

**MINUTES
RURAL MN ENERGY BOARD MEETING
MONDAY January 29, 2007, 9:30 A.M.
CRD
SLAYTON, MN**

MEMBERS PRESENT:

Blue Earth County	Katy Wortel	Mower County	Absent
.....	Will Purvis	Murray County.....	Kevin Vickerman
Chippewa County.....	Absent	Nobles County.....	Diane Thier
Cottonwood County	John Oeltjenbruns	David Benson
Faribault County.....	Tom Warmka	Pipestone County	Marv Tinklenberg
.....	Butch Erichsrud	Redwood County	Brian Kletscher
Jackson County.....	Bob Ferguson	Renville County	Bob Fox
.....	Roger Ringkob	Rock County	Ken Hoime
Lincoln County	Larry Hansen	Richard Bakken
Lyon County.....	Bob Fenske	Watonwan County	Scott Sanders
Martin County.....	Jack Potter	Yellow Medicine Co....	Jane Remiger
.....	Dan Schmidtke		

ALSO PRESENT: Arlene Vee (MN Pollution Control Agency), George Crocker (NAWO), Paul Smith (MPCA), Jim Lungstrom (MPCA), Sig Scheurle (MPCA), Gary Pulford (MPCA), Mark Lindquist (The MN Project), Scott Williams (Chippewa Co. P&Z), Paul Setzepfandt (Renville Co), Dick Quito (Nobles Coop. Elec.), Devron Kobluk (Home Farms Technologies), Andy Butler (Home Farms Technologies), Ken Birch (Home Farms Energy), Troy Krause (Redwood Gazette), Tom Jansen (Renville Co. resident), Brenda & Jason Rouse (Gravel Express, Inc. Olivia), Dennis Timmerman (AURI), Jack Keers (Advisor RMEB), John Schueller (Redwood Co.), Al Kokesch (Redwood Co.), Jon Mitchell (Redwood Co.), Jay Trusty (Staff), Annette Bair (Staff)

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

ANNOUNCEMENTS: Chairman Kletcher announced that Mike Bull from The Department of Commerce had intended to come to today's meeting however he was called to some energy committee meetings that required his attendance.

INTRODUCTIONS: Chairman Kletscher requested that everyone present to introduce themselves.

CHANGES TO THE AGENDA: There were no changes to the agenda.

M/S/P Warmka, Thier to approve the agenda as presented.

MINUTES:

M/S/P Tinklenberg, Fox to approve the January 12, 2007 minutes as presented.

TREASURER'S REPORT: Treasurer Hanson referred the members to a handout and covered the 2006 report of funds received and expenses paid. He also identified the November and December expenses from the Southwest Regional Development Commission for staffing the RMEB in the amount of \$7,592.15. He then turned to the 2007 report with a beginning balance upon approval of the 2006 bill would be \$45,416.61. Sixteen of the 17 counties have submitted their dues. The balance after expenses for 2006 have been approved and paid are \$76,624.61.

M/S/P Ferguson, Warmka to approve the Financial Report and pay the bills in the amount of \$7,592.15.

JOINT POWERS BOARD OPERATIONAL BUSINESS AND SUBCOMMITTEE REPORT:

• **Subcommittee Appointment:**

Chairman Kletscher appointed the following RMEB Members to the Legislative Committee: Katie Wortel, Diane Thier, Kevin Vickman, Larry Hansen, David Benson and Bob Fox; Bob Fox was asked to be the lead for the Legislative Committee.

Rural-Metro Subcommittee: Bob Fox, Larry Hansen, Ken Hoime, Brian Kletscher and Tom Warmka; Tom Warmka was asked to lead the Rural-Metro Subcommittee with Jay Trusty as staff.

Discussion: Bair was requested to send e-mail address for the Rural Minnesota Energy Board members out to the Rural Minnesota Energy Board.

- **Rural-Metro Subcommittee Report:** The Subcommittee met last Friday with the MCETF Subcommittee and the consultants in Mankato. Avant Energy appears to be leading the structure to an Energy Agency, and RMEB members are not sure what direction that will take. There was the development of a one page discussion paper that appeared to cover Metro County interests but needs to also cover the Rural Counties interest. Trusty reviewed a statement of purpose that had been developed at the beginning of the project by Lindquist Vennum. It appears that the project should still be following that same statement of purpose from the Rural Board prospective.

Discussion: RMEB members felt that the MCETF members may not be comfortable with a Joint Powers Agreement. With the Energy Agency direction, it provides that no county would be liable for the project, but the agency would also lead toward becoming a utility. FERC regulations would kick in when over 100 MW (for any project). The process appears to be complicated and it may not need to be. The consultants indicated that counties should not make money. The direction is the Metro Counties want inexpensive power and the Rural Counties would like to see some profit. Avant Energy has suggested that the counties take the risk for development costs thru the PPA and tower negotiations. McLaughlin suggested that the project needs to be looked at as a long term commitment, longer then the four year elected officials terms.

RMEB members discussed the \$60,000 bill from the consultant for the development of the business plan and organizational structure. The Rural Board has their share of \$20,000, the Metro Counties share is anticipated to come in the first part of February, and the \$20,000 grant from the Minnesota Department of Commerce is anticipated to be processed sometime around the 9th of February. Rural Minnesota Energy Board members advised the Subcommittee to meet with the consultants for clarification on their (RMEB) purpose and solution on development.

M/S/P Benson, Ferguson to give the Executive Committee the authority to approve payment up to \$60,000 based on fulfillment of the contract deliverables.

Keers asked the RMEB if they would be supporting Legislation that had been discussed at the Subcommittee level with the MCETF and consultants. Hansen suggested that clarification is needed before the RMEB take action.

- **Legislative Committee:** The Legislative Committee has not met, however legislation to keep an eye on are SF4, SF144, and SF145. Lindquist gave an overview of statute regarding the siting and permitted of wind turbines. This is in reference to statutory change identified in SF145. The bill will clearly articulate how turbines are counted and has the ability to delegate the authority for siting up to 25 MW threshold to counties. There will be certain standards set by the state in the siting and permitting, that counties could make more stringent.

- **Executive Committee:** Distributed was a draft contract to be negotiated with Keers. Once that is negotiated a draft will be sent out to the Rural Minnesota Energy Board members.

- **Background Document and Members:** Bair asked the RMEB members to review the background document and membership and to identify corrections to the document before it is posted on the Energy Board Web-site.

CWS: Benson reported on the progress of Community Wind South. It is moving forward and they are requesting the designation by the Rural Minnesota Energy Board to confirm Community Wind South as the 30 MW identified by the Public Utilities in the March 11, 2003 order.

M/S/P Hansen, Fenske to reaffirm the Community Wind South project as the 30 MW on the south.

GOVERNOR'S ENERGY INITIATIVE & ENERGY FROM WASTE ROADMAP (Gary Pulford & Sig Scheurle): Pulford and Scheurle had handouts and a powerpoint presentation. An electronic copy of the presentation can be obtained from RMEB staff.

HOME FARMS TECHNOLOGY PRESENTATION: Andy Butler and Devron Kobluk provided a presentation by Home Farms Technologies. The process that is proposed to be used in Redwood Falls adjacent to Central Bi-products is two gasification systems. The estimated cost is about \$58,000,000. The funding will be through Minnesota West Bank at Redwood Falls. They expect the first injection of capital this week. There will be 500 to 550 ton per day MSW coming from the Twin Cities and 100 to 150 ton per day coming from south central and southwest counties. They plan to open office space in Redwood Falls in the next three weeks.

They are using a thermal chemical conversion process rather than the traditional combustion process used for waste to energy technology. This project will result in 52 jobs in Southwest and South Central Minnesota with a \$1.5 million payroll. They are looking at a fourteen month time frame from permitting approval.

CERT UPDATE:

Bair reported that the CERTconference was well attended in St. Cloud in mid January. Commissioner Wortel was a presenter for a presentation on public building energy efficiency that Bair facilitated. Other sessions that were very good included a small wind session where Windustry and Utility provided very good information regarding the processes that needed to be followed regarding electrical connections with the wind turbines. A third session Bair attended was energy efficiency which dealt with a whole range of things that can be done to become more energy efficient including: sealing ceiling accesses so heat does not escape through the roof and unplugging units that are plugged into the walls and draw electricity even when and not being used.

Currently a survey is going out to Senior Centers asking about interest in an energy audit. We have received about 7 back regarding interest in energy audits.

Bair requested that Denny Timmerman report on the Wind Handbook status. Timmerman reported that the handbook is complete but is being finalized. They anticipate completion by February 28th.

Bob Fox reported on the February 8th and 9th Energy meeting in Olivia. The 8th is the Wind Energy meeting and the 9th is the Cellulosic Ethanol CERT meeting.

Katie Wortel provided information on the Renewable Energy from Farm meeting scheduled for February 19th in Fairmont.

Arleen Vee reported that the Minnesota Air, Water, and Waste Environmental Conference is scheduled for February 27th thru March 1st at the Sheraton Bloomington Hotel. Information about the conference is available on the MPCA Web-site.

NEW BUSINESS:

Chairman Kletscher asked for input from the Board on if they would like to have presentations in the future. Board members indicated that they would like to have informative presentations. A couple of suggestions were the Winnebago Ethanol and the Chippewa Valley Ethanol plants for presentations.

NEXT MEETING DATES: The next meeting date is March 26th.

ADJOURNMENT: Chair Kletscher adjourned the meeting at 12:00pm

Minutes Prepared By Annette Bair, Staff.

Minutes Reviewed By:

Minutes Approved By:

Energy Board Secretary Hoime

Energy Board Chairperson Kletscher