

SITE CONSIDERATIONS AND CONTROL

MIDWEST COMMUNITY-WIND CONFERENCE 2008

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Wind Farm Site Elements

- Site control
- Got wind?
 - Is there enough?
 - Any obstacles blocking the wind?
- Proximity to transmission lines with available capacity?
- Any natural or man-made obstacles?
 - Wetlands, bird sanctuaries, cemeteries, scenic vistas / conservation areas, artist colonies, etc.

Site Control

- There's no project unless there's a place to put it
- Wind farm footprint = multiple owners, multiple parcels
- All owners (or nearly all) need to agree
- Who are the “real” owners?
 - Need to stay current (divorces, deaths, marriages, sales, refinancing, etc.)
- Who's doing the talking?
- Who's keeping you organized?

Real Estate Due Diligence

- Title work: who owns the land?
 - Determine property owners
 - Accurate legal description
 - Encumbrances (i.e. mortgages, easements, etc.)
 - May need to cure title defects or encumbrances that will interfere with wind farm
 - Need updates

Real Estate Due Diligence

- Surveys
 - Locate property boundaries
 - Determine access to the property
 - Locate recorded encumbrances
 - Identify unrecorded encumbrances

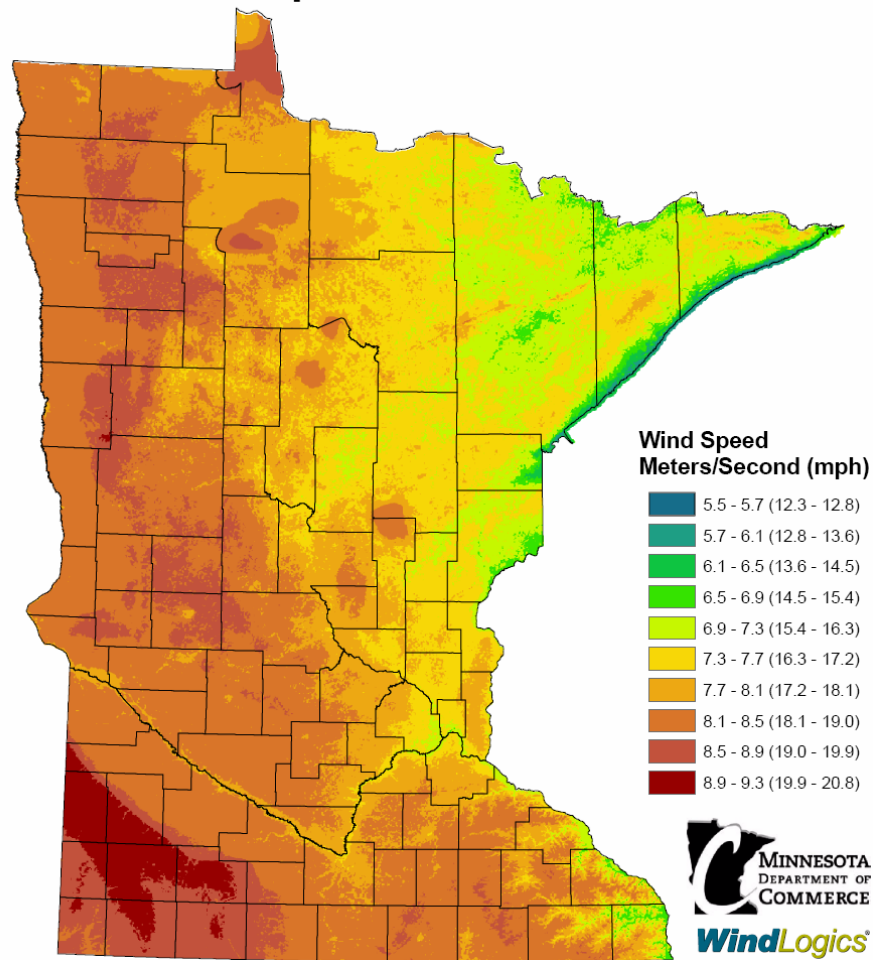
Real Estate Due Diligence

- Environmental
 - Identify contamination
 - Wetlands and water bodies
 - Geotechnical considerations

Wind Resource Assessment

- Seek expert advice
- Existing wind data can be used to locate general area
- Site specific measurements are necessary to confirm existing data and determine turbine locations
 - Meteorological towers with anemometers measure wind speed and direction
- Anticipate time required to gather sufficient data

Minnesota's Wind Resource by Wind Speed at 100 Meters



This map has been prepared under contract by WindLogics for the Department of Commerce using the best available weather data sources and the latest physics-based weather modeling technology and statistical techniques. The data that were used to develop the map have been statistically adjusted to accurately represent long-term (40 year) wind speeds over the state, thereby incorporating important decadal weather trends and cycles. Data has been averaged over a cell area 500 meters square, and within any one cell there could be features that increase or decrease the values shown on this map. This map shows the general variation of Minnesota's wind resource and should not be used to determine the performance of specific projects.

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Site Control Documents

- Wind Option
- Lease
- Easement Agreement
- Fee title

Land Lease and Easement Agreement

Selected key terms:

- Rights granted to Developer
 - Lease of property to construct and operate wind turbines
 - Wind easement (free flow of wind)
 - Access easements
 - Other rights (turbine blade overhang easements, exclusive right to use for wind energy, etc.)
- Land subject to Agreement
- Length of Agreement
- Compensation
- State specific requirements

Note: See materials in conference binder for a more in-depth review of the terms of a Land Lease and Easement Agreement

Land Lease and Easement Agreement

Terms of particular concern to a property owner:

- Compensation
- Length of agreement
- Rights reserved to owner (i.e. farming, hunting, etc.)
- Crop loss / compaction payments
- Mechanics liens
- Topsoil replacement
- Insurance and indemnification
- Security for removal of wind turbines

Land Lease and Easement Agreement

Terms of particular concern to project developer:

- Compensation
- Right and flexibility to operate the wind farm
- Right to assign developer's rights
- Right to terminate at developer's option
- Confidentiality clause
- Financing / SNDAs

Land Lease and Easement Agreement

What is Market-Rate Compensation?

- Confidentiality clauses limit the market-rate payment information available
- Windustry Wind Energy Easements and Leases: Compensation Packages (September 2005), available at:
<http://www.windustry.com/sites/windustry.org/files/LandECompPackages.pdf>
- Speak with industry professionals (attorneys, consultants, etc.) about current trends

State-Specific Considerations

- State real estate statutes and regulations may impose limitations
- Trend toward wind energy-specific laws and regulations:
 - Term of wind lease/easement (i.e. SD – 50 years)
 - Length of development period (i.e. SD and ND – 5 years, MN – 7 years)
 - Contents of wind lease/easement (i.e. a description of the vertical and horizontal angles)
- Current state laws should be reviewed

For More Wind Farm Siting Information

- Windustry Community Wind Toolkit, available at:
<http://www.windustry.com>
- Minnesota Department of Commerce Wind Energy Info Center, available at:
www.commerce.state.mn.us/
- Call us!
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