



Can Landowners Ride the Wind?

Why we love to hate the wind:

It's relentless, constant, never ceasing,
apparently infinite.

BUT NOW.....

.....it can be income producing!

Wind Energy Is:

§ Clean

§ Inexhaustible

§ One of the fastest growing forms of electricity generation in the Nation.

Profiting from the wind:

- § Depends on who owns the wind, and who owns access to the underlying surface land.
- § Wind developers seek access to the land by means of either a lease or an easement.
- § Leases generally range from five to maybe 50 years or more.

Lease agreement must define:

- § Duration of time allocated for developer to study feasibility of wind farm.
 - If wind farm construction does not begin by the deadline, the landowner would be free to enter into terms with a new developer.
- § Duration of time allocated for an operations wind farm

Financial Compensation

NOBODY CAN GUARANTEE THAT A WIND FARM WILL ACTUALLY BE DEVELOPED ON THE PROPERTY.

CONSEQUENTLY,

THE ONLY CERTAINTY THAT A LANDOWNER HAS IS TO SECURE AS MUCH MONEY UP FRONT AS POSSIBLE!

Points to Negotiate

- § Annual rental payment, periodically increasing during the feasibility stage.
- § Construction bonus, for each turbine installed.
- § Annual royalty
- § Percentage of money received by the developer in lieu of sale of electricity.

Other payments:

- § Roads
- § Transmission lines
- § Substations
- § Meteorological towers
- § Payment for access to in-holdings if there is state for federal land involved.
- § Termination fee, if developer terminates lease agreement prior to constructions.

Protect Your Rights

- § Identify specific uses for which the wind developer may use the land, and reserve all other used to the landowner.
 - Mineral exploration
 - Development
 - Hunting and fishing
 - Water
 - Ranching and farming

Land exclusions

- § Riparian areas
- § Irrigation meadows
- § Irrigation ditches
- § Boulder formations
- § View sheds
- § Wildlife habitat

Liability

Losses to the landowner arising from the wind developer's use and occupations of the land will be small compared to the potential loss to the wind developer.

Example:

The cost to replace a landowner's fence, barn, or even a good horse, is a fraction of the cost to replace a wind turbine or electrical substation.

Limit your liability to the amount of insurance proceeds or some other specified amount

Taxes and Utilities:

- § Increase in property taxes should be paid by the developer.
- § Utilities necessary for construction or operation should be paid by developer

Assignment of rights by developer:

- § Landowners should demand to be notified of every transfer of right to know who is ultimately responsible for any default of the lease agreement.

Liens

- § The lease agreement must require the wind developer to keep the land free and clear of all liens related to the wind farm.
- § The landowner must not be held responsible in the event the wind developer cannot fulfill his obligations to pay for labor and materials.

Other considerations:

- § Governmental approvals
- § Termination of the agreement
- § Decommissioning and remediation of the wind farm

Landowner Association

An average wind farm typically includes several thousand acres and several landowners. Landowners may want to consider forming cooperative agreements to amass larger parcels of property to entice wind developers.

THANK YOU!

Information for this presentation was taken
from the article:

Can the Landowner Ride the Wind?

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