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COLUMN FOR IMMEDIATE RELEASE

May 4, 2006

## **From Obscurity to Center Stage: Renewable Energy Goes Mainstream**

By David Paskach, Vice President, Southwest Initiative Foundation

Eight months ago in the first Renewable Energy Marketplace news column, we wrote about the growing interest in renewable energy caused by Hurricanes Katrina and Rita's impact on crude oil prices. Last August we were shocked by \$70 a barrel crude, and gasoline prices approaching \$3 a gallon. But by October 2005, oil prices again headed lower, and we all breathed a sigh of relief as we headed into winter. Little did we know that the brief rise in prices we saw after the hurricanes was really the harbinger of things to come.

Today we hear speculation of crude oil heading to \$100 a barrel or gasoline at \$5 a gallon. We all expect to pay more than \$3 a gallon during this summer's driving season. But the reason for high prices this time isn't hurricanes. Now it's dramatically rising world demand, inadequate refining capacity and conflicts with Iran and other oil producing countries. The new reality is that there isn't enough oil to meet the world's needs, and energy dependence has become a national security issue. This new reality demands that we develop alternatives, and the result is a flood of interest in renewable energy from the equity markets and investment community.

Wall Street is abuzz over renewable energy. CNBC, the leading financial markets cable channel, has presented several feature stories on renewable energy in just the past few weeks. Pacific Ethanol, a west coast company with plans to be "the largest producer of ethanol in the Western United States" went public in 2005 at about \$10 a share and is now trading over \$35. Bill Gates made news as one of its biggest investors. All this before Pacific Ethanol has even completed construction of its first plant! Archer Daniels Midland stock is up more than 60% in 2006 with analysts attributing this rise to ADM's leadership in ethanol production. Guinness Atkinson Funds prospectus for its new Alternative Energy Fund touts that "The Alternative Energy Revolution Has Arrived." And numerous private equity and venture funds focusing on renewable energy are springing up worldwide. Renewable energy is quickly becoming a mainstream technology sector because market forces are putting it there.

So what does this mean for southwest Minnesota, which has a developed alternative energy sector already in place? For our wind energy, bio-fuels and biomass pioneers, it means being positioned to reap the benefits from their early investments in renewable

energy technology. It also means that southwest Minnesota is an attractive location for future investments in renewable energy, because we already have the know-how, infrastructure and support necessary for successful renewable energy projects.

To ensure our future success as a world leader in renewable energy, continued collaboration among industry leaders, economic development organizations, educational institutions and the government will be critical. Local investment also needs to be further encouraged. And we must continue to market our region to the world as a renewable energy center, just as we did at BIO 2006 in Chicago, when over 18,000 participants had the chance to learn about southwest Minnesota's Renewable Energy Marketplace™; or as we did the last week in April when Willmar hosted a renewable energy delegation from China. As investors around the world learn of our great renewable energy story, opportunities to further develop the industry and grow our region's economic base will no doubt present themselves. Who knows, maybe Bill Gates' next renewable energy investment will be in southwest Minnesota.

*This monthly column is brought to you by the Southwest Initiative Foundation as part of its efforts to advance renewable energy as an economic asset in southwest Minnesota by branding and promoting the region as The Renewable Energy Marketplace™. For more information on the Renewable Energy Marketplace™, log onto [www.renewableenergymarketplace.org](http://www.renewableenergymarketplace.org) and for more information on the Southwest Initiative Foundation, log onto [www.swifoundation.org](http://www.swifoundation.org).*

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