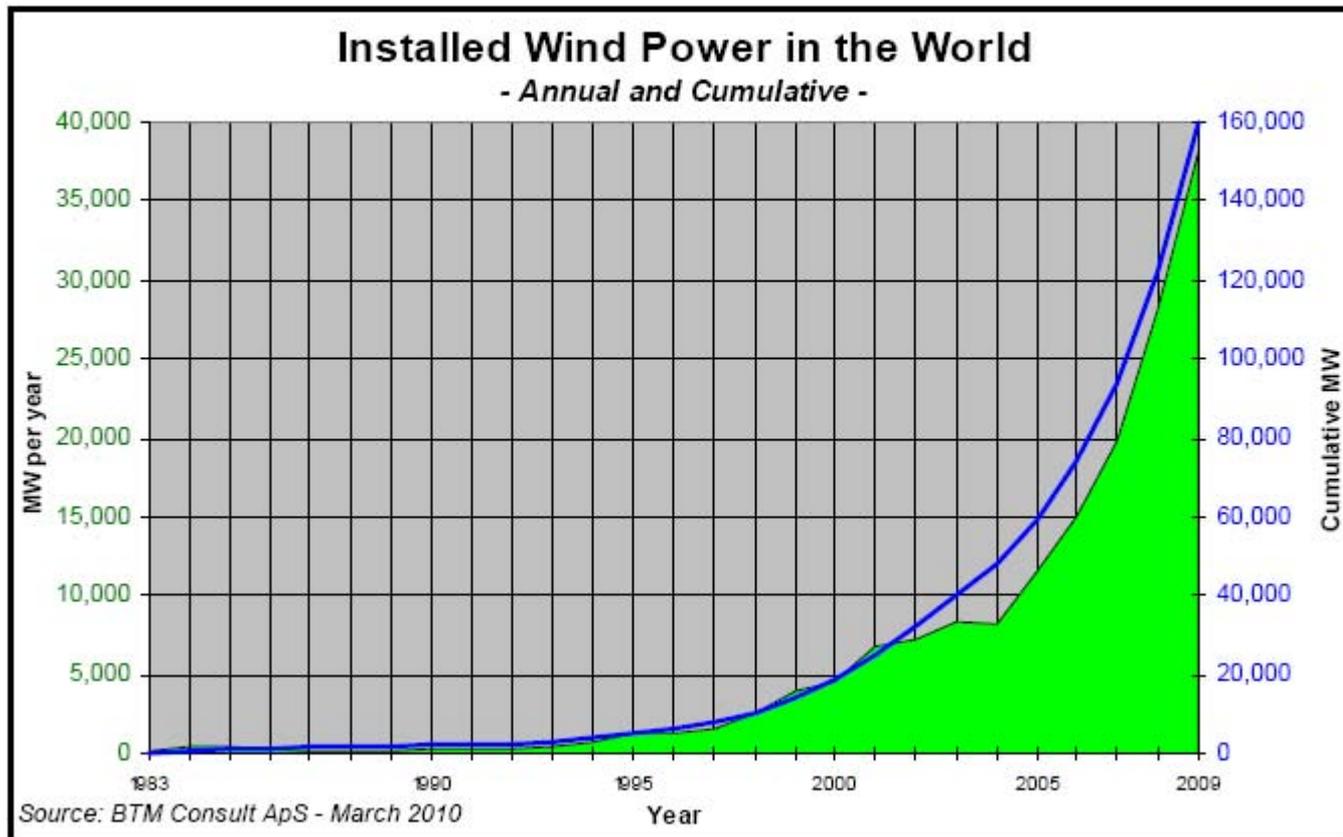


Legislative Policy in Wind Power

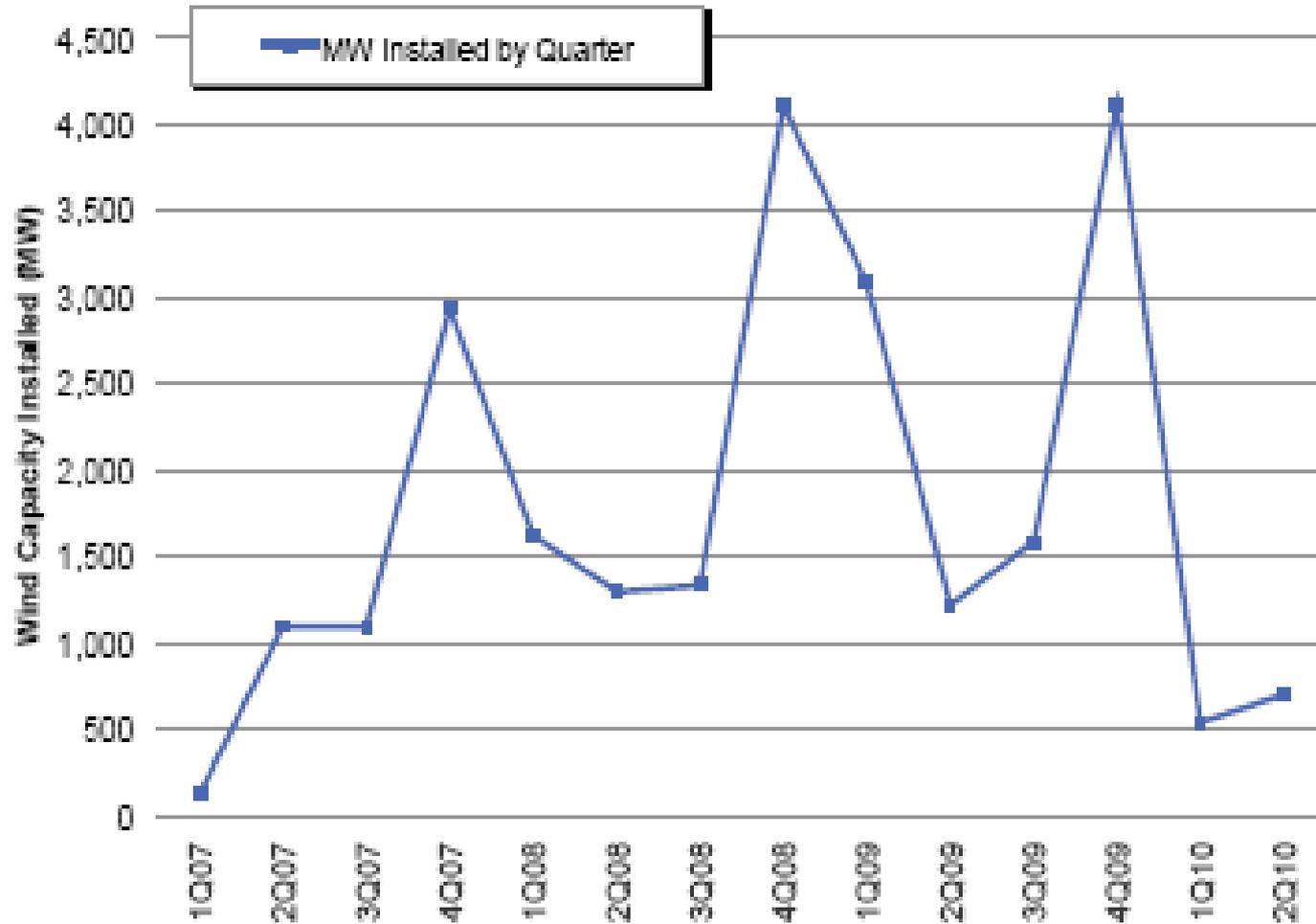
By: Matthew E. Conrad, Esq.
Krieg DeVault LLP
12800 N. Meridian Street, Suite 300
Carmel, Indiana 46032 USA
(317) 238-6326 (Direct)
(317) 636-1507(Fax)
mconrad@kdlegal.com



A Look at the Upside



The Need for More Longterm Policy ... Quarterly Installations Reflect Market Volatility



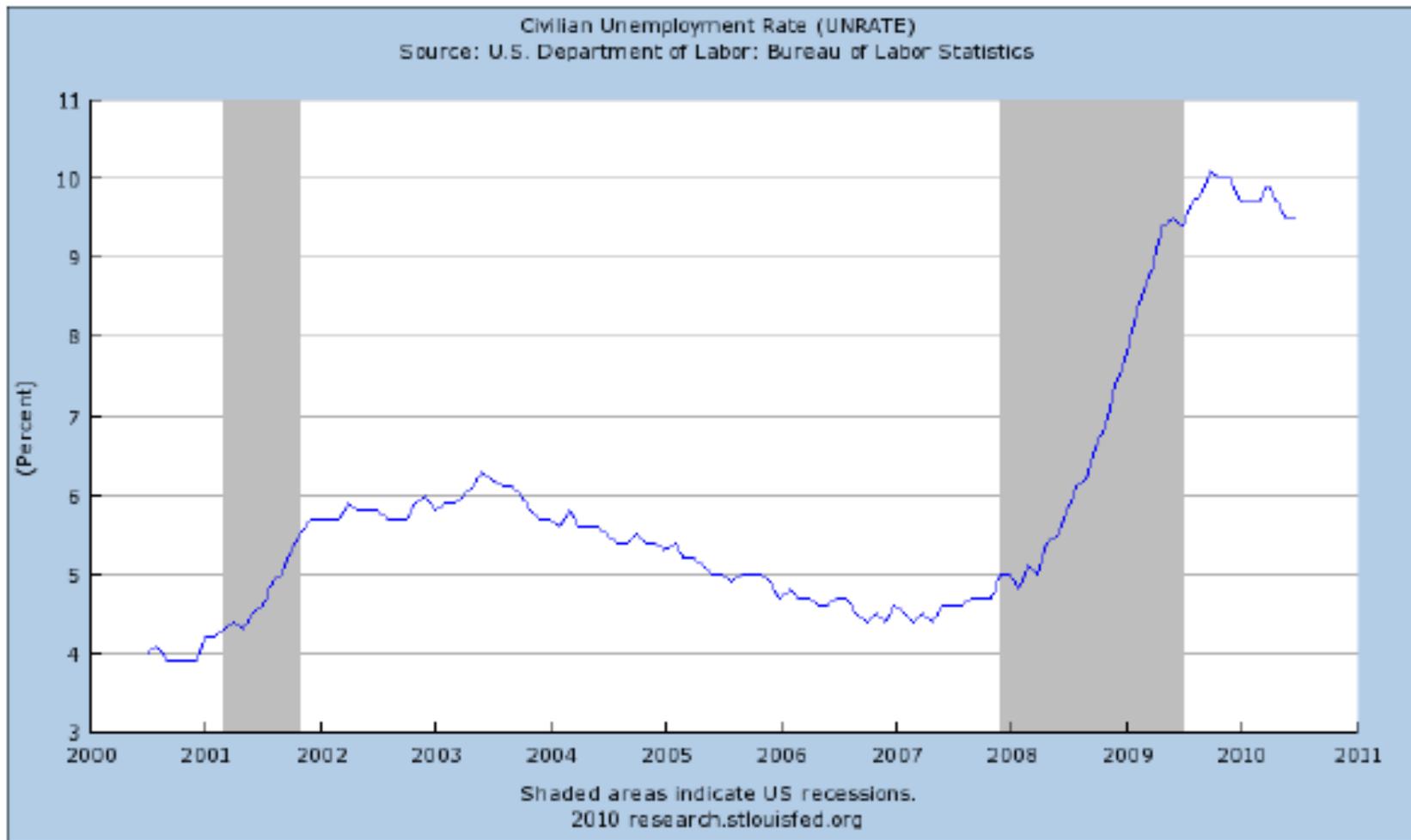
Current Wind Energy Policy

	<u>Status</u>
• National Renewable Energy Standard	Never Passed
• Production Tax Credit	Expires 2012
• Investment Tax Credit	Expires 2016
• 1603 Grant in Lieu of Tax Credit	Expires 2010
• Advanced Manufacturing Tax Credit	Capped at \$2.3 billion; 100% Allocated
• Residential Tax Credit	Expires 2016

Three Motivations for Wind Energy Policy:

1. Environmental Concerns
2. Reduce Dependence on Foreign Oil
3. Job Creation

United States Unemployment Rate



Economic Development Opportunities

Wind Production vs. Wind Manufacturing Jobs

	<u>Capital Invested</u>	<u>Jobs</u>
Benton County Wind Farms	>\$1 billion	<300
Brevini Wind Delaware County	<\$100 million	>400

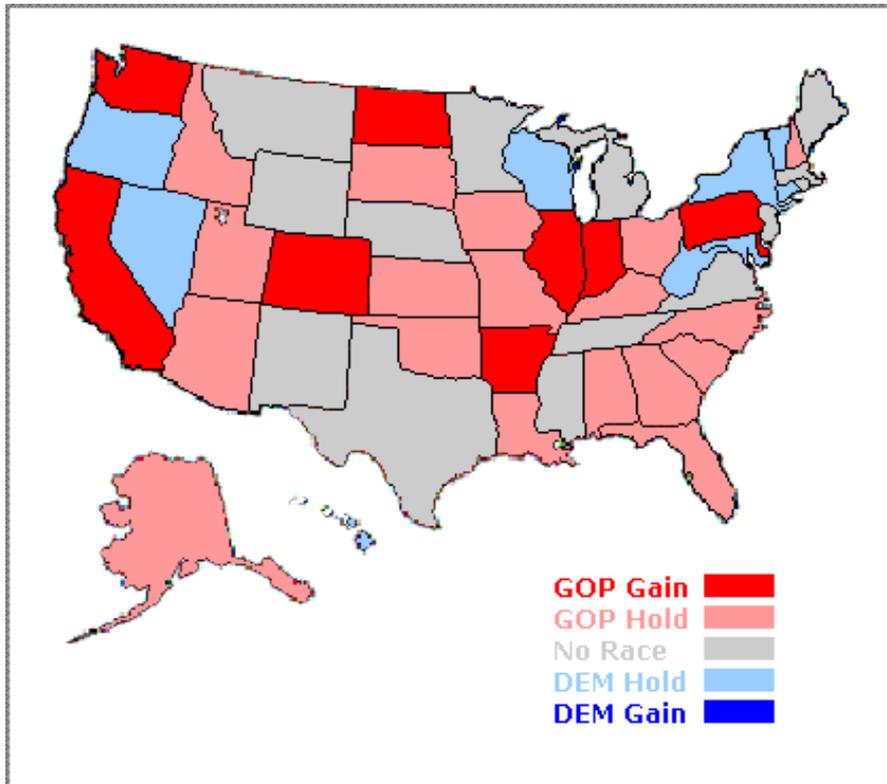
Potential Wind Manufacturing Jobs at 10% RES

Type of Analysis	Assumes a <u>10% Renewable Generation Requirement</u> and the Development of 50,000 MW of Wind Power in the United States to determine impact of Wind Turbine Component part and assembly manufacturing jobs.
Total Investment in Wind Turbine Component Parts and Assembly (based on \$1 billion per 1000 MW)	\$50,000,000,000 (AWEA)
<u>Wind Manufacturing Jobs</u>	
Rotor (28%)	42,000
Nacelle and Controls (21.7%)	32,550
Gearbox and Drive Train (17.3%)	25,950
Generator and Power Electronics (7.0%)	10,500
Tower (26%)	39,900
Total (100%)	150,000 (AWEA)
Number of Wind Manufacturing Jobs to be located in the Midwest (ND, SD, NE, KS, MN, IA, MO, WI, IL, IN, MI and OH)	30,639 (AWEA)
Percentage of Wind Manufacturing Jobs to be located in the Midwest:	20.43%
Number of Wind Manufacturing Jobs to be located in Indiana	8,317 (AWEA)
Percentage of National Wind Manufacturing Jobs to be located in Indiana:	5.0545%
Percentage of Midwest Wind Manufacturing Jobs to be located in Indiana	27.145%
Percentage of National Population located in Indiana	2.098%

The Battle For Capitol Hill

2010 Senate

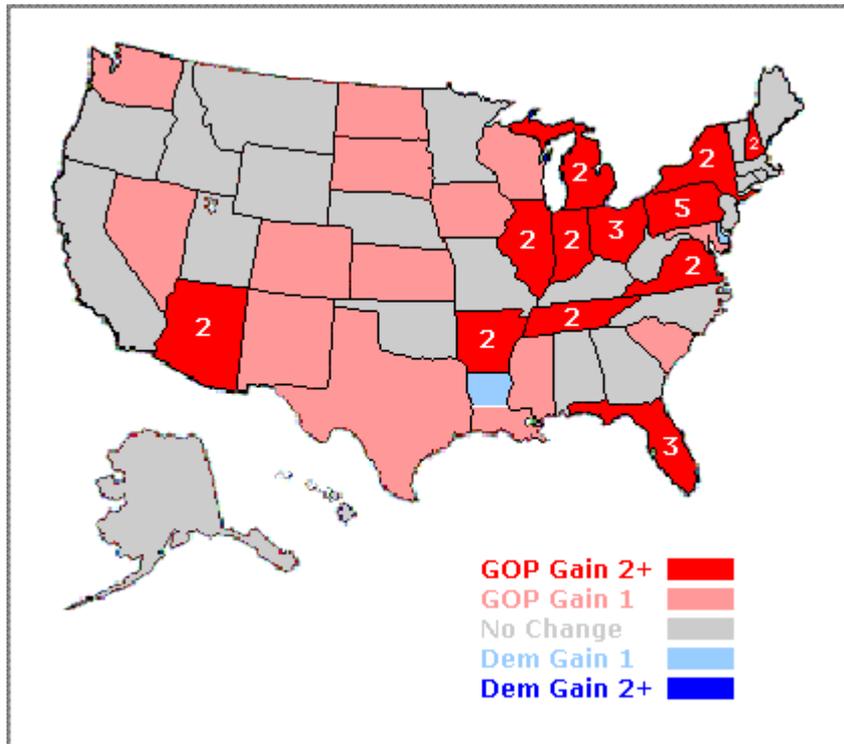
(as of September 3, 2010)



Senate Race Stats

	<u>Republicans</u>	<u>Democrats</u>	<u>Independents</u>
Current Seats	41	57	2
Contested Seats	18	19	--
Open Seats	8	7	--
Projected Gains	9	0	--
Projected Losses	0	9	--
Projected Seats	50	48	2
Projected Change	+9	-9	--

The Battle For Capitol Hill 2010 House (as of September 3, 2010)



House Race Stats

	<u>Republicans</u>	<u>Democrats</u>
Current Seats	179	256
Contested Seats	179	256
Open Seats	24	21
Projected Gains	43	2
Projected Losses	2	43
Projected Seats	220	215
Projected Change	+41	-41

Post Election “Lame Duck Session”?

- 2010 Congressional Election: November 2, 2010
- 2010 Congressional Session Ends: January 3, 2011
- 61 Days Post Election
- December 24, 2009 Christmas Eve U.S. House and Senate passed Health Care Legislation
- Spending Cuts and Tax Legislation requires “50 + 1” votes in the Senate and 216 votes in the House
- Policy Legislation (e.g. Comprehensive Energy & Climate Bill) requires 59 + 1 votes in the Senate and 216 votes in the House

Senate Majority Leader Harry Reid (D-Nev.) said Tuesday a nationwide renewable-electricity standard is “absolutely” in the mix as he tries to salvage energy legislation this year ... possibly in a lame-duck session.

2010 Wind Energy Policy Objectives

National Renewable Electricity Standard (RES). At least twenty-five percent (25%) of the nation's electricity to come from clean energy by 2025.

Performance Based Section 1603 Production Grant Program. A five (5) year \$25 billion Section 1603 Production Grant In Lieu of Tax Credits Program competitively allocated and awarded to those energy production developers that commit to achieve the greatest amount of capital investment and the highest number of retained and new jobs in the U.S.

Performance Based Section 48C Manufacturing Grant Program. A five (5) year \$25 billion Section 48C Grant In Lieu of Tax Credits Program competitively allocated and awarded to those clean energy products manufacturers that commit to make the greatest amount of capital investment and the highest number of retained and new jobs in the U.S.

Clean Energy Manufacturing Revolving Loan Fund. A \$30 billion revolving loan program to help small and med-sized manufacturers in the clean energy industry.

Residential Renewable Energy Tax Credit. A five (5) year thirty percent (30%) individual income tax credit (with no cap) for clean energy systems installation (new construction or replacement).

KRIEG DEVAULT LOCATIONS

Working Where Clients Need Us

Krieg DeVault lawyers are at work where our clients do business, in major urban centers and dynamic smaller communities throughout the Midwest and Southeast. Some of our offices offer a broad range of legal services, while others are more focused on specific legal needs. They all, however, reflect the firm's commitment and capabilities for achieving solutions to real-world legal issues.

[Indianapolis Office](#)

One Indiana Square
Suite 2800
Indianapolis, IN 46204-2079
P: (317) 636-4341
F: (317) 636-1507

[Carmel Office](#)

12800 North Meridian Street
Suite 300
Carmel, IN 46032-9422
P: (317) 566-1110
F: (317) 636-1507

[Noblesville Office](#)

949 E. Conner Street
Suite 200
Noblesville, IN 46060
P: (317) 773-7818
F: (317) 773-7918

[Scherverville Office](#)

833 West Lincoln Highway
Suite 410W
Scherverville, IN 46375
P: (219) 227-6100
F: (219) 227-6101

[Mishawaka Office](#)

4101 Edison Lakes Parkway
Suite 100
Mishawaka, IN 46545
P: (574) 277-1200
F: (574) 277-1201

[Chicago Office](#)

30 North LaSalle Street
Suite 3516
Chicago, IL 60602
P: (312) 423-9300
F: (312) 423-9303

[Atlanta Office](#)

1230 Peachtree Street NE
Suite 2490
Atlanta, GA 30309
P: (404) 607-0600
F: (404) 665-3628

[Boca Grande Office](#)

431 Palm Avenue
P.O. Box 1911
Boca Grande, FL 33921
P: (941) 964-0018
F: (317) 636-1507