

**Wind Turbine Proposal**

In 2007, Dr. Russi funded a wind power feasibility study under the Resource Development Fund. With two years of wind speed data taken from on campus 50m tall meteorological tower, a full economic feasibility study was completed in early 2008.

From this, a March 2009 Request for Proposal was sent out to solicit developers to design, build, own, and operate one or more wind turbines on campus. We received five proposals, but Facilities Management felt that none of these met with OU’s needs.

Do to the forthcoming expiation of a 30% federal grant for this type of project at the end of this year, a second RFP was issued for third party owned and operated wind turbines in March 2011.

Two proposals were received on March 18th, and a bid review with all of the submitted documents is included herein.

**Facilities Management is recommending that we select Alternate Energy Solutions Inc. (AESI) to install one 2.1MW Suzlon S97 wind turbine to the south of the electrical substation.** An experienced team has been assembled to provide a low wind speed optimized machine from one of the world’s larges turbine suppliers. Over 1,200 Suzlon turbines have been installed in the U.S., with many in Minnesota and Pennsylvania so that a robust service base is present and nearby. The competing proposal was not financially sound nor did they propose an suitable turbine.

As of October 2011, AESI is proposing to assist with obtaining a third party donor to supplement the project budget in order to offer a wind energy Power Purchase Agreement (PPA) at rates below our existing utility costs. Tentatively, a 20 year PPA at $0.07 per kW hour, escalated at 2.0% annually is being proposed. This is a full $0.01 per kW hour below our present DTE average rate. AESI would also cover all electrical interconnection and access road costs so that the project would not require any up-front expenditure by Oakland University.

This would essentially allow Oakland to install a utility scale wind turbine to power about 10-15% of our electrical load at no cost to the University, while producing approximately $1.5M in energy cost savings over the 20 year PPA.

Facilities Management requests approval to enter into a Memorandum of Understanding with AESI to allow them to secure the needed financial donation and/or sponsorship from a third party. This would take a number of months to negotiate, and we would work directly with University Relations and OU management regarding any naming rights or other requests from the third party benefactor. Once this is arranged, Oakland would enter into a Development Agreement so that work may begin on project engineering. The turbine would not be ordered until the Board of Trustees approves the final PPA.

Presently, we are recommending that Oakland University enter into a Memorandum of Understanding with Alternate Energy Solutions, Inc. at a cost of $35,800 to cover the FFA permitting and communications interference study.
**Proposed Timeline:**

Execute the Memorandum  
Jan 2012

Negotiations with third party benefactors, OU University Relations, and AESI. Also, FFA permitting, final site assessment, and microwave communication study  
1st Quarter 2012

Negotiate and execute Development Agreement  
March – April 2012

Begin engineering & environmental impact studies  
2nd & 3rd Quarters 2012

PPA approval by Board of Trustees  
Sept 2012 BOT meeting

Order wind turbine, complete engineering and studies  
following signed PPA

Turbine online  
2013
20 year Power Purchase Agreement
$0.07 / kWhr to begin
2.0% PPA escalation
2.8% electric utility escalation
zero up front costs to Oakland Univ.

Oakland could purchase turbine at scrap value and refurbish unit. OU could then own and operate for full savings.