



**EXPRESSION OF INTEREST
WIND DEVELOPMENT IN MANITOBA**

EOI 022798

IMPORTANT

THIS EXPRESSION OF INTEREST IS THE EXCLUSIVE PROPERTY OF THE PROVINCE OF MANITOBA AND MANITOBA HYDRO AND ALL RIGHTS ARE RESERVED. ANY RELEASE, REPRODUCTION OR OTHER USE THEREOF, WITHOUT THE EXPRESS WRITTEN CONSENT OF THE PROVINCE OF MANITOBA AND MANITOBA HYDRO IS STRICTLY PROHIBITED.

Expression of Interest for Wind Development in Manitoba

1. Introduction

1.1 Purpose of the Document

This document is an Invitation for Expressions of Interest (“Invitation”), prepared by the Province of Manitoba as represented by the Department of Energy, Science and Technology (the “Province”) and Manitoba Hydro. The purpose of this Invitation is to seek expressions of interest from Respondents that have potential wind power projects greater than 10 MW that they are willing to develop in the Province of Manitoba. Responses to this Invitation will help the Province and Manitoba Hydro to prepare the second step of a process for securing wind generated energy in Manitoba, details of which are expected to be released in the spring of 2006.

1.2 Background

In October 2004, the Government of Manitoba announced its intentions to develop up to 1000 MW of wind within approximately the next decade. In the October 2005 Speech from the Throne, the Government of Manitoba confirmed its commitment to 1000 MW of wind.

Manitoba’s first wind farm, a 99 MW project, is currently being built in the community of St. Leon in the southwest region of Manitoba. The Province and Manitoba Hydro are aware that there are potential developers interested in developing more of Manitoba’s wind resources through new wind projects that will provide additional clean energy to complement Manitoba’s existing renewable hydroelectric resources.

In addition to the generation of low cost, clean, renewable energy, the Province intends to maximize economic benefits to Manitoba in the development of wind projects. Manitoba wind projects are expected to have substantial local ownership, provide a high degree of Manitoba content and offer significant community economic development benefits for Manitobans.

Many of the main business attributes needed in the manufacturing of wind turbines, blades and towers are already found in Manitoba. The business fundamentals for establishing wind industry related manufacturing are sound, and the attraction of such manufacturing will be an important consideration in the development of wind in Manitoba. The Province and Manitoba Hydro anticipate that manufacturing activities based on those business fundamentals would contribute to the economics of wind projects being developed in Manitoba.

Community support is essential for the success of wind projects in Manitoba. Community support not only comes from being informed, but by having opportunities for participation in projects, including some form of equity position. Respondents could include local landowners and/or communities; Manitoba investors or citizens; and potential public sector owners. It is expected that each project ownership structure will be unique as every project is different and partner’s needs and abilities vary.

Manitoba Hydro plans to enter into power purchase agreements to purchase the output of wind powered electrical generation facilities in Manitoba built over a period of approximately 10 years subject to the financial, economic and technical feasibility of the projects.

Manitoba Hydro has been collecting wind information and obtaining certain land rights over the last several years. Manitoba Hydro is considering options on how this information and these land rights would be best utilized. Respondents may wish to provide suggestions with respect to such future options in their expression of interest.

2.0 Requirements of Expressions of Interest

Respondents should provide full, complete and correct information in response to clauses 2.1 to 2.15 below in the Respondent's Expression of Interest. Respondents should complete all sections of the Expression of Interest Form attached as Appendix 1. Respondents should also provide supporting documentation and information that will help describe the proposed wind project(s) and qualifications of the Respondent. Respondents may submit information for individual or multiple wind projects of various sizes up to 1000 MW.

2.1 Site and Location Control

Documentation of site control, access road and any easements needed to construct, interconnect and operate a wind project should be provided. Examples of such documentation include copies of letters of intent, property title(s) or purchase agreements, and lease or lease option agreements with landholders and should demonstrate control over the project site.

If the project(s) has not reached a point of "site control" Respondents should describe plans for doing so including a timeframe for specific actions and a description of direct past experience in successfully executing similar activities.

2.2 Access to Wind Data

Sufficient wind data for the project area should be provided, capable of meeting the standards required for financing. If sufficient wind data has not been collected or acquired Respondents should identify plans for doing so, including a timeframe for specific actions and a description of direct past experience in successfully executing similar activities.

2.3 Permitting

Reasonable expectation of obtaining necessary permits, approvals, licenses and registrations to be able to construct, connect and operate the wind projects should be demonstrated. If permitting activities have not commenced, Respondents should describe plans for doing so including a timeframe for specific actions and a description of direct past experience in successfully executing similar activities.

2.4 Interconnection

Reasonable expectation of having an interconnection facilities study completed to determine the transmission facilities and upgrades necessary to connect the wind project(s), should be demonstrated. If interconnection activities have not commenced, Respondents should describe a schedule for doing so and provide a description of direct past experience in successfully executing similar activities.

2.5 Ability to Finance

Demonstrated financial capability of the project developers/owners/operators to develop and operate the wind project should be provided. If funding is not in place, Respondents should provide reasonable evidence of raising necessary funds, including a timeframe for specific actions and a description of direct past experience in doing so for large, capital intensive projects (preferably power generation projects).

2.6 Operating Capabilities

Demonstration of sufficient experience in successfully planning, developing, constructing, operating and maintaining wind power generation facilities should be provided. If direct experience is not available, Respondents should identify plans for ensuring an appropriately experienced project team is in place.

2.7 Manitoba Content

The highest level of content for the development, construction, operation, maintenance and management of the wind project is desirable. Estimated levels of Manitoba content and/or plans for achieving content should be provided along with the method of calculation. Any plans for creating training programs and long term employment related to the construction, operation and maintenance of wind projects are also desirable.

2.8 Community Investment/Ownership Opportunities

Opportunities for local Manitoba investment/ownership positions in wind projects, such as limited partnerships, cooperatives, etc. should be described. Manitoba participants could include local landowners and/or communities; investors or citizens; and potential public sector owners. Recognizing that projects and investor abilities vary, no specific level of community investment/ownership has been identified, and therefore interested parties should describe intentions for their specific project(s).

2.9 Manufacturing/Job Creation

Sustainable manufacturing activities related to wind turbines are desired in Manitoba and any such plans or discussions for these activities should be provided. Information on other types of industrial offsets can be included, however wind turbine related manufacturing is of greatest interest to the Province and Manitoba Hydro.

2.10 Project(s) Location

A map of the project(s) location(s), including range and townships and the size of the project(s) area in acres or hectares should be provided.

If applicable, information relevant to the dispersion of wind projects, such as distance between sites or measured differences between wind regimes.

2.11 Wind Resource

The average wind speed, preferably at 60, 80 and 100 meters, expressed in meters/second and expected capacity factor outputs. Supporting information should include number of anemometers erected, number of months of data collected, etc.

2.12 Project(s) Capacity and Energy Production

The maximum capacity of the project(s), expressed in MW, and the number of turbines and individual nameplate capacity, expressed in MW, should be provided.

The estimated annual energy production, expressed in MWh, representing the annual average output capability of each of the wind project(s).

2.13 Estimated Price Range

The estimated - price range required to finance the wind project(s), expressed in 2005 \$'s/MWh should be provided (note: interconnection costs are borne by the developer). This price range is not binding on the Respondent.

2.14 Timing/Sequence of Development

The Respondent should provide a schedule outlining when they would be prepared to commence construction and deliver power. The amount and timing of development should be clearly specified.

2.15 Community Wind Project Support

It is expected that an additional 50 MW will also be set aside to support the development of smaller community-based wind projects. Community wind projects (approximately 10 MW's or less) are of interest to the Province and Manitoba Hydro to spread out the benefits of economic development to a greater number of municipalities and First Nations.

The Province and Manitoba Hydro are seeking ideas and proposals from Respondents willing to work with communities and that would facilitate the roll-out of community

wind, including but not limited to joint financing options, approvals and development assistance, bulk turbine purchases, and engineering support. Any such interest should be included in the Respondent's expression of interest.

The additional 50MW for community based projects would occur under a separate process, the details of which will be released in the near future.

3.0 Respondent Instructions and Conditions

3.1 Inquiries

All questions concerning this Invitation must be directed in writing prior to the Response Deadline to:

Mr. Jim Crone
Director, Energy Economic Development
Energy Development Initiative
Manitoba Energy, Science and Technology
1200-155 Carlton Street
Winnipeg, Manitoba
R3C 3H8 Canada
Email – jcrone@gov.mb.ca
Fax – (204) 943-0031

Respondents agree not to rely upon any written or verbal statements or representations of any other representative of the Province or Manitoba Hydro other than written responses from Mr. Jim Crone who has sole responsibility for all inquiries under this Invitation.

3.2 Response Instructions

Respondents interested in pursuing development of wind resources in Manitoba are invited to express their interest in writing by submitting two hard copies of the Expression of Interest Form attached as Appendix 1 on or before January 20, 2006 ("Response Deadline") to:

Mr. Greg Sylvestre
Manager, Purchasing Department
Manitoba Hydro
P.O. Box 1287
Winnipeg, Manitoba
R3C 2Z1, Canada

If the expression of interest is to be delivered by hand, it should be brought to the Security Officer, 1st Floor, 820 Taylor Avenue, Winnipeg, Manitoba, R3M 3T1, Canada;

Respondents are asked to submit the two hard copies of the Expression of Interest Form, and any supporting documentation or information, in two separate packages or envelopes clearly labeled as follows:

EXPRESSION OF INTEREST FOR: Wind Development in Manitoba
PARTY'S NAME: _____
PARTY'S ADDRESS: _____

Responses submitted by facsimile transmission (fax) or electronic mail (e-mail) will not be considered.

Any Response received after the Response Deadline may not be reviewed.

3.3 No Obligation and Right of Rejection

This Invitation is not a legal offer but only an invitation to provide information. Nothing in this Invitation creates a legal obligation on the part of the Province or Manitoba Hydro.

The Province may amend or modify and/or defer or discontinue this Invitation at its discretion. Respondents that have submitted an Expression of Interest will be notified in writing of the Province's actions in this regard.

3.4 Cost

Any and all expenses incurred by Respondents in the preparation, presentation and submission of an Expression of Interest shall be borne entirely by the Respondent. Neither the Province nor Manitoba Hydro shall, in any circumstances, be responsible or provide compensation for the preparation of an Expression of Interest or for the information contained in the Expression of Interest or other documents submitted to the Province and Manitoba Hydro in response to the Invitation.

3.5 Confidentiality

Any and all Expressions of Interest will become the property of the Province and Manitoba Hydro and will not be returned to Respondents. The Province and Manitoba Hydro will take reasonable precautions and use reasonable efforts to protect any confidential information specifically defined as such in the Respondent's Expression of Interest subject to such disclosure that may be required by law including *The Freedom of Information and Protection of Privacy Act* or as otherwise set out herein.

The Province of Manitoba and Manitoba Hydro EOI 022798

The Province and Manitoba Hydro may disclose Expressions of Interest to their respective officers, employees and consultants.

Respondents understand and agree by submitting an Expression of Interest that the Province and Manitoba Hydro and their respective officers, employees and consultants shall not be liable for any damages resulting from any disclosure of an Expression of Interest or any information contained therein including the disclosure of confidential information.

Appendix # 1

EXPRESSION OF INTEREST FORM

Interested Party

Company Name: _____

Address:

Street: _____

City: _____

Province/State: _____

Country: _____

Postal/Zip Code: _____

Contact Person

Name & Title: _____

Company Name: _____

Address:

Street: _____

City: _____

Province/State: _____

Country: _____

Postal/Zip Code: _____

Telephone: _____

Fax: _____

Email: _____

Site and Location Control:

Access to Wind Data:

Permitting:

Interconnection:

Ability to Finance:

Operating Capabilities:

Manitoba Content:

Community Investment/Ownership Opportunities:

Manufacturing/Job Creation:

Project(s) Location:

Wind Resource:

Project(s) Capacity/Energy Production:

Expected Price Range:

Timing/Sequence of Development:

Community Wind Project Support:

General Comments and Suggestions: