

Wind Energy Insurance

Overview

Clean energy initiatives using a natural resource – the wind.

US electricity demand will grow by 39% from 2005 to 2030, reaching 5.8 billion megawatt-hours by 2030. To meet 20% of that demand, US wind power capacity will need to reach more than 300 GW or more than 300,000 MW. The American Council for an Energy Efficient Economy (ACEEE) estimates that combining the best provisions of both the House and Senate bills would save consumers a total of \$850 billion by 2030. A goal has been set to utilize wind power to produce 20% of the US electricity by 2030.

Damaged equipment can lead to downtime, thereby eliminating the potential for profitability. Availability Insurance along with product insurance can assure the profitability of producing wind power, thereby protecting investments.

The average size of a turbine deployed in the US in 2007 according to the Congressional Research Service was 1.6 megawatts, enough to power approximately 430 US homes.

Wind Energy benefits go beyond the environment, wind energy creates, “green collar” manufacturing jobs and field service jobs rather than traditional carbon-intensive employment. An estimated 76,000 US jobs in the wind industry were at risk if the PTC is not renewed. Wind Power assists rural development by giving landowners income from land leases and offers shorter construction lead time than some other options.

Typical Wind Farm Classes:

- Developers/Owners;
- Turbine Manufacturers;
- Financial institution/Equity partners;
- Gear Box and Component Manufacturers;
- Operations & Maintenance Contractors;
- Construction Contractors;
- Transportation providers;
- Crane Operators.

Products & Options:

Below is a starting list of the various types of insurance that Holmes Murphy & Associates can provide to you via our dedicated Sustainable Energy Unit.

- Original Equipment Manufacturer Warranty;
- Extended Warranty;
- Wind availability insurance products;
- Builder’s Risk – Property Damage and Delay in start up;

- Transit/Ocean Cargo;
- Property all risk Insurance including business interruption;
- Equipment Breakdown;
- Project performance;
- Supply Bonds;
- Performance Bonds;
- Professional Liability;
- General and Umbrella Liability;
- Workman's Compensation;
- National Resource Damage (Environmental/Pollution);

As you can see there are a lot of different exposures to your wind farm, let the experts at HMA help you navigate the process. Within the Renewable Energy Unit we are not looking just to sell you insurance, we are not looking for customers, we are looking for partners. We customize every program to meet the challenges of your business. Contact us today so that we can start building a customized solution for you.

Something to Consider when Starting a Wind Farm

As the wind changes so can production. At low wind speeds, wind turbines shut down. A turbine's "cut in" wind speed is usually between 2.5 m/s and 5 m/s. Nominal wind speed tends to vary between 12m/s and 15 m/s but the precise number depends on the ratio of generator capacity to rotor surface area, which is a design variable. The wind turbine also typically has a "cut out" wind speed which is the wind speed at which the turbine is shut down to avoid structural overload. At these times production can lag or even cease.

Wind Resource Potential

