

Howard & Howard

law for business®

**MUSKEGON COUNTY WASTE
WATER SYSTEM
WIND POWER PROJECT**

Presented by:

**Rodger A. Kershner
(248) 723-0421**

RKershner@howardandhoward.com

The Opportunity

- **Muskegon County Wastewater Management System was created in the 1970's as a nearly unique environmentally responsible waste water treatment system**
- **The system acquired 11,000 acres of basically flat farmland a few miles inland from Lake Michigan to construct the project**
- **The system's Board sought environmentally responsible ways of raising revenue**

The Project Concept

- **11,000 acres was potentially attractive to wind developers because**
 - **Wind resource may be adequate**
 - **Transmission may be available**
 - **Contiguous acreage, a single owner, and local government support may help speed the project**

The Project Concept

- **Several wind developers had contacted the County about the possibility of developing the site**
- **The concept was to create a competitive RFP process to better sort through the candidates and their offers**

The Project Concept

- **A competitive solicitation was expected to last 3 – 9 months and would:**
 - **Prepare an RFP package which presented the System's objectives, concerns and preferred terms**
 - **Issue and Promote the RFP**
 - **Analyze proposals**
 - **Conduct Interviews**
 - **Negotiate with the most promising developer**
 - **Document the transaction with the best developer candidate**
 - **Close the deal**

Possible Variations on a Theme

- Among the County's interests in a wind related project are financial rewards to the County and creation of opportunities for local businesses
- As with most economic activities, the expected benefit relates to the risk the County can assume or resolve for a developer
- Uncertainty in the development process can create expense and risk, but a reduction in that uncertainty can produce rewards

Possible Variations on a Theme

- One alternative to the RFP process would be for the System to partially or completely develop a project on its own
- Types of risks that confront a developer:
 - Wind
 - Not enough land
 - Lack of transmission capacity
 - Inability to obtain financing
 - Inability to line up a power buyer
 - Delay and expiration of the state RPS

