

**MINUTES
RURAL MN ENERGY BOARD MEETING
MONDAY JANUARY 23, 2006, 9:30 A.M.
SLAYTON PIZZA RANCH
SLAYTON, MN**

MEMBERS PRESENT:

Blue Earth County.....Katy Wortel	Murray County..... Alfred Gertsema
Cottonwood CountyJohn Oeltjenbruns	Nobles County David Benson
Faribault CountyLoren Lein Diane Thier
Jackson CountyBob Ferguson	Pipestone County... Jack Keers
Lincoln County.....Larry Hansen	Redwood County ... Brian Kletscher
Lyon County.....Bob Fenske	Renville County Bob Fox
Martin County.....Jack Potter	Rock County Ken Hoime
Mower CountyAbsent	Watonwan County.. Scott Sanders

ALSO PRESENT: George Crocker (NAWO), John Wagner (Pipestone Co. EDA), Lee York (Murray /Nobles Co Coop Electric), Matt Schuerger (ESCS), Vince Robinson (Lincoln County Enterprise), Dennis Timmerman (AURI), Arlene Vee (MPCA), Jay Trusty (Staff), Annette Bair (Staff)

CALL TO ORDER: The meeting was called to order at 9:30 am by Chairman Keers.

ANNOUNCEMENTS: No announcements.

INTRODUCTION: Chairman Keers requested everyone present to introduce themselves.

AGENDA: There were no changes to the agenda

M/S/P Benson, Oeltjenbruns to approve the agenda.

MINUTES:

M/S/P Gertsema, Hansen to approve the minutes of December 14, 2005 with the correction of the spelling of enXco on page 5.

TREASURER'S REPORT: Bair distributed the Treasurer's Report and bills. The Treasurer's Report ending in December 31, 2005 has 2 bills. The SRDC November and December administrative bill is for \$1,120 and a bill for legal fees by Barna, Guzy and Steffen in the amount of \$603. Upon payment of those 2 bills the Energy Board balance will be \$47,421.72. As of January 2006, 2 counties have submitted dues of the 15 counties and there is 1 bill from MCIT for Public Officials Insurance and General Liability in the amount of \$1,669. The balance after expenses are approved and paid will be \$49,752.72.

M/S/P Ferguson, Benson to pay the following bills: SRDC November through December administrative in the amount of \$1,120; Barna, Guzy and Steffen in the amount of \$603; and MCIT in the amount of \$1,669.

JOINT POWERS ORGANIZATION BUSINESS

Election of Officers: Chairman Keers turned the meeting over to Bair to run the election for Chairperson.

Chairman: Bair asked for nominations for Chairperson. Jack Keers was nominated.

M/S/P Gertsema, Sanders to cast a unanimous ballot for Jack Keers as Chairperson.

Vice-Chairman: Chairman Keers took over the meeting and asked for nominations for Vice-Chairperson. Brian Kletscher was nominated for Vice-Chair.

M/S/P Potter, Ferguson to cast a unanimous ballot for Brian Kletscher to serve as Vice-Chairman.

Secretary: Chairman Keers asked for nominations for Secretary. Ken Hoime was nominated to serve as Secretary.

M/S/P Gertsema, Potter to cast a unanimous ballot for Ken Hoime as Secretary.

Treasurer: Chairman Keers asked for nominations for Treasurer. Larry Hansen was nominated to serve as Treasurer.

M/S/P Kletscher, Ferguson to cast a unanimous ballot for Larry Hansen to serve as Treasurer.

Travel Expenses: Bair reported that the new Energy Board Expense Sheet is available and that due to upcoming meetings there may need to be additional protocol for how expenses are approved. Chairman Keers indicated that due to the work with the Metro Counties there may be additional expenses involved with members participating in that. Currently the protocol is approval by the Energy Board Chair. Discussion involved potential of making expenses retroactive for trips made by Energy Board Members in 2005 to other counties as requested.

The Energy Board gave direction to the Executive Committee to draw up guidelines for expenses.

Membership Issues: Bair reported that Mower County has indicated that they would like to withdraw from the Energy Board. It was primarily due to distance issues. The Joint Powers requires a 6 month withdrawal period after notification by certified mail of the members and county board clerks. Discussion involved should the Energy Board change meeting places and or change meeting times. The Energy Board also discussed how to deal with dues. A prospective member entering the Joint Powers Agreement is expected to pay the full dues plus the \$1,000 entry no matter when they join (at the beginning or mid point of the year). Does this apply to a county withdrawing or should it be prorated?

The Energy Board directed the Executive Committee to discuss this and bring forth a proposal.

Don Wellner of Brown County indicated that Brown County would like to continue to participate in the Energy Board however they will not be considering joining until 2007.

Non Profit Status: Jay Trusty requested the Energy Board to identify members who can be listed as Incorporators for the non profit.

M/S/P Fenske, Kletscher to name the Executive Committee Members of Jack Keers, Brian Kletscher, Ken Hoime and Larry Hansen as the Officers for the non profit.

Meeting Dates: A clarification on the November 29, 2006 meeting was made that is was actually November 27, a Monday.

Wortel requested the Energy Board consider changing the January 2007 meeting to the 5th Monday of the month rather than the 4th Monday. It conflicts with the Minnesota River Board meetings. Members indicated that they tried to hold these meeting on the same day as the Solid Waste Commission meetings to reduce travel to meetings.

M/S/P Wortel, Benson to change the January 2007 meeting to the 5th Monday contingent on the Southwest Regional Solid Waste Commission also changing their meeting to the 5th Monday in January 2007.

LEGISLATIVE ISSUES:

The Renewable Energy Portfolio Standard: The C-BED Steering Committee does not support a mandate this year. Board Members asked why C-BED is not supporting a legislative mandate. Discussion involved that house leadership and the administration does not support it. The C-BED steering committee feels that a cooperative approach using C-BED can accomplish more, getting more renewable energy with local ownership than a standard that just says "do it". The C-BED approach makes it possible to develop renewable energy projects locally with potentially less transmission line cost and it will benefit the people in Minnesota.

M/S/P Kletscher, Hansen the Rural Minnesota Energy Board will continue to support renewable energy and local economic development; they do not support a legislatively mandated Renewable Energy Portfolio Standard in 2006. 13 ayes and 1 nay.

Transmission: Keers reported that there is a meeting in St. Paul on Tuesday at 10:00 am in room 12 of the capital. This is a legislative hearing on transmission. Energy Board Members if they can attend are encouraged to. The transmission issue brings up eminent domain law. Many of the transmission land owners have had discussions regarding instead of a one time reimbursement, allowing for ongoing reimbursements.

Crocker reported that transmission is looking at being considered as consideration of disbursed energy with C-BED types of projects but the question comes into play, who would pay for upgrades. People need to be looking at the current capacity.

AURI-Greenfield Grant: Dennis Timmerman addressed the Board regarding support for the development of the Community Wind Handbook. Once this handbook is developed it will be in the public sector and will assist others in developing community based projects. The project cost is \$70,000. \$40,000 will come from AURI, the match will come from other sources including \$5,000 from the CERTs. The Energy Board is being asked to serve as the grant recipient for this project.

M/S/P Benson, Potter to support moving forward with this project, serve as grant recipient to receive and transfer funds for the development of the Community Wind Handbook to AURI.

METRO COUNTY ENERGY TASK FORCE: There has been significant discussion between the Metro Counties and Rural Counties regarding development of 20 or 30 MW at dispersed locations in the rural areas. These projects would need to be sited where there is capacity existing with a minimum of any transmission line development. The Metro Counties goal is to purchase electricity. They are not there yet. The Department of Commerce has indicated that they have \$20,000 that will be coming to the Rural Energy Board to get the project started. There is an additional \$200,000 of LCMR funds that commerce has and they are exploring on how to have that used for contract staff so that is legal and will work. The Rural Minnesota Energy Board needs to think how to structure this and recommend how it will work.

There are current examples how Community Wind North and South have moved forward. The Heron Lake projects has also moved forward on a projects. These can be used as examples. Chairman Keers indicated that Garvey will be sending a grant application for a plan and budget.

Commissioners requested that they receive copies of the Joint Meeting Minutes so they are kept apprised of what is occurring.

ENERGY CONSERVATION: Bair reported that the Center for Energy and Environment has contacts in Hadley and Pipestone and Tracy regarding the one stop lighting program. Businesses in those communities will use their own contractors for any retro fit work and the Center for Energy and Environment plan to use that opportunity to see if those contractors would be interested in working more with the program. Bair will continue to provide assistance to MNCEE in making contacts with local people.

COMMUNITY WIND PROJECT:

- ? Bair distributed resolution number 05-2005. This is the resolution that the Energy Board approved contingent upon attorney review and recommendation of language at the last meeting.
- ? Robinson reported that CWN has sent letters to the GotWind list who are the people that attended the local ownership meetings. They have opened it up to others and the DOC has sent out a letter with a cover letter explaining the transmission line hosts would have the opportunity to invest. Community Wind North has specific information and they anticipate that by the end of this month they will be fully subscribed with 150 people. They are working with development of a PPA with Excel. They have been using a \$1,000 at risk capitol per member and moving forward with the project and will be asking for an additional \$21,000 in investments.

Community Wind South (CWS) is moving more slowly reported Commissioner Benson. They are in the process of developing an initial detailed proposal (not prospectus) to the hosters and the 160 people on the GotWind list. They are looking at 10% of the return on investments to be used and devoted towards to a community development component. They anticipate that within 60 days a letter will go out to prospective investors.

MEMBER UPDATES:

- ? **Cottonwood County:** Bingham Lake towers are up. There are only 11 towers. They have approved a C-BED resolution on the Jeffers towers and anticipate 28 going up there.
- ? **Blue Earth County:** Region 9 has a Renewable Energy Task Force and they would like to have a template on projects. The Three Rivers Resource Conservation Development Partner held a CERTs outreach meeting where over 100 people attended. They plan to continue doing community outreach.
- ? **Brown County:** They are looking at the gasification project in Redwood County.
- ? **Jackson County:** 10 MW has been approved by the County Board (52 MW generators) in the southern part of the county. In the past couple of months 18 MW of wind energy has been approved. The Heron Lake ethanol project is moving well. They visited a plant that is using clean coal technology.
- ? **Lincoln County:** Two small projects have been approved.
- ? **Lyon County:** Lyon County has approved C-BED projects and they have two local developers with the Marshall Municipal Utilities just south of Marshall will be constructing transmission line along CSAH 7 to Marshall. Marshall Municipal Utilities will be purchasing the power. Lyon County is hoping Suzlon will be on line as one of the local folks that can provide a source for components for the wind project. It was indicated by Commissioners that SMI out of Porter is also a source for towers.
- ? **Martin County:** Blue Earth has put up two towers. Windfinity is looking at putting up 25 towers. They are looking at revising their wind ordinance. Bair indicated that she would send the ordinance and the companion document to Loren Lein.
- ? **Murray County:** 137 new turbines will be going up starting in September and is expected to be completed in September of 07. The enXco project is attempting to time it so it will be coming on line with the new power lines.
- ? **Matt Schuerger** reported the Minnesota Public Utilities Commission is looking at integrating 20% of renewable energy sales into the power system.
- ? **Nobles County Cooperative** reported they have a \$500,000 grant for wind towers and are looking for a site possibly at the Brewster Bean Plant.
- ? **Nobles County:** WolfWind have their 5 towers in operation. They are located south of Rushmore.
- ? **Pipestone County:** Pipestone County Economic Development Authority Director John Wagner reported that they have a \$10,000 Energy Market Place Grant to target industries in the county and are looking at developing a video on Wind, Biomass, and Biofuel.

Suzlon is under construction and they are a blade and cone plant. Juhl is in India discussing potential of a turbine manufacturing plant in Southwest Minnesota.
- ? **Redwood County:** They are working with the gasification and Home Farm Technology who is looking at setting an office up in Redwood Falls. They are still looking at an ethanol facility in Redwood County. Biodiesel continues to be produced at the Central Bi-Products and the county has passed the resolution requesting Pawlenty to continue the 2% mandate. Kletscher indicated he will be forwarding the resolution to Bair who will send it out to the remainder of the counties.

Commissioner Kletscher reported that NADO will be holding a Renewable Energy and Wind Landuse Conference at Jackpot Junction on February 22-23.

Commissioners reported that Xcel Energy has proposed C-BED Development be restricted in Lincoln, Pipestone and Murray County because of the transmission constraints. It is reported that Xcel says that it is a curtailment problem and there is not enough transmission available. It is currently in the comment process. February 2, is the due date for initial comments and there are curtailment issues. In 2007, when new power lines come through, it will not be an issue

? **Renville County:** No report.

? **Rock County:** They are seeing a shortage of tanker cars for the ethanol facility. They may need to switch to trucks. Commissioner Ferguson reported railcar delivery is about 9 months out. Also for Rock County MinWind is looking at 35 more turbines and Xcel is currently purchasing easements along I-90.

? **AURI:** Timmerman recommended that the Board support the Biodiesel letter reported earlier by Redwood County. The Xcel Grant is moving forward.

? **NAWO:** Crocker reported that Dan Juhl is currently in India looking at potential of expansion more Suzlon components to be constructed in Southwest Minnesota.

M/S/P Gertsema, Benson to empower the Executive Committee to develop comments to better address the curtailment issue.

CERTS UPDATE: Bair reported that elements under CERTs has been reported under previous agenda items.

NEW BUSINESS: Letter of support to the Governor regarding Biodiesel.

M/S/P Gertsema, Lein to send a letter of support from the Rural Minnesota Energy Board to the Governor and our area Legislators regarding continuation of the 2% Biodiesel mandate.

MEETING DATES: The meeting dates for 2006 are March 27, May 22, July 24, September 25 and November 27 and the 5th Monday in January 2007.

ADJOURNMENT:

M/S/P Oeltjenbruns, Wortel to adjourn the meeting at 11:55 am.

Minutes Prepared By Annette Bair, Staff.

Minutes Reviewed By:

Minutes Approved By:

Ken Hoime

Jack Keers

Energy Board Secretary

Energy Board Chairperson