

Dan Mazier
General Delivery
Justice, Manitoba
R0K 1C0

February 15, 2006

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

Dear Mr. Sylvestre,

Please find attached two copies of the completed Expression of Interest Form from the November 2005 Invitation for Expression of Interest for Wind Development in Manitoba EOI 022798 as per the response instructions described in section 3.2: "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".

We look forward to hearing from you.

Sincerely,

Dan Mazier

Attachments: Expression of Interest Form
GREEN Cooperative Offering Document

EXPRESSION OF INTEREST FORM

Interested Party

Company Name: <See "Contact Person" section below>
Address:
Street:
City:
Province/State:
Country:
Postal/Zip code:

Contact Person

Name & Title: Dan Mazier, Citizen
Company Name: <Represents a group of landowners>
Address:
Street: General Delivery
City: Justice
Province/State: Manitoba
Country: Canada
Postal/Zip code: R0K 1C0
Telephone: 204-763-4646
Fax: 204-763-4092
Email: danmazier@inetlink.ca

About us: Dan Mazier, who had been thinking about a community-based wind project in Elton, MB for more than a year requested assistance from the Manitoba Sustainable Energy Association (ManSEA). Laurence LaFond, volunteer webmaster for both ManSEA and C-BED (Community-Based Energy Development), and Carl Cunningham, also a ManSEA member, met with Dan. The three of us researched options and interviewed two community-oriented wind developers (John Ihle, a Minnesota C-BED developer, and Robert van Eyk, co-founder of GREEN Co-operative in Ontario). We then compiled additional information we had available to us and drafted this response. We presented a near-final version of this response to 15 farmers in the Elton area, and met with a representative of another community-based group we had heard about in the Letellier area for further input. This completed submission represents our grassroots efforts in this regard.

ManSEA supports the efforts described in this document and has agreed to create a link to this initiative from the ManSEA web site, <http://www.ManSEA.org>. The linked web site will describe updated information, such as documentation of additional community support for our approach, refinements of our approach as we learn more, and overall progress of community-based energy development in Manitoba from a grassroots perspective.

Endorsements from Landowners in Elton, MB:

Dave Mazier	Doug Green	John Miller
Allan Meadows	Ches Bollman	L & L Brackenreed
M& K Birmingham	C.B. Davis	Art Penner
Jim Miller	Barry Nevin	Paul Penner
Jim Green	Municipality of Elton	

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 landowners 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.

We have secured site control access by gathering the permission of all owners of the affected properties. Copies of the appropriate letters from the respective landowners are available upon request.

We expect to gain appropriate commitments from additional landowners as the project progresses. Our Project Developer will assist in the technical determination of additional sites beyond the initial site(s) (or possibly instead of the initial site(s), depending on the circumstances most beneficial to the cooperative).

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.

We intend to evaluate site-specific wind data through a professional analysis performed by a reputable company such as Windlogics (<http://www.windlogics.com>). We expect the analysis to be complete by October 1, 2006. We expect that analysis to be followed up with deployment of a meteorological station at the site for a time period of approximately one year, to November 1, 2007.

Due to the constraints of being able to raise community capital quickly (described elsewhere in this submission), our Project Developer will be hired at a later date. We are committed to hiring a Project Developer who will be knowledgeable and experienced. Our Project Developer will have had appropriate previous experience in successfully executing similar activities.

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.

We intend to acquire all permits in a timely fashion. The following permits have been identified:

- A building permit from the Rural Municipality;
- An Environmental Assessment approved by Environment Canada;
- An Environmental Assessment or an exemption from the environmental assessment requirements by the Manitoba Ministry of the Environment;

- Aircraft obstruction clearance approvals from Transport Canada and Nav Canada; and
- Approval by the Electrical Safety Authority upon interconnection of the wind turbines to the local electricity distribution system.

Our Project Developer will ensure that all necessary permits have been obtained as part of the project.

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.

An appropriate interconnection study necessary to connect to the nearby 115kV/230kV line will be made as part of the project. We understand that construction of a substation as part of this project is likely required. There appears to be an opportunity to connect a small pilot project (7.5 MW or less) to an existing substation. The value of this approach will be considered as part of the early stages of the first proposed project.

We will ensure that our Project Developer has had appropriate previous experience in successfully addressing an interconnection facilities study. We expect the interconnection study to be completed by the end of the first quarter 2007.

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).

We intend to form a cooperative model similar to the GREEN Cooperative being deployed in Ontario (see <http://www.greencoop.ca>). In this cooperative model, the cooperative holds the assets of the wind farm and is structured with a Board of Directors and investors, and allows direct community participation.

The Board of Directors will raise sufficient seed money (\$300,000) to launch the formation of the cooperative (\$300,000 is the amount the GREEN Coop estimated was required in year 1 to form a similar cooperative in Ontario). This money will be raised through a grant request or through the sale of preferred shares in the cooperative, similar to the model used by the GREEN Cooperative. During the first year of the project, a determination will be made as to the location and schedule for deployment of the cooperative’s first project, expected to be in the rural municipality of Elton. Our membership campaign will determine the size of the projects going forward. If we are able to raise significant investment dollars through the cooperative, and we are able to negotiate favourably with Manitoba Hydro, then additional cooperative projects of significant size could come on-line quite quickly.

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.

We intend to contract with appropriate wind development professionals who have experience in successfully planning, constructing, operating and maintaining wind power generation facilities. Our Project Developer, who will be equally experienced, will assist us in choosing appropriate resources.

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.

Wherever reasonable, Manitoba equipment and personnel will be utilized in preference to out-of-province resources. We seek to hire a local Project Developer. Local contractors will be employed for the construction of the project (including foundations, laying of the underground cables, construction of the towers, and construction of the substation). Operations of the project will be managed locally, and maintenance supplies and materials will be purchased from Manitoba manufacturers where possible.

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).

Our project leverages the cooperative model.

The cooperative model allows any Manitoba resident who signs a membership agreement and pays the membership fee to participate directly in the project. Membership fees will be set low (for example, \$10) and preference shares for investment will be modest (likely \$500). A maximum allowed investment will be set to encourage broad participation (likely \$50,000). The membership share is for voting rights and the preference share is for investment purposes. Energy production is expected to start in 2008. The return on investment is expected to be attractive (10% after the tax shelter benefits).

Landowners on whose land the wind turbines are sited will receive a lease payment.

Communities in which the turbines reside will receive a stipend based partly on the amount of electricity generated. This stipend will be received under the control of the rural municipality's council to spend in any fashion the individual council sees fit.

The equity partner will be a Manitoba entity to the extent possible.

The debt partner will be a local bank or credit union.

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.

The cooperative model for energy production will improve the market for Manitoba-made components, including the manufacture of turbines, towers, and blades. There is precedent for community-based energy development to directly increase manufacturing to jurisdictions with community-based energy development initiatives. For example, when the Minnesota legislature passed an energy bill in May 2005 favourable to community-based energy development, a major wind turbine manufacturer, Suzlon, agreed to build a blade manufacturing plant in the rural town of Pipestone, Minnesota, bringing 200 full-time manufacturing jobs to the area. Suzlon explicitly stated that the community-based energy development initiative was crucial to their commitment to building the facility.

We expect the cooperative model in our proposal to improve Manitoba manufacturing by helping to smooth the boom-bust cycle of an external party implementing a major project. For instance, deployment of individual towers and turbines can be paced so that work crew activities can be scheduled to the greatest local economic advantage.

The increased transparency of the cooperative model will clearly show manufacturers how good or bad the short-term and long-term outlook is for wind projects in Manitoba. This will have the affect of reducing uncertainty for manufacturers and workers, as they will know about changes in the market with enough time to react appropriately.

Direct job creation is estimated to be a minimum of one full time position for each 10 MW of capacity for maintenance purposes, and possibly as many as one additional position for each 10 MW of capacity to manage the project, depending on the efficiencies that can be built into the long-term management of the cooperative.

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.

The project is located in the Rural Municipality of Elton, with its centre at Forrest, approximately 6 miles North of Brandon. There is landowner support along a major transmission line (Brandon/Neepawa, 230/115 kV) of approximately 6000 acres. More information about the specific site layout will be made available once the Project

Developer is selected and has had a chance to analyze the specific available property more thoroughly.

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.

Detailed wind resource information will be developed as part of the project.

Project(s) Capacity/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).

The project will start with a capacity of 10 MW, and is expected to climb at a rate of 10 MW per year for a total of 50 MW over the first 5 years.

The average annual energy production is expected to be in the range of 3,000MWh/year for each MW of installed capacity.

Expected 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.

The estimated price range required to finance the wind project is \$65.00/MWh to \$85.00/MWh. We seek the use of net present value and front-loading to smooth the cash flow of the project as per the C-BED Calculator shown at <http://www.c-bed.org>.

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.

The sequence of development will be as follows:

1. We will seek support of the project by Manitoba Hydro through this EOI process. We seek to work in partnership with Manitoba Hydro to most effectively deploy a cooperative model compatible with the common interests of Manitoba Hydro and the citizens of the province.
2. We will seek support of the project by the Province in order to identify and overcome barriers. These barriers may include legal concerns (e.g. ensuring necessary certificates to go public for investment purposes), financial concerns

- (e.g. ensuring tax-advantaged status of the project), political concerns (e.g. ensuring equitable distribution of projects across Manitoba) and technical concerns (e.g. ensuring specific interconnection issues are resolved in a timely fashion).
3. We will establish an initial Board of Directors.
 4. The Board of Directors will raise \$300,000 in seed money to launch this project. Those initial dollars will be used to (a) develop a request for proposal (RFP) to solicit an appropriate Project Developer and enter into a contract with that Project Developer; and (b) cover year 1 costs required to launch the cooperative. Specific year 1 costs totaling the \$300,000 are: development of the RFP for Project Developer (\$5,000), development of the land option agreement (\$65,000), development of the business structure (\$70,000), development of the technical feasibility study including wind measurement (\$70,000), land lease payments (\$1,800), legal and accounting fees (\$40,000), coop director fees (\$6,000), coop staff and operating expenses (\$10,000), project management (\$20,000), and working capital and contingency (\$7,200). \$300,000 is the amount GREEN Coop required in year 1 to form a similar coop in Ontario, described at <http://www.greencoop.ca>.
 5. The Project Developer and other contractors as defined by the Board of Directors will determine the scope of the cooperative's activities over the first 5 years of operation. This will include specifying the location, size and deployment schedule of specific projects initiated by the cooperative.

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 MWs 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.

We are a group of Manitoba residents who have come together in support of community-based energy development.

Our guiding principles are concern for the environment and support of the economic health of Manitoba's rural and urban communities.

Our mission is to promote the use and production of renewable, sustainable, and environmentally friendly energy sources within Manitoba in a manner that maximizes economic benefit to the citizens of Manitoba.

We seek to establish a cooperative model for wind energy development that disperses the economic benefits of wind energy to the communities in which the wind energy is generated, and ensures that the average person on the street has the opportunity to directly and significantly participate in the benefits of wind energy development in the province. Our cooperative will be created with share capital established to provide an

opportunity for its members to participate in community-based alternative energy projects. Members of the cooperative will have an opportunity to purchase preferred shares (“flow through shares”) in the project, thereby receiving patronage dividend distributions while contributing to the generation of green renewable electric power generation in Manitoba. Membership in the cooperative will also contribute to awareness raising, events and publication of information to members and the public at large about the benefits of renewable energy.

As a public service, we propose to document our experience on a web site. Some of the participants in this project are members of the Manitoba Sustainable Energy Association (ManSEA, which can be found at <http://www.mansea.org>). The ManSEA Executive Committee recognizes that the cooperative model may be viable for Manitoba and wants to use the experience of this cooperative development effort to identify policy development needs that will maximize the ability of Manitoba investors and cooperative ventures to succeed in this sector.

General Comments and Suggestions:

The Province, through the EOI, has expressed a strong commitment to ensuring economic development in the delivery of wind energy in the province:

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. (p. 2)

We applaud the commitment of the Province to leverage the growth in renewable energy development to benefit Manitobans as directly as possible. The Province and Manitoba Hydro clearly understand that local economic benefits can and must be leveraged through the unique characteristics of wind energy production. The EOI goes on to describe specific expectations with respect to local ownership and community economic development:

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. (p.2)

We wish to point out several very important imperatives that must be addressed if the Province is to succeed in its explicitly stated desires above:

- 1. Give special consideration to community capital.** There is a significant difference between community capital and conventional capital. Specifically, it takes a much longer time period to secure capital from community sources than it does to secure capital from conventional sources. Conventional capital is formed when a small group of key people who have access to concentrated wealth meet and make a decision. Thus large amounts of capital can be made available very quickly, sometimes in a single meeting. Community capital, on the other hand, is inherently disparate and distributed, and thus requires much time to gather and manage. If the objective is to create greater community economic development, as is explicitly stated in the Expression of Interest, then raising more of the “slower-to-acquire-but-greater-

overall-benefit” community capital is important. The following are some suggestions for how to encourage the timely flow of community capital so that it can compete with conventional capital:

- Support and encourage establishment of an appropriate cooperative model. Our project is just such a model, presented to the Province and Manitoba Hydro through a grassroots organizing effort. Our cooperative model facilitates participation in community wind energy projects by providing a structured venue for the formation of community capital. Our cooperative should be separate from and independent of both Manitoba Hydro and the Province. In other words, we seek to avoid a controlling interest by either Manitoba Hydro or the Province, and we seek no special status compared to other potential cooperatives that could form in the province at a later date. No action should be taken that could preclude the development of an alternative, additional or competing cooperative, and all benefits afforded to our initial cooperative should be made available to all subsequently formed cooperatives. In that way, we become a pilot project for the cooperative model committed to leveraging the benefits of large wind installations. We would welcome the opportunity to become a province-wide cooperative but we have no expectation of becoming such an entity. On the other hand, we believe that a single cooperative should be allowed to build multiple individual projects—hundreds of megawatts over time—without being challenged based on size alone. Support for the establishment of our cooperative can come in the following ways:
 - Provide legal assistance. Ensure that the cooperative can legally exist in a form that meets the goals of the Province’s community-based energy program. Also, ensure that the cooperative can pass through tax benefits and is able to acquire appropriate certificates to go public with the preferred share offering, using other cooperatives as models. If changes to provincial law are required, assign appropriate provincial resources to act as a trusted advocate for the cooperative’s needs in this formative stage.
 - Provide financial assistance. Cover the cost of gathering information about other successful (and unsuccessful) cooperative models and apply that information to the formation of our pilot cooperative model. We would welcome the expertise of trusted persons in the field of community-based energy development and we seek the Province’s and/or Manitoba Hydro’s financial assistance to sponsor appropriate information gathering workshops and/or other mechanisms to “do it right”. We expect to seek assistance from the following organizations: GREEN Coop (<http://www.greencoop.ca>), the Manitoba Sustainable Energy Association (<http://www.mansea.org>), the Ontario Sustainable Energy Association (<http://www.ontario-sea.org>) and C-BED (<http://www.c-bed.org>). There are likely other organizations that could assist in the development of a cooperative model, and we would welcome additional input from other sources as we go forward. We believe that such funding should be limited to organizational assistance, and should not be used to cover the management costs of implementing any specific development work (i.e. subsidizing specific

wind tower or organizational development exclusive to a single project). We will move forward with or without financial assistance, but will do so at a much slower pace without external financial support.

- Create and fund an Ombudsperson position in the Provincial government whose role is to ensure that community energy projects have the necessary technical, legal, political, and financial resources to succeed. The Ombudsperson would represent the community perspective in discussions with the Province and with Manitoba Hydro, and would provide outreach to prospective community groups seeking to participate in energy development projects in the province. The Ombudsperson should have the access to relatively high levels of government.
- Encourage Manitoba Hydro to become the equity partner in community-based energy development projects. Community groups would be required to obtain some percentage (for example, 20%) of funding from local banks and/or credit unions in order to ensure financial integrity and transparency of the project (and to further encourage local investment in rural communities). Manitoba Hydro, as the equity partner, would receive a fair rate of return on its investment, and would ensure that the project implements appropriate preventive maintenance activities to assure long-term viability of the energy source.
- Develop a standard offer contract (SOC) that is based on an established net present value (NPV) rate with front-loading as described on the C-BED web site (<http://www.c-bed.org>). This mechanism preserves the known value of a 20 year power purchase agreement for Manitoba Hydro while assisting the community-based project owners with appropriate cash flow during the first ten years when debt costs are higher. The front-loading has the added advantage of providing Manitoba Hydro with declining cost electricity over the life of the contract (for example, at a discount rate of 8%, a 20-year price of \$64.70/kWh can be converted to \$86.50 for the first 10 years, falling to \$17.64 for the last 10 years, as described by the C-BED Calculator on the C-BED web site, thus allowing an otherwise cash flow constrained project to proceed). This front-loading model is being successfully implemented in Minnesota.

2. **Encourage “economic democracy”.** The profit motive is a powerful force for efficient delivery of service in a competitive marketplace, and should be preserved where possible. At the same time, there are emerging concerns that the wind energy market in Manitoba that has begun to feed on a culture of speculation, proprietary activities and secrecy which, if left unchecked, could become counter to democratic principles. A strong focus on community projects can mitigate the negative aspects of an unregulated market. Policies that explicitly encourage a high degree of transparency and accountability should be encouraged (not just for community-based projects, but throughout the wind industry in Manitoba). Some suggestions for how to encourage the principles of economic democracy include the following:

- Complete a study of the long-term (40 years or more—which is the length of landowner leases being signed) economic and other benefits of community-

based wind energy projects compared to conventional wind energy projects as described in this document. We believe that such a study will demonstrate significant overall long-term advantage to community-based energy development. Manitoba has a golden opportunity not available in most other jurisdictions as a result of the unique nature of the relationship between the Province and Manitoba Hydro. We hereby request that the Province and Manitoba Hydro honour that opportunity and unique relationship by ensuring maximum accrual of long-term economic benefits to the people of Manitoba. If not managed properly, short-term pressure to act quickly in today's fast-moving wind energy market could jeopardize important long-term economic considerations.

- Assist us in developing and distributing a “landowner’s information kit”. We have found that because rural landowners are geographically isolated, there is a significant chance that we are not getting adequate information about the options available to us when we are asked to sign commitments for wind rights. A landowner’s information kit would provide information that will inform landowners about the options they have available to them, including a description of community models compared to conventional models of wind development. Information we hope to see includes expected lease rates; good and bad language in legal documents that landowners might be asked to sign; costs and benefits for different general scenarios (how much money would have to be put up and at what stages for a representative community-based project along with expected returns compared to a simple lease arrangement); an estimate of the time commitment to manage and complete a project initiated by landowners for community-based projects; a contact list or directory for professional development assistance, such as community-oriented project developers and other technical and engineering support resources; and a description of general expected costs and timeline for key elements of projects, such as interconnection studies, for which community groups may be challenged to adequately address. Without such knowledge, landowners will not be able to make informed decisions about how to manage their wind resource rights.
- Ensure a high degree of transparency by mandating that certain information is made public for all wind projects. We believe this could include the terms of the sale of electricity to Manitoba Hydro, interconnection costs, the ownership structure, and the land lease rates and known dollar benefits accruing to beneficiaries of projects. This action would encourage accountability by limiting secrecy and proprietary actions, and would encourage cooperation by ensuring the free flow of information.
- Encourage the use of community-based energy development models, not just for wind projects, but for other renewable energy sources such as biogas, biomass, biodiesel, solar and ethanol projects. This will encourage community-based energy development projects in a wide variety of geographic areas, including those that may not experience adequate wind regimes but may have other local economic development potential that is environmentally desirable.
- Encourage community income. For instance, the Province could explicitly state a desired amount of income dollars per MW of installed capacity to go to the rural municipality in which the capacity resides, to be spent as the RM

chooses—democratically. Stating this would encourage projects, whether conventional or community-based, to invest in the local communities. This gives the local community a say in how to spend a portion of the dollars derived from the resource that has been extracted from the local community.

- Provide objective technical assistance to communities at various points in the life cycle of a project, for instance when deciding between a cooperative model or conventional model, or in choosing other equipment and services, such as a Project Developer, wind turbines, cranes, etc. The purpose of this service would be to assist community groups in avoiding costly mistakes.
- Formally assist the networking of community groups, perhaps by publishing or making available upon request inquiries associated with energy development projects from all parties that approach the Province and/or Manitoba Hydro. The ability of the Elton group, for instance, to know that a group of farmers in Letellier is interested in a community-based wind project would enable both groups to aggregate and leverage each other's technical and legal knowledge.
- Leverage the buying power of the Province or Manitoba Hydro, perhaps simply as an equity partner as described elsewhere in this document, or to assist community-based projects in the negotiation of purchases of hardware, services and/or equipment.
- Schedule wind energy project implementations to maximize local benefits. For instance, the deployment speed of specific projects could be adjusted in order to match to the rate of speed that a group or groups of local contractors are able to work.
- Make commitments to assist in the purchase of Manitoba-based wind components, but in a manner that doesn't eliminate the profit motive and healthy competition that ensures market-driven quality.
- Develop public policy goals for geographic distribution of renewable energy dollars across the province. Because of the transparency of community-based models such as the cooperative model, the widespread use of community-based models can be leveraged to accomplish these goals. Some ways of doing this include the following:
 - Advertise an increased NPV rate (which translates to a higher rate per kWh) for specific desired geographic areas in order to encourage those communities to develop community-based projects that meet the geographic distribution goals.
 - Divert a portion of the income from projects in high wind regime areas to economically disadvantaged communities that also happen to be in poor wind resource areas. In this model, Manitoba Hydro could be directed to adjust the NPV rate for the high-wind area projects so that the high-wind area projects retain an equitable rate of return, but a portion of the income is redirected to economically disadvantaged communities. Specific projects could also be induced to “adopt” an economically disadvantaged community by receiving a slightly higher NPV rate for themselves in exchange for committing a portion of the financial benefits to the disadvantaged community.
 - Encourage the purchase of shares in community-based projects by people in economically disadvantaged regions. This could be done

through a variety of public policy mechanisms, including direct one-time subsidies to individuals for the purchase of cooperative shares. The net result will be the receipt to the economically disadvantaged community of long-term returns from the investment.

- Ensure that carbon credits accrue to the community. Carbon credits could represent significant value in the future, and public policy should take this potential value into account. Community-based projects can be structured to ensure that carbon credits accrue to the community that has invested in the renewable energy source. The Province should consider the disposition of carbon credits in the regulation of conventional models as well.
 - Encourage community ownership of all wind generation infrastructure at the end of negotiated wind power contracts. Because the capital cost of the infrastructure (towers, substations, underground cables, etc.) is paid for by Manitoba residents in the rate structure negotiated in the power purchase agreement (usually in the first 10 years), ratepayers, through local communities, could own that infrastructure at the end of the contract period. Within this model, the wind energy producers would be encouraged to negotiate a sales price that allows an acceptable profit for the duration of the contract with the assumption that the infrastructure belongs to the ratepayers and/or community at the end of the contract.
3. ***Allow community projects to be large.*** There is no reason that large projects can't be structured as community-based projects and, conversely, there is no reason that community-based projects can't be large. Since the stated objective is to maximize economic development throughout the province, expansion of the cooperative model, or other truly community-based models, maximizes the net benefits to the public and to the Province. In Manitoba, because of the topology of the land (very large, flat, open spaces), efficiently delivered wind energy development favours large implementations. In order to be able to compete, community-based projects must be allowed to leverage the economies of scale that large corporate projects enjoy.

Conclusion

Manitoba Hydro and the Province have a unique opportunity to partner with communities across Manitoba. Such a program would allow the utility and communities to be able to build an infrastructure that matches the utility requirements well, while at the same time allowing direct, equitable investment for every Manitoban. We feel that with such a program, a much larger portion of the 1000 MW being developed over the coming 10 years can and should be community-based. The result is a win-win situation for Manitoba Hydro, the Province, and Manitoba residents.