

Feasibility Study for a Hopi Utility-Scale Wind Project





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WIND ENERGY CAN BENEFIT HOPI TRIBE

New Economic Development

- Electricity export sales create new revenues for Nation (lease royalties and equity return on investment)
- Potentially fund rural electrification and smaller off-grid renewable applications
- Contracting work in development and construction phases
- New jobs

Environmental

- No air pollution or toxic emissions
- Virtually no water use
- Low land impact, no solid waste
- Compatible with existing grazing/ other land uses

Capacity Building

- New business models
- Develop tribal human resources: jobs, training, experience in high-tech renewable energy industry



Biological study work

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PROJECT HISTORY

- Hopi interest in diversifying economy and promoting economic development with clean, sustainable businesses
 - DOE TEP First Steps grant helped identify energy opportunities including utility-scale wind power project development
- Foresight Wind Energy was developing the Sunshine project near Hopi private lands and Hopi joined as one of 3 private land owners
 - 60MW project, 1/3 on Hopi private fee lands
 - Now fully permitted, most market-ready project in Arizona
 - Project initially planned for construction in 2005, now delayed by APS
 - More details at www.sunshinewind.com
 - Based on strong working relationship, Hopi and Foresight identified new project site Sunset Mountain, entirely on Hopi lands
 - Partnered with DOE support to explore the feasibility of a 100MW wind project on the Hopi mesa tops
 - Project feasibility work underway
 - Exploring possibilities on two mesas, but if project goes forward, would likely be one mesa





PROJECT AREA MAP

Delorme

Topo USA® 5.0



WEST SUNSET MOUNTAIN

Prevailing Wind Direction





Mesa elevation 300 - 450 feet over prevailing plains



Slide 5





Mesa elevation 600 - 1100 feet over prevailing plains



PROGRESS TO DATE

Wind resource assessment

- 50m met tower installed in April 2005
- Initial 5 months of data support attractive project economics

State renewable energy market assessment

- AZ Corp. Commission has voted to *increase* state's renewable energy requirement from 1.1% by 2006 to 15% by 2025
- Foresight has begun preliminary power marketing activities with target power buyers

Transmission Studies underway

- Project is in APS queue for electrical interconnection
- APS is now carrying out joint Feasibility/System Impact Study for the project

Environmental / Land Assessment started

- Phase I biological report is drafted and biological/avian survey work has begun in order to capture part of Fall bird migration at the site
- Foresight is managing third party studies, Hopi Tribal Programs are carrying out onsite survey work and lending their expertise





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ACTIVITIES STILL TO COMPLETE

Continue wind resource assessment (install add't 50m and 60m)

- County permits secured, installation planned Fall/Winter '05
- Prove out wind resource and undertake micro-siting

Continue and expand Environmental and Land Assessments

- On-site Biological and Avian Survey Work (carried out by Hopi Dept of Nat. Resources)
- Archeological, Cultural, & Historical Studies (by Hopi Cultural Preservation Office)
- Aviation and military safety review (3rd party)
- Preliminary site construction access and geology review (3rd party)

Conduct a environmental, economic and cultural benefits assessment

- Continue with professional development and capacity building efforts
- Conduct community awareness outreach

Economic Model and Business Structuring

- Develop initial financial model and economic pro-forma for the project
- Establish a suitable preliminary legal and business structure under which the Hopi can
 effectively pursue development of the project if Feasibility Study determines no adverse
 environmental impacts
- Develop a financing option plan and conduct preliminary meetings with industry financiers







PATH FORWARD

- Complete DOE funded feasibility work 2006
- If economically viable, continue public outreach and education effort to receive feedback from Hopi people
- Bring project opportunity before Tribal Council for vote whether to continue to move forward
- Potential online date 2007 2008







FORESIGHT BACKGROUND

- Foresight Energy Company leading renewable energy consulting group founded in 1996, excellent technology, project development, power marketing, analysis and policy skills
- Foresight Wind Energy, LLC formed in 2002 to directly pursue wind project development



- Focus: top utility industry expertise focused on tribal & private wind opportunities
- Region: Southwest market
- **Relationships:** utilities, state & local governments, landowners, and tribes
- Projects: Over 1000 MW of wind projects under development
- Financial backing: in 2005, secured support of \$75 million green energy fund





CONTACT INFORMATION

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