landowners in the wind farm footprint to get them to come aboard the project. In some instances, Dakota Wind is competing directly with a larger corporate wind developer looking to develop the

same area. Fisher says that Dakota Wind and National Wind have won over far more landowners than they have lost to the competing developer.

"We've found that the community model competes very, very well with those competitors that have extremely deep pockets," Fisher says. The business model "really resonates with landowners that are looking for something more than a lease."

Susan Sloan, outreach coordinator for the American Wind Energy Association, said as the demand for wind power increases, more developers like National Wind will be looking for ways to appeal to landowners.


"There are a lot of people who live in windy areas who want to put up wind farms," Sloan said. "There are companies that are looking to help landowners do that. We're seeing a lot of different things happening right now on the community wind front."

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7-8	E Source Utility Marketing Conference Phoenix		E19589
15-16	Project Management for Utility Capital Projects: Using Project Management Best Practices for Success Vancouver, B.C.		E19442
29-May 1	E Source Account Management Summit Boulder, Colo.		E19498

MAY

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