

ACR Aboriginal Programs Project Program Template

Program Area:	3.0	Business Development
Sub Program:	3.2	Strengthening Business Capabilities
Template:	3.2.4	Joint Venture Wind Turbine Project
Sponsor(s):	<i>EPCOR Power Development Corp.</i>	

1. Objective

To develop a successful joint venture with the Peigan First Nation to develop a wind power farm on Peigan land, leading to benefits in jobs and revenues from “green” electricity.

2. Description

EPCOR is a major producer of coal-fired and natural gas-fired power plants in Alberta. EPCOR is also diversifying to produce “green” power from run-of-river and small hydro, wind and landfill-gas power. EPCOR Power Development Corporation (EPDC) and the Peigan Utilities Corporation (PUC) worked together to develop the wind power project, Weather Dancer 1 (WD1), on Peigan Nation land.

WD1 is a 900 kW wind turbine, estimated to generate 3000 MWh (enough to light 450 homes). The entire output of WD1 is under contract by EPCOR Energy Services for the first 10 years, after which the contract will be evaluated.

The ultimate business goal of EPDC and PUC is the joint development of a large 100+MW wind farm. WD1 provides an excellent opportunity to build a working relationship and explore the wind power markets.

3. Implementation

PUC and EPDC formed a 50/50 joint venture to run WD1. The joint-venture relationship allows both corporations to retain their own interests and structure within the project.

The joint venture assumed both parties would contribute 50%, but EPCOR put the funds in immediately, as the Peigan were engaged in discussions with Indian and Northern Affairs Canada (INAC) on a grant. Upon receipt of the Peigan funds, EPCOR's share will be reduced to 50%.

A joint management board, with two parties from each side, meets every quarter. The Peigan monitor the machine's output from their offices (so does EPCOR) and they respond first to a problem. Then, depending on the assessment, others are called in. The turbine has instruments that tell what the issue is most of the time, which helps both sides.

A project management team, consisting of two representatives from each partner, developed the project. The team will continue to manage the joint venture, with EPDC responsible for

operating and maintaining the turbine and PUC responsible for maintaining Peigan Nation support and interests and being first to investigate wind turbine outages, should they occur.

The project provided economic benefits to community. By siting WD1 on reserve land, a royalty fee for land use flowed from the project to the Peigan Nation.

An economic development program was also established, creating jobs during the construction and operation of the wind turbine. The project management team developed a method to advertise available jobs within the Peigan community. Important elements of the program included:

- Peigan Nation had the first opportunity to offer use of material and labour for the project. This included gravel, water trucks, bob cats, security guards, general labourers and flag people.
- Job postings listed specifics such as skill/tools needed, time of availability, salary, opening and closing dates of the posting.
- Contractors hired to do work on the project were made aware of and used the economic development program.

4. Timeframe for Results

WD1 is a first step. The goal of the project management team is to develop a large wind farm on the Peigan Reserve. If a large project were built it would result in several benefits to the community:

- **More jobs.** The construction period would be six months to a year, and a number of jobs would be available during this time. There would be an opportunity to begin training for on-site operating personnel for the completed wind farm.
- **Tourism.** WD1 is already a source of interest to tourists. Blending environmentally friendly power generation with First Nations traditions could be capitalized on for the tourist industry with a positive benefit to the community.

5. Measurable Criteria

- Meeting construction and operations targets
- Community benefits in jobs and royalties

6. Budget

\$1.8 million for capital of plant.

7. Partners and Sponsors

EPCOR Power Development Corporation (EPDC) and the Peigan Utilities Corporation (PUC)

8. Experience with the Program

PUC and EPDC have gained a vast understanding of permitting, developing, construction and operation of wind power projects, particularly as it relates to working on First Nations land and involving INAC and the Federal Department of Justice.

EPCOR is very pleased with the way the operation of the joint management board, which provides an ability to ask the Peigan for anything that is needed and acts as an excellent forum for raising matters of interest or concern.

9. General Applicability

Similar joint venture activities may be applicable to other companies.

10. Additional Information or Support

David Morrow, Vice President, Power Development and Acquisitions, EPCOR Inc., 10088, 102 Avenue, Edmonton, AB T5J 3Z1

Telephone: (780) 412-3492

Email: drmorrow@epcor.ca

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