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## Agenda



- Geronimo
  - Company Background
  - Completed Projects
  - Team
- Top Down View of the Wind Industry
  - Supply vs. Demand for Wind Projects
  - Forces in Industry
- Community Wind
  - Definition
  - How we Approach it
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## Company Background



Geronimo is a Minnesota based wind energy developer headquartered in Minneapolis and focusing on projects in Minnesota and the Dakotas

- Geronimo has a rural orientation and roots in the Southwest Minnesota agricultural community
- Entered the wind energy business in 2004
- Geronimo has successfully fully developed and built two projects in Minnesota totaling 39 Megawatts (MW)
- Firm has 12 employees and is growing rapidly
- Focused on mid sized projects in areas with good transmission potential

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## Completed Projects



### Marshall Wind Farm

- Located in Marshall, MN
- Stage : Operating
- Project Size : 18.7 MW (18,700 kW)
- Turbines : 9 Suzlon S88 (2.1 MW) turbines
- Financial Partner : John Deere Wind Energy
- Utility Partner : Missouri River Energy Services
- CBED Certified



### Odin Wind Farm

- Located near Odin, MN
- Stage : Operating
- Project Size : 20 MW (20,000 kW)
- Turbines : 10 Suzlon S88 (2.1 MW) turbines
- Financial Partner : Edison Mission Group
- Utility Partner : Missouri River Energy Services
- CBED Certified



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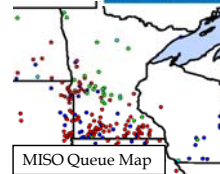
## Geronimo Wind Energy Team



- Noel Rahn, *Chairman*
- Blake Nixon, *President*
- Charlie Daum, *Director of Development*
- Steve Mikel, *Director of Operations*
- Matt Bertolatus, *Director of Finance*
- Matt Mudra, *Director of Marketing*
- Patrick Smith, *GIS Specialist*
- Kyle Simmons, *Development Associate, Southern MN*
- Scott Briffett, *Development Associate, Southwest MN*
- Justin Pickar, *Development Associate, Central MN and ND*
- Heather Droel, *Office Manager*
- Mark Thomson, *Intern*

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## Top Down View of MN Wind Market Supply vs. Demand



- Supply of Potential Wind Energy
  - ~25,000 MW of MN projects in MISO queue
  - ~2,500 MW of projects of less than 50 MW  
*(Rough estimate of CBED project pipeline)*
- Demand for Wind Energy
  - Minnesota State RPS: ~8,000 MW of demand by 2025\*
    - Already 1,752 megawatts in place
    - Remaining 6,000+ MW of demand to meet the RPS
  - CBED Goals
    - 800 MW goal by 2010 set out by Governor Pawlenty, but no mandate to purchase CBED generated power
      - 120MW done to date
      - Another 680 MW to do to meet Governor's goal
    - Efforts underway at legislature to mandate some purchases of CBED project power by MN utilities

*\*Assumes current RPS based on % of retail sales in MN growing at 1.5% per year*

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## Top Down View of MN Wind Market

### *Forces in the Industry*



- Utility Preferences
  - Desire for Ownership
  - Prefer to own to earn a return on their investment
  - Prefer larger deals with economies of scale
- Transmission Bottlenecks
  - Of the ~216 projects in the MISO queue, only 28 were in the Definitive Planning Phase (the “fast track”) at MISO
    - In Western MISO (IA, MN, ND, SD), only 2% of the queue was fast tracked
    - The remainder of the projects are subject to long delays for transmission planning and upgrades

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## Community Wind



- What is Community Wind?
  - When a significant portion of a wind project’s ownership and its benefits are kept within its community
- How to Develop Community Wind?
  - Need to do certain things, but can be done in many different ways
    - Secure site control
    - Enter transmission queue studies
    - Gather wind data
    - Secure power purchase agreement with a utility
    - Get a site permit to construct the project
    - Arrange financing for the project
  - The biggest questions are
    - Who does the work?
    - Who takes what risks and when?

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## Community Wind *Geronimo's Model*



- Site Selection
  - Near term transmission opportunities
  - Adequate wind resource
  - Sites suitable for constructing a wind farm
- Build partnership with land owners
  - Secure footprint adequate to build the wind farm
  - No risk to the land owners
- Reduce Risk
  - Get clarity on transmission situation
  - Potentially even sign a Power Purchase Agreement (PPA)
- Bring in local investors once risk has been reduced

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## How We Finance Projects



- Phase 1: Development Capital
  - Geronimo
  - Local Owners
- Phase 2: Construction Financing and Permanent Financing
  - Option 1: Strategic Investors (<10% of projects)
    - All equity financing
    - Strategic Investor that needs all aspects
  - Option 2: Capital Markets (90%+ of projects)
    - Construction Loan
    - Permanent Financing
      - Tax Equity
      - Debt
      - Cash Equity

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Contact



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