

The Value of Wind

An Interview with Jim Spencer,
President and Chief Executive Officer, EverPower

EDITORS' NOTE Jim Spencer founded EverPower in 2002, before which he served as an advisor to Renewable Energy Systems Limited (RES). He also served as a director of RES Asia-Pacific from its inception until 2004, when he resigned to devote 100 percent of his efforts to EverPower. Spencer spent 10 years at Sithe Energies, Inc., including four years as President of Sithe Asia Holdings Limited. Spencer began his career



Jim Spencer

in 1985 as an attorney in the energy project finance group at Chadbourne & Parke LLP. In 1989, he was recruited to the Prudential Capital Corporation where he served as Vice President of Corporate Finance in the Utilities & Finance Group. Spencer holds a Bachelor of Arts degree from Duquesne University and studied at the University of Toronto. He received a law degree from the University of Pittsburgh School of Law.

COMPANY BRIEF Headquartered in New York City and established in 2002, EverPower (www.everpower.com) is a developer of utility grade wind projects with offices in Pennsylvania, Oregon, and Ohio, and aims to identify or acquire development opportunities from early stage to operating projects nationwide. EverPower is currently developing projects in several states, and is owned by Terra Firma, who also owns Infinis, Novera Energy plc, leading renewable energy generators in the U.K.

Is there a good understanding today of the value of wind as a resource and of the opportunities for research and development in the area?

Yes, but I don't say that to intimate that wind, solar, or any renewable source of energy can satisfy all of our power needs. The public is beginning to understand there are economic and environmental reasons for wind and that it is a resource that we should develop to its fullest extent. It's very hard when you look at our energy mix and at the amount of our electricity that comes from solar, wind, or other renewable energy to not just embrace it simply to get the percentage of those increased in the total energy mix.

Also, there is a true economic reason for developing these technologies because these jobs should not be exported. We're behind in terms of manufacturing capacity of wind turbines, something that Ohio has been very aggressive in, but until we have sound regulatory footing in the country, those jobs are going to go to countries where there is a true market.

Can you give an overview of the Buckeye Wind Project in terms of your involvement and the impact it will have for Ohio?

We began development of Buckeye around three years ago, and the project is one of the first to go before the Ohio Power Siting Board. It's contemplated to be between 125 and 130 megawatts. We expect that it will represent an investment of about \$250 million in the county. We expect that it will create about 100 direct construction jobs for a year and a half in the county, and about 8 to 10 direct long-term good paying office and management jobs.

In addition to that annual revenue, once the plants are built, they need to be maintained. So the goods and services associated with that will be at least a couple million dollars a year, and most of that will be spent locally on people who are helping with maintenance and providing parts.

In addition, the facility will provide a tax income for the state and local entities. We are estimating tax payments of over \$1 million a year to the local communities and school districts.

What is the status of the commercial wind farm in Ohio that EverPower applied for in April of last year?

We received approval from the Ohio Power Siting Board, but there are some conditions that are attached to that approval, which we are working to satisfy right now. We have some procedures that we're undertaking with U.S. Fish and Wildlife to make sure we adhere to all of their guidelines for avian, birds and bats, in the area. Our hope was to be in construction this year, but the project is moving ahead as quickly as we can move it along.

Ohio is a leader and innovator in supporting and assisting development of the

renewable energy industry. What has made the state so active in this area, and how critical has the partnership been for EverPower in advancing your efforts?

Ohio has the manufacturing base – it has always been a strong player in the wind and renewable industry, even though that's not always evident. The first reason I would give is the legislative leadership. Governor Strickland and a number of the Senate leaders, especially Senator Chris Widener, have consciously set out to have this state catch up, and they have done a tremendous job. We've been able to give these leaders our thoughts about what sets good groundwork for a successful renewable energy industry in the state. They see, number one, that renewable energy is good for the environment, but they also understand that it's good for the economy.

By putting regulatory policy in place that will encourage wind, we've seen a gold rush to Ohio, because it is one of the few states today with a renewable portfolio standard that will allow the construction of wind projects in a market with depressed natural gas prices. The renewable portfolio standard requires that a portion of it has to be satisfied by in-state wind, so the projects need to be built within the state. The legislature and the Governor were smart to include this provision so half of the renewable energy is billed in-state.

There is also a good labor force and a good manufacturing base in the state, so the opportunities there to utilize local components help a great deal.

As you look to the early days of EverPower, did you know it would work?

There have been times, through several extensions of the Production Tax Credit, which supports our industry, where we were concerned if we would win against the oil/gas lobby, which is very strong in our country. But deep down, I always believed that we would prevail and the people would recognize that we need natural gas, coal generation, and nuclear, but we also need renewable energy. So it's the confidence in that thesis that has kept us going. We were an entrepreneurial company, self-funded, and without outside investors, so we put our necks on the line and we haven't succeeded yet, but we're slowly winning the battle of recognition across the country that these forms of energy should be embraced and supported. ●