

Green energy provides opportunities for tribes

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MASHANTUCKET, Conn. - With almost two-thirds of energy resources in the continent located on tribal lands, one of the hottest topics at a recent finance conference was green energy - how to use it and profit from it.

The Seventh Semiannual Native American Finance Conference took place Oct. 15 - 16 at the Grand Pequot Ballroom at Mashantucket Pequot Tribal Nation's Foxwoods Resort and Casino.

The conference brought together hundreds of representatives from tribal nations across the country and professionals from top-level firms specializing in all aspects of finance and banking, Indian law, insurance, real estate, housing and gaming.

This year's event included a special focus on developing green and renewable energy resources.

Members of a panel called "Green Energy" discussed negotiating, structuring and initiating sustainable renewable energy projects, covering various aspects of financing opportunities as well as regulatory changes that will impact energy projects and initiatives.

Bob Percopo, AIG's senior vice president of investments, was the panel moderator. A specialist in energy and power, and finance across the globe, Percopo heads a private equity fund with a focus on power generation, transportation and environment.

Green energy and renewable energy have become the focus because of carbon dioxide emissions and global warming, Percopo said.

Coal-fired plants spew hundreds of thousands of tons of carbon dioxide into the air each year. To put the problem into perspective, one ton of carbon dioxide volumetrically would fill a swimming pool 60 feet long by 20 feet wide by 15 feet deep, Percopo said.

AIG has been working with tribes on both renewable and conventional energy development project as financial advisers and also as equity investors.

Todd Hooks, economic development director for the Agua Caliente Band of Cahuilla Indians, talked about the systematic process of strategic energy planning his tribe has undertaken.

The tribe is located in Palm Springs, Calif., and has 31,500 acres of reservation lands that spread across Palm Springs, Cathedral City and Rancho Mirage and into the Santa Rosa and San Jacinto mountains. The 423-member tribe currently owns and operates the Spa Resort Casino and Hotel in downtown Palm Springs and the Agua Caliente Casino near Rancho Mirage.

The tribe used a BIA grant to conduit a feasibility study and develop energy plan goals, Hooks said.

"We created a vision to guarantee the energy future of the tribe; we developed an energy-use profile, we identified viable tribal energy opportunities and from that we evaluated and selected the best energy development and investment options," Hooks said.

The team reviewed more than 60 "best fit energy options" and is now moving forward on some of them, including forming a "scalable" utility organization.

"Does this mean we'll ever get to the poles and wires use? I don't know, but we know we have both some resources as well as some issues around those resources that are pushing us in the direction of organizing an internal structure to deal with energy and utilities," Hooks said.

The tribe's current energy programs include off-the-grid solar panels to replace a propane generator on its Trading Post; a co-generation plant; using LEED standards in development projects; using "green" analysis early in project development stages; and working with Southern California Edison toward developing an energy conservation and management program.

Chris Cassidy, acting energy branch chief for the U.S. Department of Agriculture, talked about tribal energy resources potential and technologies.

"Sovereignty is our bottom line in our renewable energy program at Rural Development, and the basic stepping stones we go through are conservation, then energy efficiency, then renewable energy systems and, finally, to sustainability," he said.

The department has grants and loans for planning or technical assistance with design, development and implementation, which are available to tribal members, enterprises and governments in all forms of business structures.

And with governments and businesses looking to cut their dependency on fossil fuels, the timing is right for tribal energy development.

"Approximately 60 percent of the energy sources available in North America are on Native lands. So we're looking at distributed energy and we're looking at renewable energy development across the country," Cassidy commented.

He lauded the nations that are already exploring their opportunities to develop wind, geothermal, solar and biofuels, and for looking at the second and third generation technologies that are on the horizon, such as grass and oil crops, low-end hydro power, wave and tidal energies, and the conversion of algae into energy.

"I think the opportunities not only for development of these renewable energy sources on Native American lands, but also distribution of that energy is going to lead to job creation and job retention and support of social service networks," he said. "And, sovereignty being the bottom line, you control your own resources and you're in a much better position than leaving it out there for somebody else to make these decisions for you."

Renewable sources are neither new nor unfamiliar to tribal communities; they are the elemental earth, fire, water and wind, handed from the forefathers, according to Cassidy. "I think it's just a matter of putting some modern terms on and applying some modern techniques, but the basic foundation has been here since time immemorial and will continue to be here if we choose to develop these resources wisely."

Patrica Ehrhart, vice president of DCO Energy LLC, discussed companies such as hers that take over the "energy part" of a development, allowing a tribe to use the average 10 percent of the development cost elsewhere.

Robert Middleton, Interior's director of Indian Energy and Economic Development, said the department was interested in fostering energy development in Indian country not only because the department sees it as a major economic driver, but also to save the department money. His office is working on revised regulations that will give nations more decision-making power. The department also has grants and loans available for mineral and energy projects.

John Swimmer, an attorney for the Cherokee Tribe of Oklahoma, encouraged nations to seek opportunities to "add value" to their tribal resources, even, for example, by selling off pollution credits on their undeveloped lands.