

Dollars Aren't The Only Green Gifts

Time to explore the untapped field of green energy gifts.

Betsy Suppes



At a conference last September, my co-presenter and I suggested looking at geothermal energy revenue/royalties that are sold back to the grid as another in-kind gift. This idea got the room buzzing with questions. “What if they don’t have a well drilled already?” “How much does it cost to drill a well?” “How long does it take from drilling the well to getting on the grid?”

Green energy gifts? Why not? It’s just like getting stock from a power company.

Geothermal energy is mostly limited to tectonic plate boundaries. A donor may have geothermal potential on their property. But if it has not been developed prior to gifting, they would be essentially gifting an easement. However, if the donor has geothermal energy, such as a hot spring, in which a well has been drilled and the energy is being sold back to the grid, a donor could gift a percentage to their charity of choice. This revenue stream would not depreciate, as geothermal energy is sustainable.



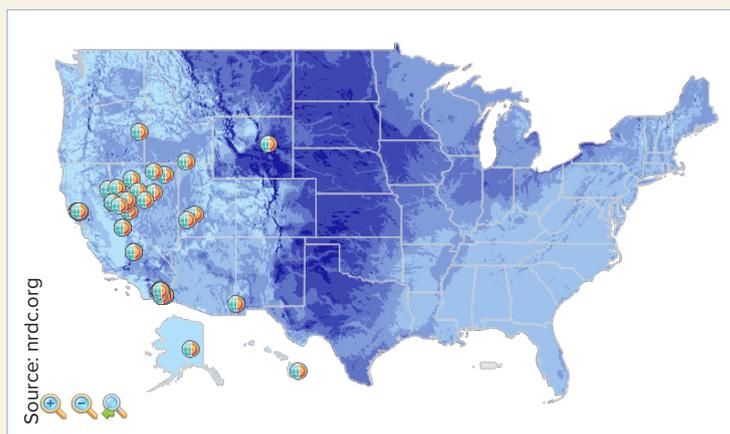
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Hey, Sunshine!

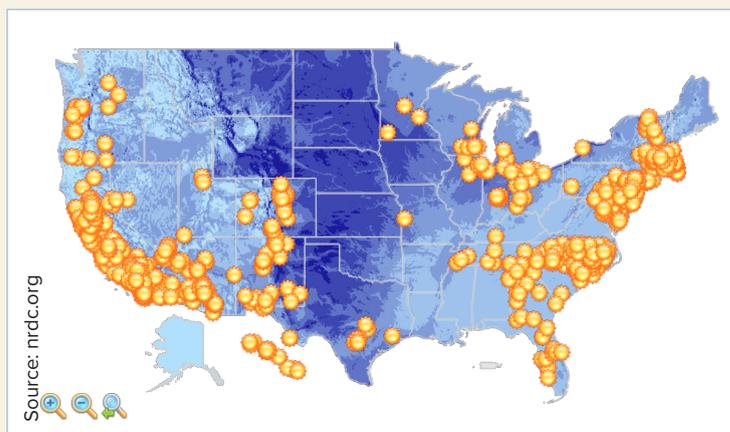
Solar energy varies from latitude to latitude and state to state. How it works, is that the power company approaches a landowner to lease their land for a solar “farm.” The power company would offer the landowner money in exchange for the use of his land as a solar farm, usually in units of dollars/acre. The landowner can negotiate a fair rate depending on the plans for the land. Power companies in states which have sunnier climates may have solar royalties that they also will negotiate with the landowner. Royalties in sunny states such as California and Hawaii, the royalties can be as much as 4%. These royalties can be gifted to charitable institutions and are sustainable.

Look what the turbine blew in.

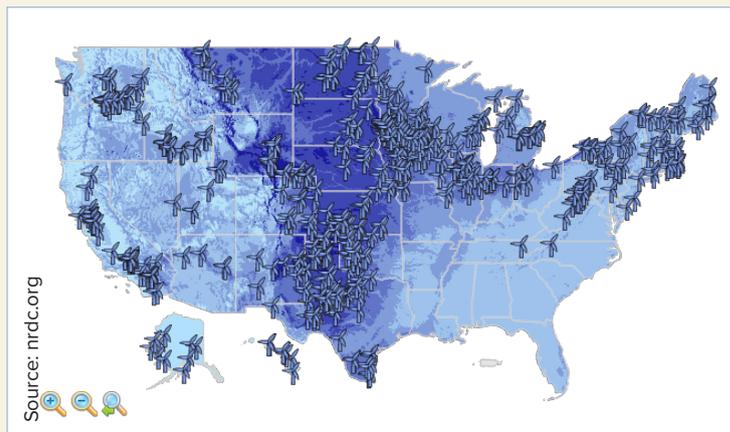
Landowners who have wind turbines on their land receive an annual payment and it can be a series of revenue first from the developer and then the power company. This income can be a combination of annual power generated and leased acreage. Prior to 2000, the turbines were less powerful and an average annual income was \$2,000/turbine. Nowadays, the turbines are larger and generating more energy and an annual revenue stream of \$5,000/turbine is not unusual. The landowner can negotiate an escalating royalty or revenue stream with the power company. As with solar energy, the windiest spots in the United States are by the shore, the ridge tops and the Great Plains. California, Texas and Iowa are states which have some of the most installed capacity, however this opens up the field for landowners in the northeast Appalachian ridge tops and other states in the Great Plains.



Existing geothermal facilities



Existing solar facilities



Existing wind facilities

Find your “green” donors.

Receiving green gifts is not necessarily mean dollar bills. A sustainable gift of green energy royalties is something that your advancement staff should actively seek. The green gifts of geothermal, solar and wind energy can be made simple. The gift officer just needs to find the people in their alumni database who are both philanthropic and green. ●

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