



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Agricultural Outlook Forum

Presented: February 16, 2006

THE FUTURE OF WIND ENERGY DEVELOPMENT

Mark Willers
CEO, MinWind Energy, LLC

A bird's eye view!





Minwind Energy LLC

Minwind Energy

We are 66 farmers who stand on the front line of environmental issues. Together, we own and manage our own project and are striving to create value added investments, local jobs, local development and a redefined agricultural community.

Your intended outcome will determine the form or entity of your business.

Ownership vs. Land Leases

Minwind Energy: Business Goals & Objectives

- Develop renewable energy
- Local business and employment opportunity
- Harvest the wind
- Group ownership, limited owners liability
- Profits stay in area
- Proven technology and equipment
- Stable management
- Long term marketing arrangement
- Participate in the future



OWNERSHIP STRUCTURE

BUSINESS ENTITIES

- ▲ C-Corporation
- ▲ Individual
- ▲ COOP
- ▲ LLC
- ▲ S-Corporation

OUTCOMES OF BUSINESS ENTITIES

- Return on investment
- Use of depreciation
- Convertibility of stock
- Inheritance issues
 - By state
 - By family
- Use of Federal Tax Credits
- Sales of Green Tags

SEC Regulations

- Who will be our investors?
 - Accredited investors
 - Non-accredited investors
- Exemption Status
 - Instate
 - Out-state
 - Multi-state
 - Differences in Cost
- General Solicitations?

Capital

- Selling shares
 - Possible investments by all income levels
- Borrowing Capital
 - Local Banks
 - Institutional Banking

Investment Issues

- Community involvement is limited by SEC laws (accreditation)
- Q reporting costs
- Income type could possibly be wrong
- Eminent Domain issues
- Merger and acquisitions changes in PPA
- Moving PURPA contract prices
- MISO Study

CHOOSING A DEVELOPER**

- Past Experience in Wind Energy
- Expertise
 - Engineering
 - Power Purchase Contracts
 - Product Knowledge
 - **Construction and Operational Costs**
- Developmental Fees

**Not to be used in choosing a Business Model

Tower Land Leases

- Length of developmental options
- Length of operational lease
- Rate of operational lease
- Length of extension options
- Land owners operational costs
- Percentages on flexible contracts (who decides on turbine size)



Thank You

Minwind Energy