

**MINUTES  
RURAL MN ENERGY BOARD MEETING  
MONDAY APRIL 24, 2006, 9:30 A.M.  
CRD  
SLAYTON, MN**

**MEMBERS PRESENT:**

Blue Earth County.....Katy Wortel  
Cottonwood County .....John Oeltjenbruns  
Faribault County .....Tom Warmka  
Jackson County .....Absent  
Lincoln County.....Larry Hansen  
Lyon County.....Bob Fenske  
Martin County.....Jack Potter  
Mower County .....Absent

Murray County ..... Alfred Gertsema  
Nobles County ..... Diane Thier  
Pipestone County... Jack Keers  
..... Marvin Tinklenberg  
Redwood County ... Brian Kletscher  
Renville County .... Bob Fox  
Rock County ..... Ken Hoime  
Watonwan County.. Absent

**ALSO PRESENT:** George Crocker (NAWO), Ron Antony (Yellow Medicine Co), Dan Juhl (C-BED), Mark Lindquist (The MN Project), Maureen Boro (Cong. Gutknecht's Office), Jay Trusty (Staff), Nan Larson (Staff), Annette Bair (Staff)

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

**ANNOUNCEMENTS:**

- ? Keers reports that Mower County has decided not to withdrawal and will continue to be a member of the Rural Minnesota Energy Board. As a result, Bair did not send the letter that the Energy Board requested that she draft and send at the last meeting.
- ? Bair distributed material that describes NACo Energy Star Courthouse campaign. There was a twelve page booklet which identified several energy efficient measures. There were copies of the information for members to take.

**INTRODUCTION:** Chairman Keers requested everyone to introduce themselves.

**AGENDA:** There were no changes or additions to the agenda.

**M/S/P** Olson, Gertsema to approve the changes to the agenda.

**HYDROGEN ELECTRICAL STORAGE UNIT:** Maureen Boro from Congressman Gutknecht's Office distributed handouts in relation to hydrogen and wind energy. The handouts indicated that during times of high wind energy production, some turbines need to be shut down because the transmission line cannot handle all of the energy. One solution is to take that access energy and turn it into hydrogen which can be stored for later use. Two of the options for the use of hydrogen in the material was fuel for hydrogen cars and turn it into electricity.

Juhl indicated that we have the capacity for 460 MW on line, however there are only 260 MW of outlet capacity. Generally when the blades are not moving, it is because the lines cannot handle the excess energy. Several areas were discussed in relation to hydrogen power. Currently it is not cost effective technology. Research may make it more cost effective. It needs water, and this area of the state has a water shortage. The Energy Board agreed that we do need to look beyond 30 to 40 years for hydrogen power but without research and development it will never get to that point. We all need to realize that it is 30 to 40 years out. For some uses right now the University of Minnesota at Morris is looking at changing hydrogen to anhydrous ammonia. For a rural area that is highly dependent upon agricultural activities this may be a good use of excess wind power (however, water would be a constraint).

The message the Energy Board wished to relay to Congressman Gutknecht's is implementation of hydrogen is long term endeavor. Currently, anhydrous ammonia is being made from natural gas and the U of M at Morris is testing the utilization of wind energy to generate hydrogen and use hydrogen to manufacture anhydrous ammonia. Water resources and hydrogen have a relationship when there are shortages of water the use of hydrogen may not be financially or resource feasible.

Members asked if someone that could explain the conversion of corn stover to ethanol could be brought invited to speak at a future Board meeting (Rock County Project). Pyralis was also discussed where a corn stover mixed with an acid produces crude oil.

Commissioners asked why the ethanol plants do not utilize the JOBZone. Trusty indicated that JOBZone requires prevailing wage for construction, when prevailing wage is calculated into the project it has a negative impact with the construction and it is not financially viable.

Currently, the legislature is looking at a revision to the JOBZone legislation to extend the subsidy to 12 years from when a business subsidy agreement is signed for an ethanol facility.

**MINUTES:**

**M/S/P** Thier, Hoime to approve the Minutes of March 27, 2006.

**Outcome of March 29<sup>th</sup> with Metro Counties and Next Steps:** Keers reported that the meeting in St. Paul was very good and it brought forward a lot of good points. The Metro Counties discussed submitting \$20,000 of Metro Task Force funds to match the \$20,000 from the MN Department of Commerce grant. As of the last meeting of the Metro Counties, they discussed funds for matching the grant; however, there were still questions and they did not commit any funds toward the project. Energy Board members indicated that there is a value of all the Energy Board activities that has occurred to this point. That information needs to be relayed. The Metro Counties wanted to know if the Rural Minnesota Energy Board was going to put any of their own money toward the project. Members discussed that by pooling funds it would provide more money to hire a consultant to put the project together.

The \$200,000 from LCMR is still in the legislative process. It looks good and there is a lot of support for it. Members discussed contracting instead of hiring an employee, as well as the potential need to retain an engineer at some point. Issues that need to be dealt with include: structure and ownership, relationship between Metro and Rural, C-BED projects, and the need for a Plan. The outcome is looking at \$200 + million worth of projects.

**M/S/P** Gertsema, Hansen to allow the sub-committee to negotiate contribution of Energy Board funds, up to \$20,000; and to explain what the Energy Board has contributed to this point.

**Discussion:** Additional funding sources were discussed including the Department of Commerce, LCMR, Department of Energy, and Department of Agricultural.

The tour is scheduled for June 22 and 23. At present there are seven commissioners from six Metro Counties that plan to come. One of the Energy Board members indicated that the Mayor of Minneapolis would like to be invited to this. Keers indicated he will mention that to McLaughlin however; it is the Metro Counties tour and is up to them to invite other people if they desire to. Jay and Metro Counties Energy Task Force staff will be working on the tour agenda and the logistics of the tour.

**OTHER BUSINESS:**

? **FERC** (Federal Energy Regulatory Commission) proposed rule making. Juhl reported that AWEA is drafting a letter to the Minnesota Congressmen in relation to the FERC proposed rule making based on the 2005 Energy Bill. Of issue are small energy projects will not have access to the energy market. Without small projects having access to the energy market, it will cut out the domestic sustainable energy. Small projects still need to have access under federal law. The time line is very quick and support for this is needed.

**M/S/P** Fenske, Fox to draft a letter of support addressed to the Chairman of FERC that will address the need for small projects to have access under Federal Law.

Discussion: Juhl will be sending the final letter to Bair. Bair will be able to utilize the language in that letter to develop the letter of support. In addition she is to send that letter to each of the member county board to use as support if they so wish. Trusty indicated that he would be contacting the NADO lobbyists. Also, NACo has an interest in renewable energy.

- ? Earth Day. Wortel reported that she attended an Earth Day Activity and distributed a Bio-diesel flyer. She reported that it is important to have Bio-diesel move forward and that locally owned Bio-diesel plants should be in our future.
- ? Renewable fuel resolution. Wortel distributed a Region 9 Development Commission Resolution supporting 25% renewable fuels by the 2025. There has been a lot of ground swell effort of this.
- ? Brewster Soy Bean Plant: Meeting participants asked what is going on at Brewster. They reported that they can get Bio-diesel fuel that they purchased but they have 10 day to get it or the door will be closed. Commissioners indicated that they had heard the ADM has tended an offer. Other commissioners indicated that they are currently undergoing an equity drive.
- ? Wolf Wind Farm. Lindquist reported that one of the next visits the staff will be doing is at the Wolf Wind Farm at 2:30 this afternoon. That is a project that has benefited from the Section 9006 program.
- ? Bio-fuel paper. Fox reported that the Institute for Local Self Reliance has produced a paper called Ownership Matters; three steps to ensure a Bio-fuel industry that truly benefits rural American. Bair was asked to send this to member counties.
- ? Trusty reported that Ralph Goshen, Department of Agriculture, will be at the Southwest Regional Development Commission Annual meeting on July 13<sup>th</sup>. Fenske indicated that that was the date of the AMC Leadership Conference.
- ? Executive Committee. Keers reported that the Executive Committee will be meeting briefly following the Energy Board meeting.

**ADJOURNMENT:**

**M/S/P** Hansen, Wortel to adjourn the meeting at 11:30am.

Minutes Prepared By Annette Bair, Staff.

Minutes Reviewed By:

Minutes Approved By:

Ken Hoime

Jack Keers

Energy Board Secretary

Energy Board Chairperson