
NW Cooperative Development Center

Community Ownership Models; Keeping Local Dollars Local

Jan. 29th, 2008

Eric Bowman

Cooperative Development Specialist

eric@nwcdc.coop



1063 S Capitol Way # 211
Olympia, WA 98501
360.943.4241



Overview

The role of co-ops in local renewable energy development

1. Intro
2. Co-ops 101 & Benefits of Cooperation
3. Steps to Start a Co-op
4. Renewable Energy Co-op Models:
 1. Biodiesel
 2. Digestion
 3. Biomass and/or Ethanol
 4. What else...
5. Q&A



NW Co-op Development Center

The Center

a 501(c)3 nonprofit which provides development services for new and existing co-ops

Our mission

to foster community economic development through the cooperative business model



Co-ops 101

A co-op is any corporation, that's member:

- ❑ Owned
- ❑ Benefited
- ❑ Controlled

NCBA.coop... National Cooperative Business Association

*Top 100 co-ops' 2006 revenues = **\$150 Billion!***

- ❑ Ag & Grocery
- ❑ Energy/Communications
- ❑ Finance
- ❑ Hardware/Lumber

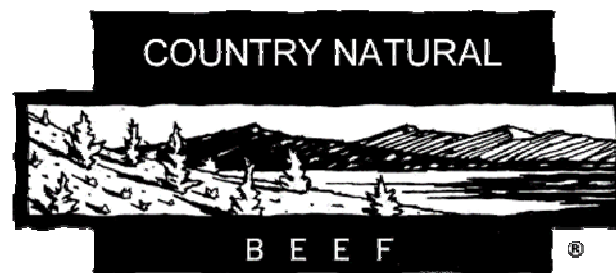


Ownership



Member-Owners can be:

- ❑ Consumers
- ❑ Producers/Farmers
- ❑ Workers
- ❑ Other Businesses



Why Cooperate?



Co-ops are a proven strategy to access economic resources which may not be individually achievable

Marketable Co-op Benefits; “Goodwill”

- Local = accountable
- Trusted
- Social and economic *bottom lines*



Co-op Development

Development Stages

- **Identify a need a co-op could meet**
- Form Steering Committee
- Research Feasibility
- Review Findings (Go/No Go)
- Membership Drive
- Planning and Financing
- Begin Operations (Go/No Go)

How We Can Help

- Facilitate identifying mission/goals
- Train founding Board members
- Research market and feasibility
- Assist with organizing
- Provide professional, 3rd party perspective



Co-op v. Investor (50MMgpy EtOH)

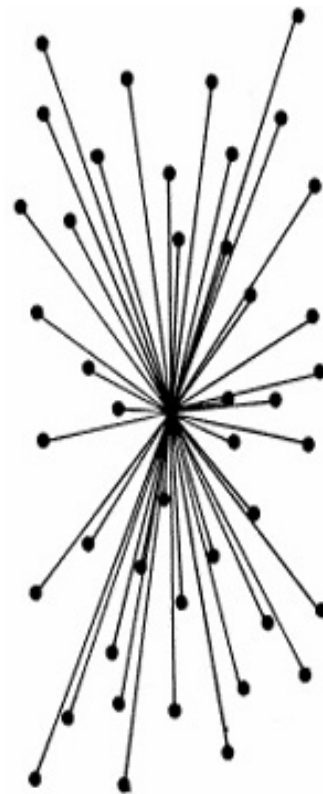
- 56% greater impact on local economy
- Why? = Local sourcing
 - General services & accounting = \$1.5MM more
 - Debt interest = \$2.4MM more
 - Supply inputs
- Farmer dividends = profit distribution spent locally



Distributed Energy Production

Distributed Resources = Distributed Opportunity

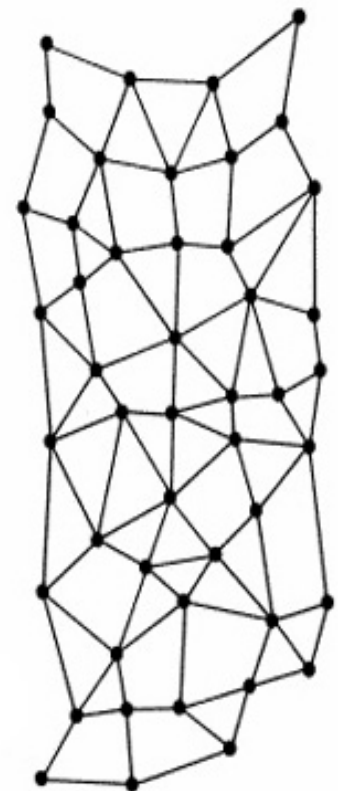
- ❑ Many small sources
- ❑ Diseconomy of scale
- ❑ Rethinking infrastructure



Centralized



Decentralized



Distributed

Co-ops in Biodiesel

Biodiesel

- ❑ Production/marketing
 - Pendleton Grain Growers
- ❑ Joint-ventures
 - Inland Empire Oilseeds, LLC
 - ❑ Odessa Union Warehouse Co-op
 - ❑ Reardon Grain Growers
 - ❑ Reardon Seed Company
- ❑ Consumer-owned
 - Bend Biofuels
- ❑ On-farm consumption/co-op production

PGG



Co-ops in Anaerobic Digestion

AD = Harnessing decomposition

- Ownership
 - Co-op ownership dominates E.U.
 - Small-scale in the developing world
 - Investors or municipalities
- Benefits diverse stakeholders
 - Farm – manure & nutrient
 - Environmental – GHG & odor
 - Energy
- Increasing power costs = feasible



Co-ops in Renewables; the Horizon

Woody Biomass and/or cellulosic EtOH

- ❑ Aggregate producers for biorefinery
 - Grass or wheat straw, etc.
 - Non-industrial private forests



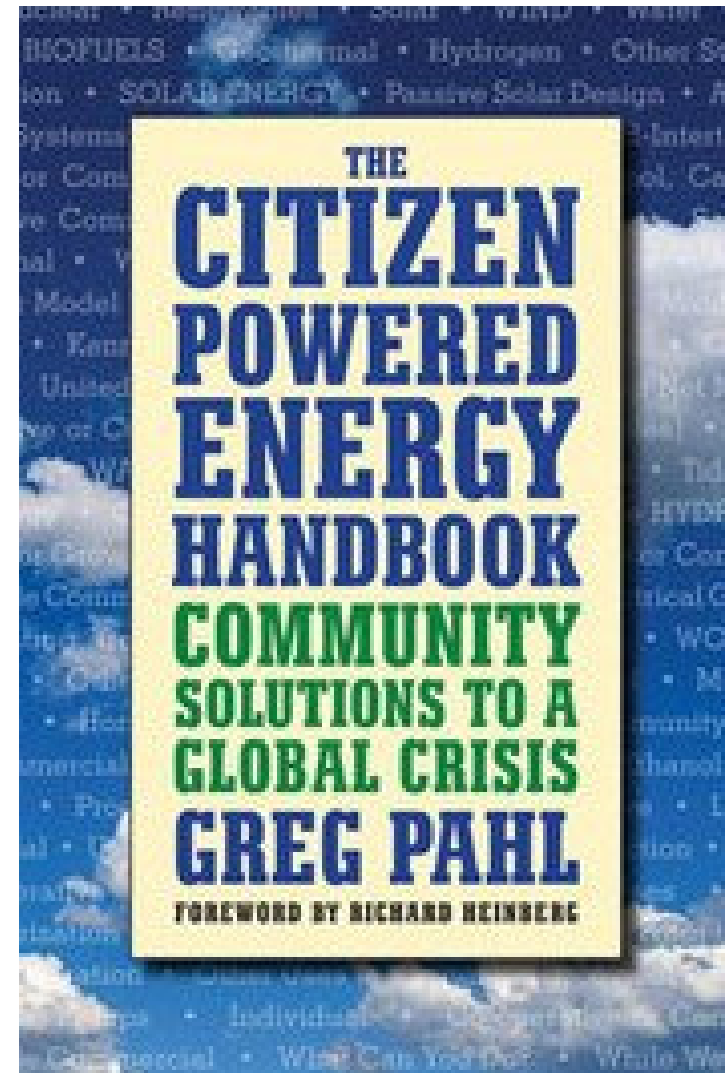
Aggregate Attributes

- ❑ Green tags
 - Our Wind Co-op
- ❑ Carbon credits
 - Direct Seed Assn



What else...

- Geothermal
- Wind
- Solar
- Water
 - Micro-hydro
 - Wave/tidal



In Conclusion

Co-ops

- ❑ Economically cluster owners
- ❑ Empower communities
- ❑ Create assets and jobs
- ❑ Re-invigorate local economies
- ❑ Keep control local
- ❑ Inherent advantages



What's our vision for future energy production?



Thank You!

Eric Bowman

Northwest Cooperative Development Center
1063 Capitol Way S # 211 | Olympia, WA 98501

360.943.4241

eric@nwc dc.coop | www.nwc dc.coop

*Fostering community economic development through the
cooperative business model*

