Successful project installations typically have some of the following characteristics:

- **Adequate wind resource**: Certain parts of California have robust wind resources while others have a resource that is insufficient to justify investment. Better resources improve the economics of projects.

- **Reasonable and certain permitting requirements**: Permitting requirements that have these characteristics which reduce uncertainty in the development process:
  - Provide clear guidance on the expected timeline for review
  - Are in place at the outset of a project
  - Include reasonable permitting fees
  Reducing the uncertainty in the permitting process helps to reduce the cost of capital for a given project, all else being equal.

- **Eligibility for SGIP incentives**: The incentives provided by the Self-Generation Incentive Program (SGIP) are a critical component of project economics. Projects should be located in the geographic boundaries covered by the SGIP.

- **Distance from urban/suburban areas**: Projects located away from densely populated areas tend to be more successful. Typically, the further a project is located from urban and suburban areas, the better the wind resource and the lower the levels of public opposition.

- **Site with sufficient load to sustain the project**: The SGIP requires that the project capacity directly relate to on-site load, and the low-end threshold for qualifying for the SGIP typically requires a large commercial or industrial customer. Finding customers with load sufficient to support the project is critical.

- **Project champion**: An internal stakeholder at the customer site must believe in the project and be willing to secure support for it. This person must have sufficient clout within the organization to secure financial and staff resources to bring the project to completion. This person will work closely with the developer to address project needs and to navigate local political sensitivities.

- **Availability of third-party financier**: In limited cases, developers will pay the up-front project costs in exchange for a long-term commitment from the site host to purchase the power output at a fixed rate. This arrangement helps to overcome one of the major barriers to small wind projects – the high up-front cost.

Together, these project characteristics tend to improve the financial viability of a project, which is a major determinant of project success.

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**McEvoy Ranch: Petaluma, CA**

McEvoy Ranch completed the installation of a 225 kW wind turbine in June 2009. This project provides for all of the organic olive ranch’s energy needs, including powering its olive oil mill. The project supports the ranch’s commitment to sustainability.

The owner of the ranch, Nan McEvoy, played a significant role in generating support and momentum for the project. As a former member of the Board of the San Francisco Chronicle, Ms. McEvoy used her media and political savvy and financial backing to bring the project to completion. It took seven years to complete the project, including securing necessary permits - longer than most developers would have been willing to spend.

For more information, visit [http://www.mcevoyranch.com/blog/?p=1463](http://www.mcevoyranch.com/blog/?p=1463).

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**Technology findings from the SGIP 2009 Market Characterization Report by:**

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Unsuccessful project installations typically have some of the following characteristics:

- **Environmental impact assessment requirement**: If an environmental impact assessment is required, it can take a year to complete and cost up to $100,000. In addition, projects may be required to implement mitigation strategies. These negotiations can further delay a project and increase its costs.

- **Proximity to wildlife habitats**: Wind projects are often perceived as a threat to avian or other wildlife species. Project development near wildlife habitats and wetlands is often prohibited or may encounter strong opposition.

- **Insufficient tax appetite**: Part of the financial incentives for small wind is provided in the form of income tax credits. If the project owner does not have sufficient tax appetite to take advantage of those credits in the first year to two years of operation, project economics are less favorable.

- **Outside of IOU service territories**: Parts of California are outside of investor-owned utility service territories and are not eligible for SGIP incentives. This essentially renders projects in those areas uneconomical.

- **Non-existent or unclear permitting process at project outset**: In some counties, small wind permitting guidelines do not exist. Some counties wait until a developer proposes a project to develop the permitting guidance. This adds a significant element of uncertainty to the development timeline and budget, deterring developers from being “the first” in that county.

- **High permitting costs**: Excessive permitting costs can undermine a project’s economics.

In addition, projects that lack the characteristics listed on the previous page are generally not successful.

**Best customer types for the technology:**

- Wastewater treatment plants
- Agribusiness
- Manufacturing
- Colleges and universities
- Primary and secondary schools
- Government facilities

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The Self-Generation Incentive Program (SGIP) was first launched in March 2001 by the California Public Utilities Commission to provide incentives for the installation of new, customer-sited self-generation equipment. The SGIP operates in the service areas of Pacific Gas and Electric (PG&E), Southern California Edison (SCE), Southern California Gas (SCG), and the San Diego Gas and Electric Company (SDG&E). The SGIP is administered by PG&E, SCE, and SCG in their respective territories. The California Center for Sustainable Energy (CCSE) administers the SGIP in SDG&E’s territory.