

# Opportunities in Wind Energy - Capitalizing on a Growing Industry

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LM Glasfiber

# Presentation Overview

- LM Glasfiber Overview
- United States Wind Market
- LM Presence in Grand Forks, ND
- Why Did LM Choose Little Rock?
- Energy Policy
- Next Steps

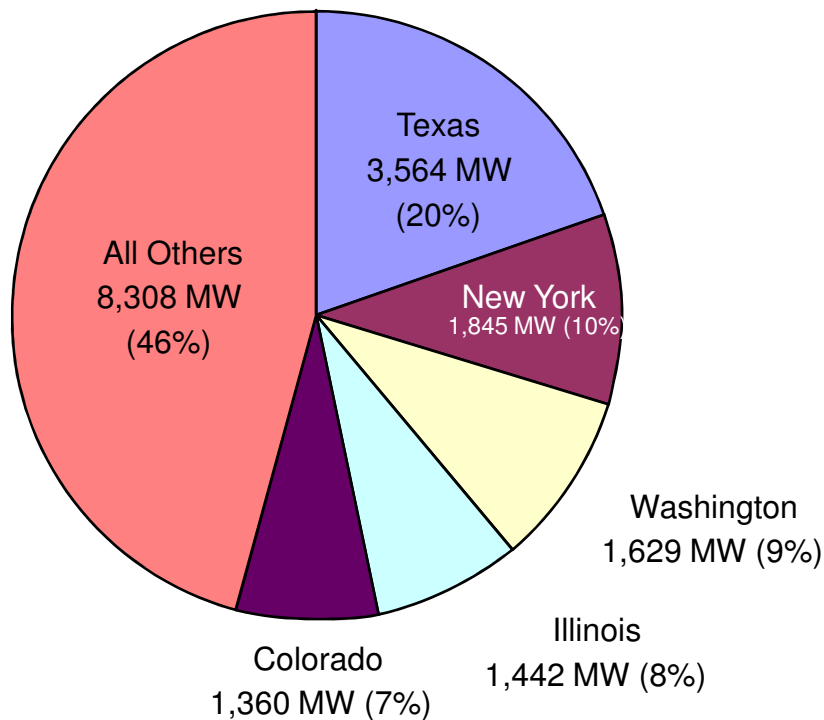
# LM Glasfiber Overview

- 12 facilities in 8 countries
- ~27% global market share
- Manufactured > 100,000 blades worldwide
- Over 5,200 employees worldwide
- Entered the North American market in 1998
  - Grand Forks, North Dakota (1998)
  - Gaspé, Quebec (2006)
  - Little Rock, Arkansas (2007)



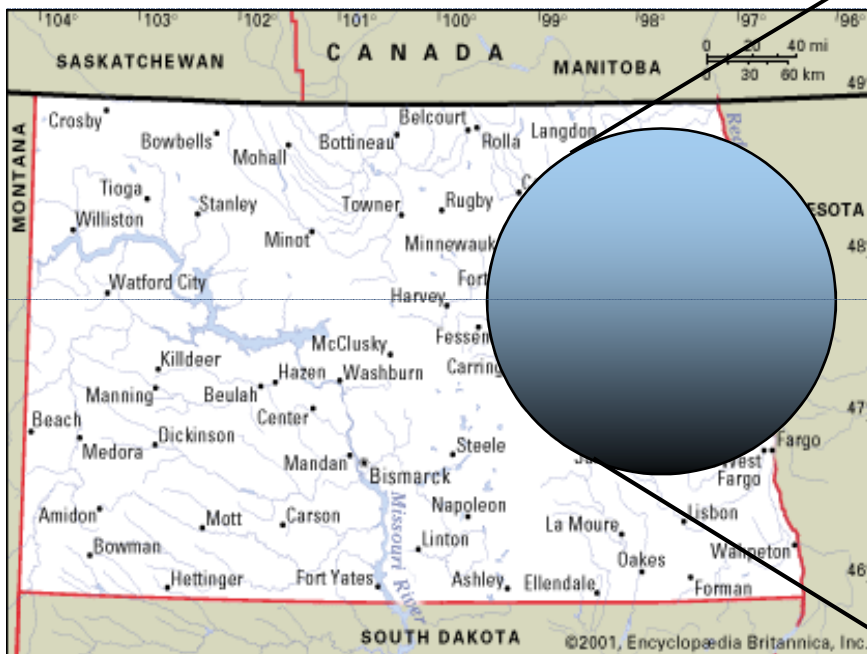
# Wind Energy in the U.S. is Enjoying Rapid Growth

US Geographic Demand  
Forecast 2006 – 2010  
**Total: 18,148 MW**



- U.S. expected to add 4,000 - 6,000 MW per year through 2010
- ~18,000 MW of nameplate capacity will be installed between 2007 & 2010
- U.S. wind market has no distinct center; regional demand is in:
  - Texas (Panhandle & Okla depends on SPP)
  - Northeast (will depend on permits/siting)
  - Upper Midwest (will depend on transmission)
  - Pacific Northwest/Rocky Mountain States
- Texas will account for ~20% of all new US wind installations (from ~25% of total US demand during 2000 to 2005). In 2007, Texas represented more than 50% of U.S. installations.

# LM's Presence in Grand Forks, ND



- Area population (MSA) = 130,000
- Grand Forks population = ~50,000
- LM Employment = from 60 in 1999 to 940 today
  - Skilled/Technical positions
  - Living wage
  - Tuition reimbursement
  - 3 weeks paid vacation
- Grand Forks facility has expanded by 231% since 1999
- Sponsors education (Kid Wind Project) & culture programs (NY Kammermusiker)

# Why Did LM Choose Little Rock, AR?

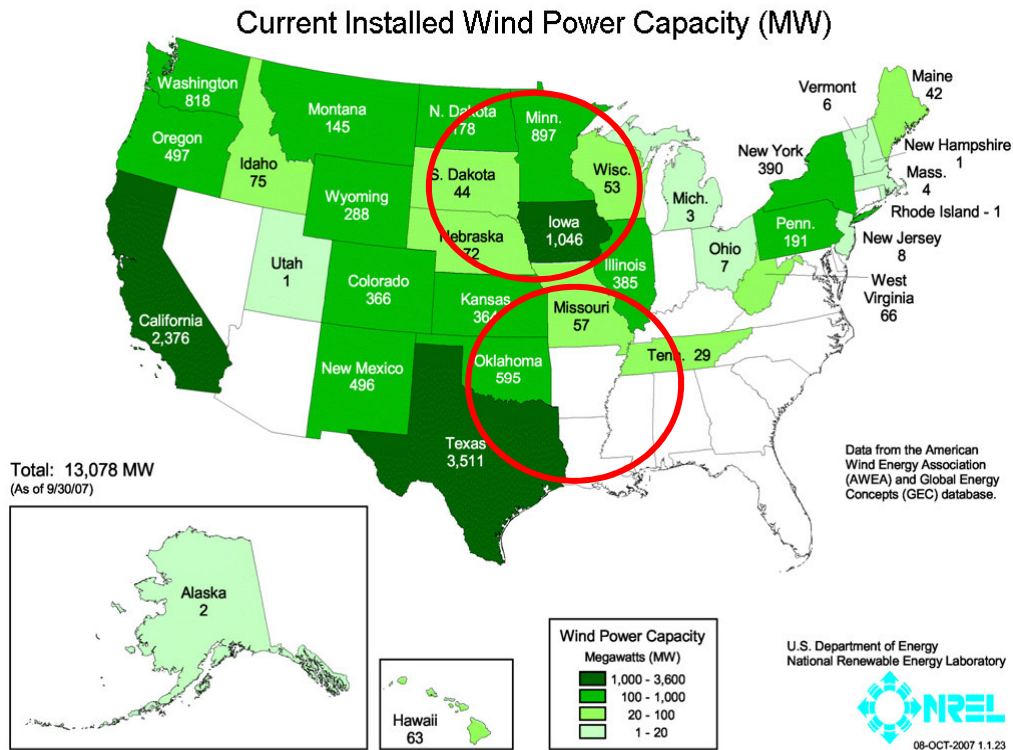
- Large available workforce – blue and white collar
- Location, Location, Location
- Excellent Transportation Options
- Greenfield Site at Port of Little Rock

# Available Workforce



- Little Rock Population (MSA) ~653,000; > 6X Grand Forks
  - Blue Collar labor force with high underemployment
  - White Collar Executives - ~27% with a Bachelor's degree or higher
- Arkansas EDC's / LR Chamber of Commerce's track record with workforce development
- Quality universities/community colleges/vocational schools serving the area

# Location, Location, Location



- Little Rock site complements our plant in Grand Forks
- Access to Texas (ERCOT) and Southern Power Pool (SPP) wind markets
- Geographic coverage is further enhanced by advancing our logistical options

# Little Rock Site Offers Many Transportation Options



**Air**



**Marine**



**Rail**



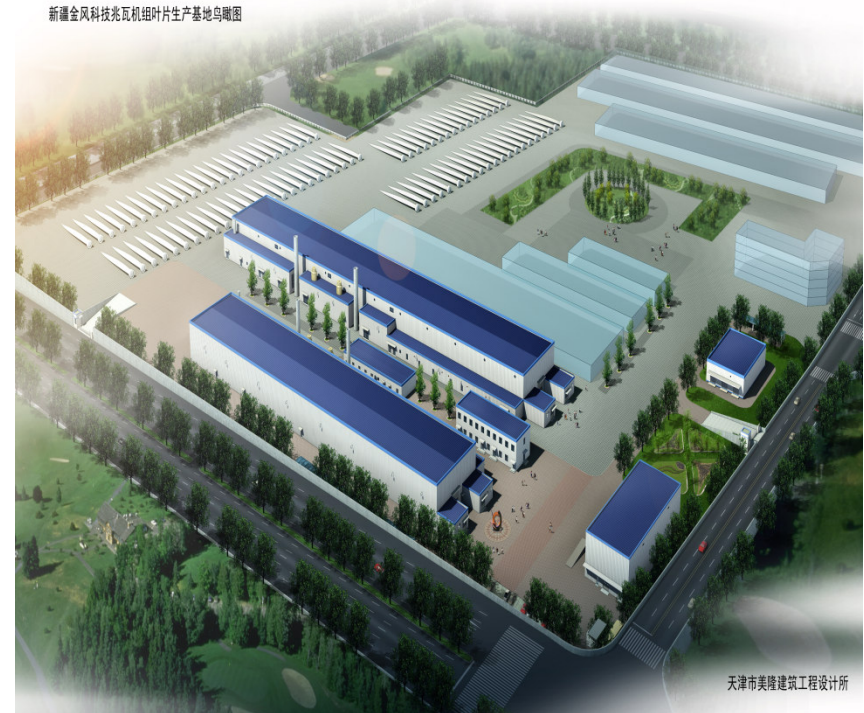
**Road**

# Greenfield Development Potential

## Current Situation

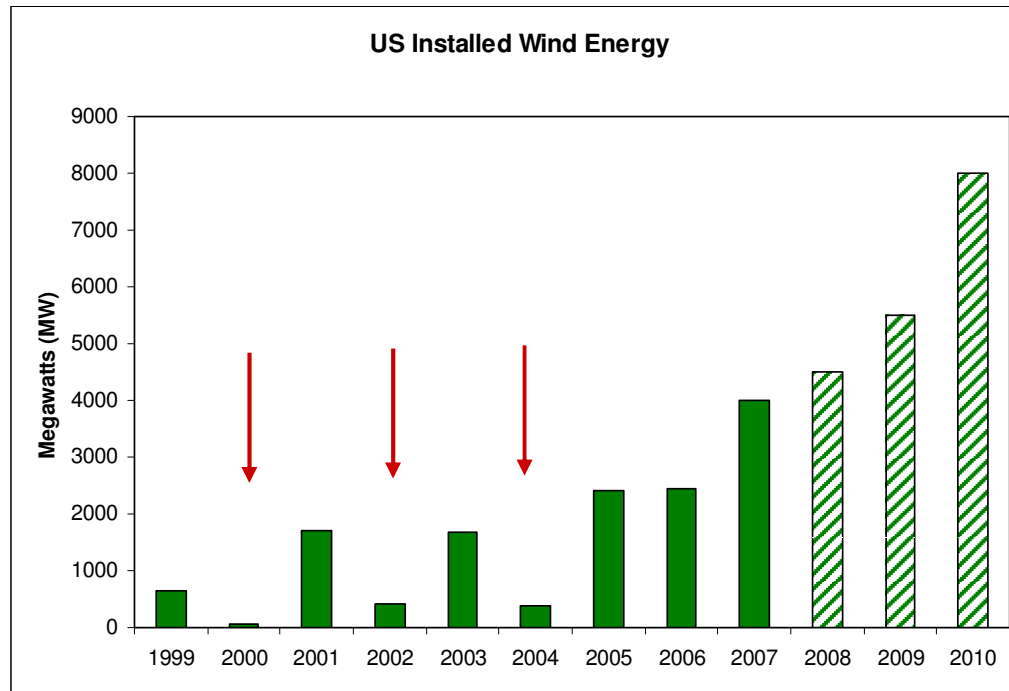


## Ideal Situation (Mockup of Model Factory)



**Purpose-built Blade Workshop Will Provide Superior Process Flow & Quality**

# Past National Energy Policy Has Created Volatility in the Demand for Wind Turbines



- Production Tax Credit (PTC)
  - Expires December 31, 2008 (Has previously expired in 1999, 2001, & 2003)
- Renewable Portfolio Standards (RPS)
  - 25 states plus the District of Columbia currently have a state mandated RPS
- Carbon Taxation/Trading
  - Federal cap and trade legislation has been introduced
  - Existing regional initiatives: RGGI, WCI, and Midwest GHG Accord

# Suggested Next Steps for Arkansas

- Support wind-friendly legislation (PTC, RPS)
  - Eligible sources = Wind, Energy Efficiency, Solar, Geothermal
  - MO has set goals; voluntary commitments
- Drive the process setting transmission policy & for tackling transmission infrastructure issues, particularly as it relates to Southern Power Pool (SPP)
- Invest in training facilities and technical curriculums to support manufacturing
- Maintain and improve relationships with manufacturers
- Join the Governor's Windpower Coalition
- Participate in industry events (AWEA's annual Windpower conference)