



Development & Deployment: Kumeyaay Wind II

DOE: Tribal Energy Program

November 17, 2009

Chairwoman: Monique La Chappa

President, Muht Hei: Deanna Leon

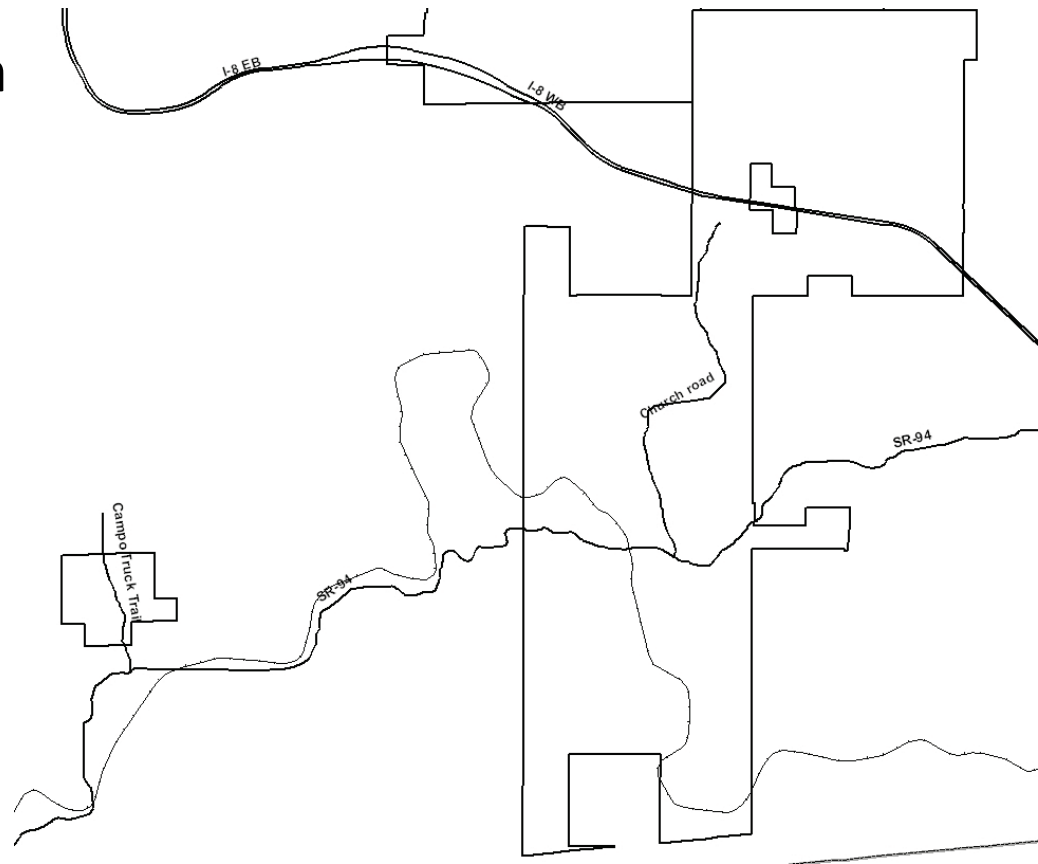
Agenda

- Overview of Campo
- Overview & Lessons of KWI
- Rationale for Expansion
- Timeline & Key Milestones
- Lessons Learned to Date
- Discussion



Campo Kumeyaay Nation

- Approximately 50 miles from the city of San Diego in Eastern San Diego County, California
- One of 12 Kumeyaay Bands with over 350 tribal members
- One of first tribal nations to join The Climate Registry and measure and collect data on GHG emissions



Lead Agencies

Tribal Government



- **Executive Council**
 - Elected Officers
 - Execute laws and govern in accordance with General Council
- **Economic Development Agency**
 - Promote business activity with Campo
 - Attract business to reservation



Economic Development Corporation



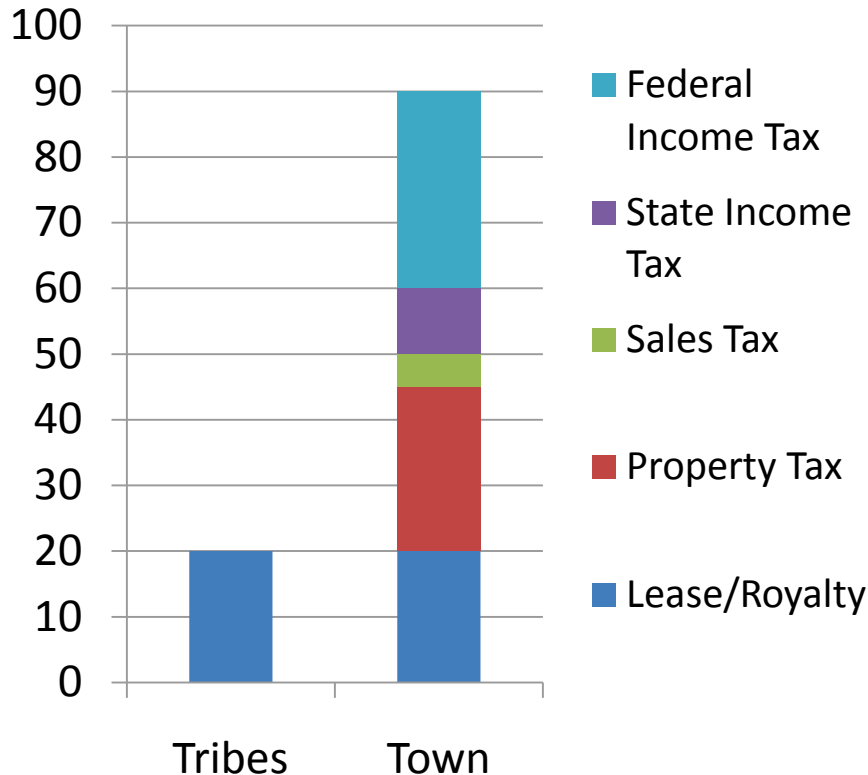
- **Muht Hei**
 - Tribally-chartered corporation
 - Governed by 7-member Board of Directors, all of whom are tribal members
 - Develop and engage in business and economic development ventures
 - Generate revenue to fund tribal government operations, provide employment and training opportunities, and improve quality of life

Kumeyaay Wind I

- 50 MW Wind Farm
 - 25 Gamesa turbines (2 MW turbines)
- Largest operating wind farm in Indian Country
- Campo Government is lessor
- Placed in commercial operation 4Q 2005



What We Learned



- Non-tribal communities enjoy economic benefit as landowner/resource owner, federal, state & local government
 - Lessor arrangement doesn't fully recognize sovereign government status
- Wind business is compatible with Campo culture
- **Ownership offers attractive return on investment**
- Passive lessor role was good start, BUT integrating wind energy on reservation and actively participating as OWNER will facilitate attainment of higher standard of living

“When it comes to creating jobs, closing the opportunity gap, and leaving something better for our future generations, few areas hold as much promise as clean energy.”

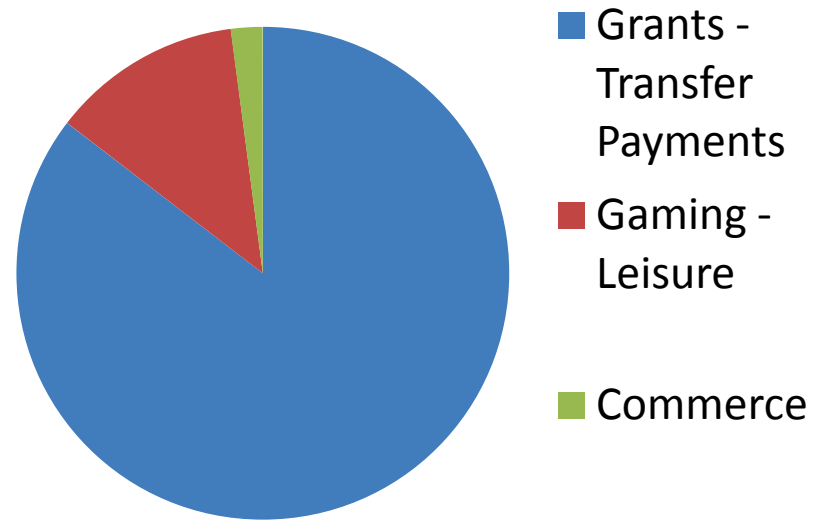
President Obama – November 5, 2009 Remarks , Opening of the Tribal Nations Conference



Rationale for Expansion: KW II

- Develop a **diverse revenue base** that affords excellent health, safety and welfare to Campo people

Funds for Services



Rationale for Expansion: KW II

- KWII is core of Campo's **comprehensive community plan** – will lay foundation for additional ***economic opportunity***
- Builds on experience with KWI and knowledge of operating wind farm



Rationale for Expansion



- Increased opportunity created by state and federal incentives for renewable energy
- Transmission availability

Initial Action Steps

- December 2007 – General Council authorizes exploration of wind development expansion
 - Laguna Resources, a Campo band member-owned consultancy leads initiative
- August 2008 – Campo issues request for proposals from wind development companies
 - Over 15 developers submit proposals
 - Initiate meaningful dialogue with eight developers
 - Six developers interviewed by Band
- Band selects three finalists
- Reznick Group examines and vets finalists
- November 2008 – Reznick Group presents findings of the strengths and weaknesses of proposals to General Council

KW II Project begins

- November 2008 – Economic Development Agency and Economic Development Corporation authorized by General Council to begin negotiation of Non-Disclosure Agreement (NDA) and Memorandum of Understanding (MOU) with selected developer
 - Consulting team and special project attorney are engaged



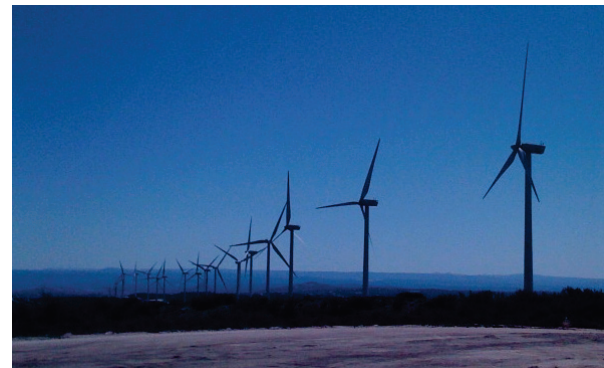
Project Team

Campo

- **Monique La Chappa**
 - Executive Council
- **Deanna Leon**
 - Project Coordinator & President of Economic Development Corporation
- **Ralph Olliff**
 - Finance Officer
- **Lisa Gover**
 - Campo Environmental Protection Agency

Advisors

- **Matt Ferguson**
 - Reznick Group
- **Denise Turner Walsh**
 - Attorney
- **Michael Connolly**
 - Laguna Resources



KW II Project Begins

- April 2009 – Campo, Invenergy and SDG&E execute MOU which provides Band with lease royalties and an **equity ownership interest** in a 160 MW wind project to be developed on reservation, Kumeyaay Wind II (KWII)
 - Campo grants a Land Access Permit (LAP) to install (6) meteorological testing towers (Met Towers) to measure wind resources
 - LAP is submitted to Bureau of Indian Affairs for approval
 - Grant Application submitted to DOE, Office of Indian Energy to fund **pre-development transaction costs**

KWII Overview

- 160MW of 300 MW Farm
- Will serve San Diego County
- Will produce enough energy to power 54,000 homes each year
- Will benefit from work of local contractors and crews, and purchase of critical equipment and services **from the tribe**



Timeline & Key Milestones

- July 2009 - BIA issues Irrevocable Permit for six Met Towers
- August 2009 – Begin installation of met towers
 - DOE sends notice of award for \$1.2 million to fund pre-development costs
- October 2009 – Campo hosts **government-to-government meeting** with BIA on lease approval process and environmental regulatory compliance
- November 2009 – Campo and BIA initiate Agreement with consulting firm for environmental review

KW II Lessons Learned to date

- Project development and momentum of accomplishments increases community morale
- Selecting developer and consultants are critical
 - Everyone needs to be flexible
- Important
 - Sensitivity to Native American culture
 - Financial strength
 - Wind development experience
 - Economics for tribe!





Discussion & Contacts

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