

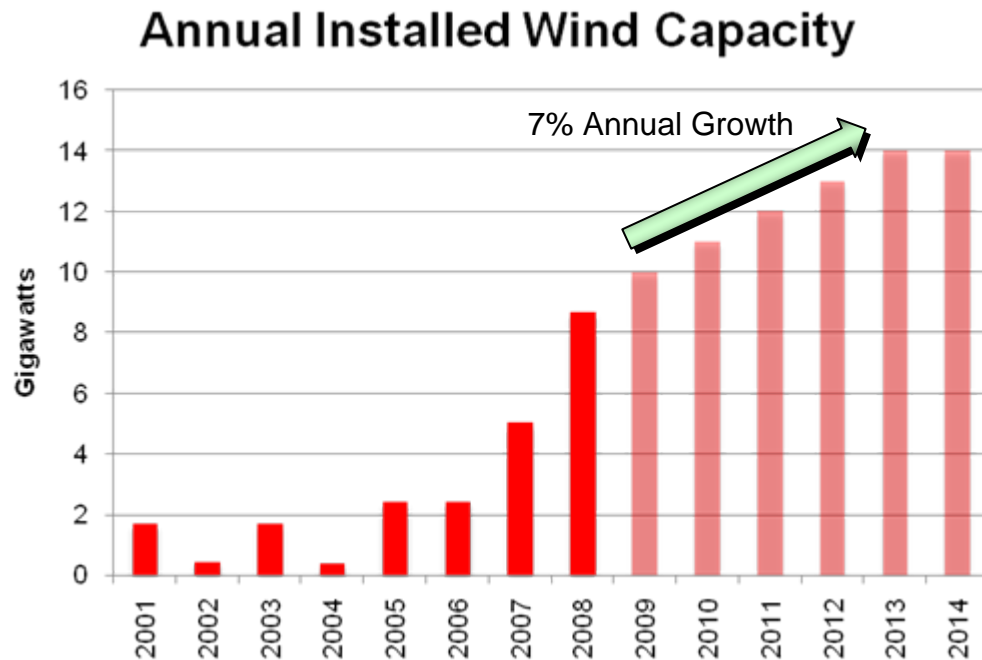
Wind Logistics Group (WLG) Ltd. Business Plan

*Our vision is to become the Fedex for the US Wind business –
and change the way logistics for wind projects happen*

Gavin McCallum – gavinm@mit.edu
Forrest Funnell – ffunnell@mit.edu
Juan Mohd Harris – s_harris@mit.edu
Shirona Partem – spartem.mba2009@london.edu
Mike Norelli – mnorelli@mit.edu

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The US Wind market is set for unprecedented growth



Source: Emerging Energy Research

- US wind is a \$16b per annum industry today
- Growth is driven by federal and state policies such as renewable portfolio standards and the production tax credit
- Economic downturn has slowed wind growth but long term fundamentals remain strong
 - Obama's has set a goal of 25% renewable electricity by 2025
 - 2009 Stimulus package extended wind production tax credits for 3 years
- Market for wind turbine logistics, transportation, and handling is a \$1b per annum market today
 - This market is projected to grow to \$2b by 2018

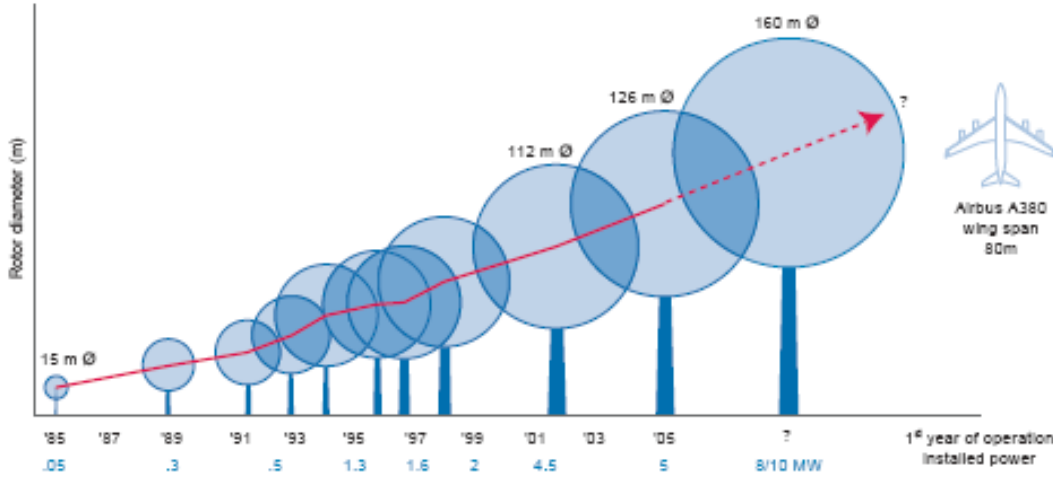
Scale creates huge challenges for wind logistics

Trends

- Average turbine size has doubled in last 10 years
- Average wind project size is growing (2008 average 125MW) and projects are built in increasingly remote locations
- Fragmented OEM supply chain
 - OEM's main components come from > 3 different locations across the US (and often foreign imports)

Impact for transportation and storage

- Specialized oversized transportation is required
 - Requires state permits and police escort
- Huge co-ordination challenges to build a wind project
 - Average site requires 1000 separate oversized deliveries to 90 turbine locations spread out over 10 square miles
- There are many unknowns in project management:
 - Weather, land permits, sensitive wildlife migration, technology problems, supply chain delays
 - Approx 2/3 of all wind projects delayed



Source: Merrill Lynch, *Industrial Overview of Wind Turbine Manufacturers*



Source: US DOE, *20% Wind Energy by 2030*

Project developers do not plan for delays

Average wind site – 125 MW, 85 turbines. \$250m project cost

Planned and Budgeted by Developers

- Developers project plan assumes site preparation and construction according to schedule; delivery just in time; timeframe ~ 6-9months
- Delays not planned; little or no time buffers included in the plan
- **Budgeted Logistics and Handling (L&H) cost = ~\$17m**

Reality: Delays and Double Handling

- Project schedule often delayed up to 12 months due to permits, weather, etc
- Turbines ready and delivered; developers need to receive, else incur demurrage cost
- Developers scramble for land, trucks and crane to receive and handle turbine components
- **Average Delay cost of \$2-7m; Actual L&H cost = ~\$19-24m**
- Delay costs could be even higher if the project developer fails to meet project deadlines, eg power contracts with utilities

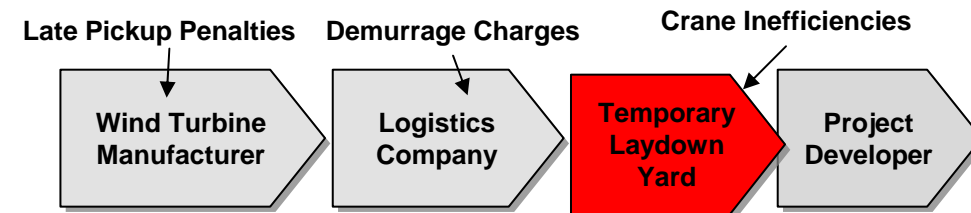
WLG's Service Offering

- Components delivered and stored at hub area; delivered JIT
- **Total service fee = ~\$4m** (\$2m for storage + \$2m for JIT transport)
- Overall savings to developers between **\$0-5m**; convenient and better control of schedule and cost

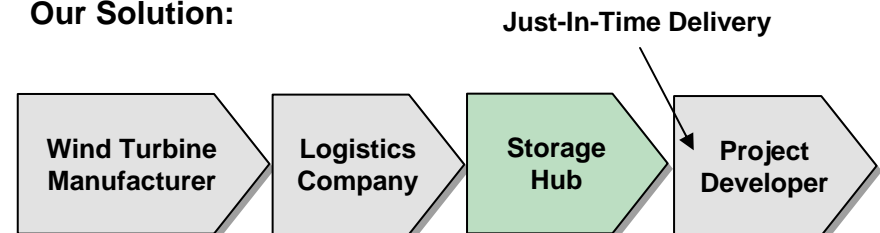
Ideal Supply Chain:



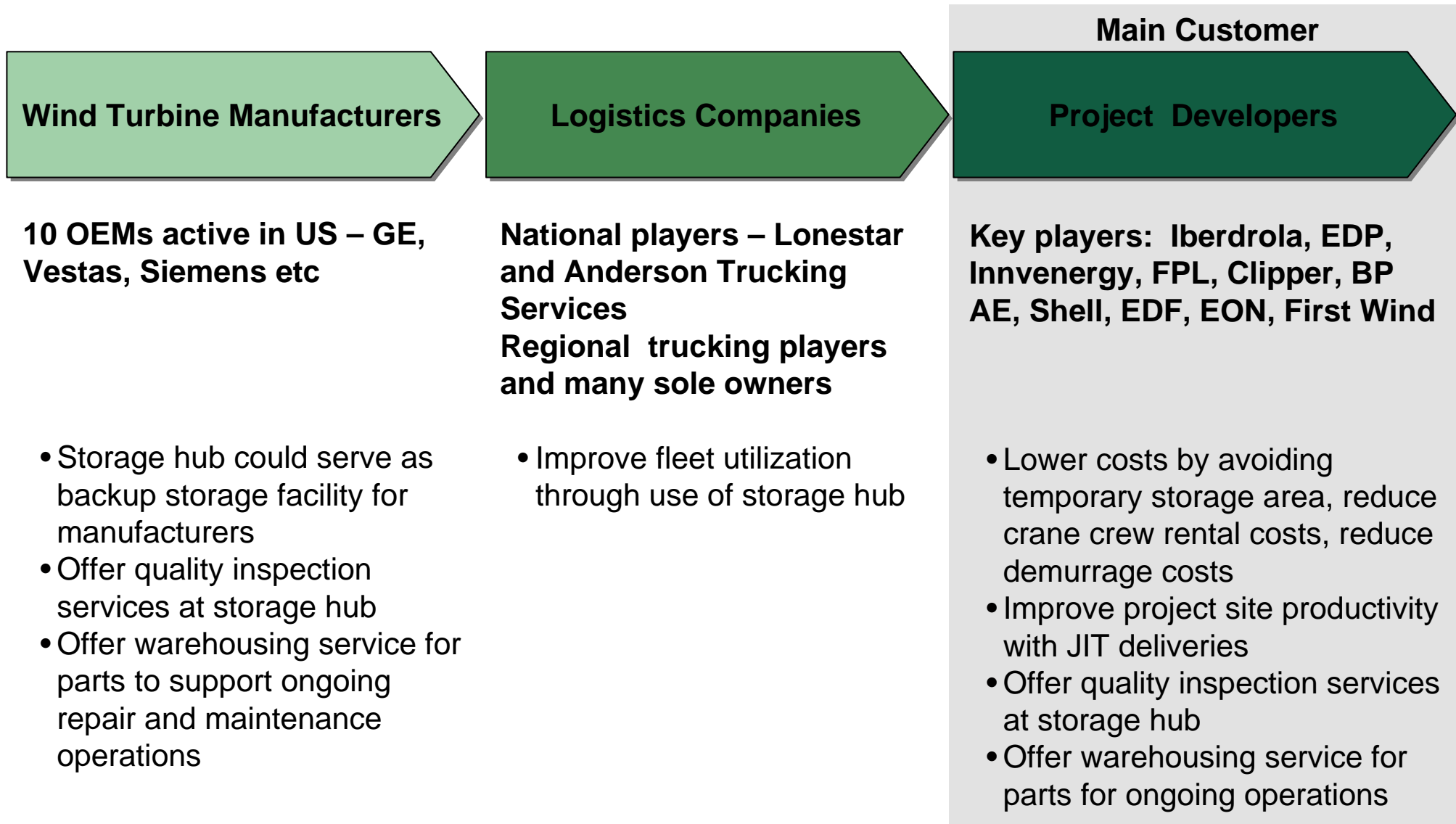
Incurred Costs for Developer:



Our Solution:



Different value proposition for each stakeholder



In conclusion...

- Our vision – be the Fedex for the US Wind business – and change the way logistics for wind projects works.
- Our solution - storage hubs at key locations and then JIT transportation is innovative and will deliver cost savings and better control of schedule for wind project developers
- We can achieve competitive advantage by moving fast to secure sites and customers
- The business can be scaled quickly and we forecast \$50m revenue business in 2-3 years
- There is significant growth potential by adding more hubs and more comprehensive logistics solutions (end – end), inspection and parts services