

September 15, 2008

EXECUTIVE SUMMARY PROPOSED SOUTH DAKOTA WIND ENERGY ASSOCIATION

INTRODUCTION

According to the American Wind Energy Association, South Dakota has the fourth best wind in the country. Throughout South Dakota, there is a widespread interest in encouraging further development of this renewable resource. Further development of wind energy presents significant opportunity for the state and the nation. The development of wind energy is good for farmers and ranchers by providing a much needed source of income; it is good for South Dakota's economy by potentially offering new jobs and expanding the local tax base; and it is good for the environment because it provides a clean renewable resource to meet growing energy needs.

As South Dakota's wind resource is developed, it is important that state leaders focus on maximizing the economic benefits of wind on behalf of the citizens of this State. In order to pursue this goal, it is proposed to establish a South Dakota Wind Energy Association as a forum for exchanging ideas about wind development and providing accurate, reliable information for state leaders and citizens on a variety of issues related to wind energy.

PROPOSAL TO FORM A SOUTH DAKOTA WIND ENERGY ASSOCIATION

During June and July of this year, a number of organizations which have been active in the development and promotion of wind developed a proposal to establish a new organization to be known as the South Dakota Wind Energy Association. The guiding principle of this potential Association has been defined as identifying the best public policies that encourage economic development in South Dakota and providing the highest benefit for the people of this State.

On July 30, 2008, approximately fifty individuals representing over thirty business, association, education, and individual interests met on the campus of South Dakota State University to consider the formation of such an Association. The outcome of that meeting was a strong consensus to proceed to develop the organizational materials necessary to solicit definitive interest in organizing such an Association.

PURPOSES OF THE SOUTH DAKOTA WIND ENERGY ASSOCIATION

The South Dakota Wind Energy Association would have as its main purposes the following:

- > Support the development of wind energy as a sustainable economic and environmentally friendly resource for the State of South Dakota that will:

- Provide consumers with a cost effective and stable alternate energy source;
 - Foster the development of South Dakota based businesses related to wind energy production;
 - Encourage the utilization of local applications for wind energy;
 - Help develop investment opportunities in wind energy for South Dakotans;
 - Attract wind energy manufacturing to the State that will produce good jobs in wind power installation, operations, and maintenance.
- > Encourage the linkage of wind energy to the capabilities in research and development, technical job training, engineering and other fields in the South Dakota higher education system.
 - > Provide a forum for people interested in wind energy to analyze ideas, discuss concerns, and determine other economic and environmental benefits associated with wind energy development.
 - > Promote the use of wind energy by providing a forum for education, research, and reliable information about wind energy to a variety of audiences.
 - > Legitimize reputable interests seeking to establish wind development, in effect, serving as a reference point.
 - > Provide input to local, state, and national government relative to wind energy policy.

ORGANIZATION STRUCTURE

Enclosed with this Executive Summary is the proposed draft Articles of Incorporation and Bylaws for the South Dakota Wind Energy Association. The Articles of Incorporation use the mission and purpose described in this Executive Summary as the basis for what would be a non-profit association organized under South Dakota law. The key features of the Association according to Bylaws would be as follows:

Name: The South Dakota Wind Energy Association.

Type of Organization: A South Dakota non-profit association.

Mission and Purposes: The purposes are described in this Executive Summary and the draft Articles of Incorporation.

Governance: Members – The Association would be comprised of Class IV members, which would be reserved for businesses and organizations which commit at least \$5,000 per year; Class III members, which would be reserved for representatives of wind developers and the wind services industry which commit at least \$5,000 per year; and Class II members, which would pay an annual dues amount to be prescribed by the Board of Directors.

Directors – Each Class IV member would be entitled to name a director to serve on the Board. Class III members would be entitled to elect four directors from within the Class III member group. In addition, Class II members would elect between three and five representatives as determined by the Board from within the Class II member group; and the Board would select up to four at-large members to comprise the total number of Directors.

Management – The Board of Directors would hire a part or full time Executive Director to manage the affairs of the Association.

Meetings – The members would meet annually to conduct business of the Association with the on-going activities guided by the Board of Directors.

INITIAL ORGANIZATION SCHEDULE

This Executive Summary and the enclosed materials are being provided to prospective members of the South Dakota Wind Energy Association to determine the level of interest to commit financial and other resources to justify establishing the Association.

The right to use the name of the South Dakota Wind Energy Association has been reserved with the South Dakota Secretary of State.

We wish to determine interest in organizing the Association by November 1, 2008. The Steering Committee believes that in order to successfully move forward, financial commitments of about \$150,000 annually for a three-year period will be needed.