

**MINUTES
RURAL MN ENERGY BOARD MEETING
MONDAY MAY 22, 2006, 9:30 A.M.
CRD
SLAYTON, MN**

MEMBERS PRESENT:

Blue Earth County.....Katy Wortel	Murray County Absent
Cottonwood CountyJohn Oeltjenbruns	Nobles County David Benson
Faribault CountyLoren Lein Diane Thier
Jackson CountyAbsent	Pipestone County ...Jack Keers
Lincoln County.....Larry Hansen	Redwood County ... Excused
Lyon County.....Bob Fenske	Renville County Bob Fox
Martin County.....Absent	Rock County Ken Hoime
Mower CountyAbsent	Watonwan County.. Absent

ALSO PRESENT: Ron Antony (Yellow Medicine Co), Arlene Vee (MN Pollution Control Agency), Gerald Woodley (Sen. Norm Coleman's Office), Mark Lindquist (The MN Project), David Norgaard (CWN), Jay Trusty (Staff), Annette Bair (Staff)

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

ANNOUNCEMENTS:

? Bair distributed a handout regarding a Bio-Mass Conference in North Dakota.

AGENDA:

M/S/P Benson, Wortel to approve the agenda as sent.

MINUTES:

M/S/P Oeltjenbruns, Fox to approve the April 24, 2006 minutes with one revision on page 3.

TREASURER'S REPORT:

M/S/P Hansen, Benson to approve the treasurer's report and payment of bills to the SRDC totaling \$1,820.

JOINT POWERS OPERATIONAL BUSINESS:

M/S/P Fenske, Hanson to approve the six month SRDC Financial Services contract.

Discussion: Members asked isn't the SRDC already doing financial work for the Rural MN Energy Board. Bair responded yes, the SRDC is providing some financial support as it relates to staff time and some miscellaneous expenses. However, the anticipated increased activity that the Rural MN Energy Board will require additional financial activities - and is addressed with this contract.

The tracking of projects by providing it on the financial statement was discussed.

M/S/P Fenske, Hoime to separate and break down the expenses contributed to work with the Metro County Energy Task Force, including past meetings, travel, and time.

Discussion: Members indicated that at some future time there may need to be documentation of the amount of time and expenses put in by the Rural MN Energy Board.

SUBCOMMITTEE REPORTS:**Rural-Metro Energy Subcommittees:**

- ? **Tour:** Distributed was a handout regarding the tour itinerary. Trusty reported that the tour would begin at the Redwood Falls Central Bi-products FUMPA Facility, next to the Hendricks Wind Energy Center, to Pipestone, and finally concluding the first day in Luverne at the Days Inn. Day two would begin in the Beaver Creek Area to view the wind towers and the ethanol facility in Luverne. Trusty is working out the logistics of the tour and we anticipate that the information regarding the registration will be sent out later this week and RSVP should be returned by June 9th.

Commissioners discussed how this is going to be paid for. It was decided that the Rural MN Energy Board would cover the cost of the bus and the per diem, meals, travel, and overnight would be covered by the counties. Questioned was if spouses would be able to attend and the board member would pay for it out of pocket.

Also discussed was who to invite. The invitation list would be to all Rural MN Energy Board County Commissioners, Commissioners from 6W & 6E, Brown, and Nicollet Counties as well as the federal and state legislators covering the Energy Board Counties.

- ? **Update on the Metro meeting.** Handouts included a letter from the Metropolitan Counties Energy Task Force Chairman, Gary Kriesel, which identifies the approval of a contribution of \$20,000 to the Rural MN Energy Board for conducting a government study that received a joint wind development project.
- ? **Subcommittee Make-Up:** Discussed was the current make-up of the Rural Metro-Subcommittee and the need for it to be more geographically distributed. The Energy Board identified the addition of two more commissioners. Bob Fox from Renville County had a discussion with the Cival County Commissioners Representative Tom Warmka was also recommended for addition to the subcommittee. (Subcommittee is made up of Brian Kletscher, Ken Hoime, Jack Keers, Larry Hansen, Tom Warmka, and Bob Fox).

M/S/P Benson, Fenske to approve the added members to the subcommittee.

Legislative Subcommittee:

- ? Status of the LCMR \$200,000 funds. Current status is unknown. Bair was asked if she would send, when known, the status to the Rural MN Energy Board Members.
- ? Chairman Keers reported on another legislative issue that has come forward dealing with aggregated wind projects and who is to permit them. Many of the under 2MW LLC's projects that have been aggregated have been going through the county permitting process. However, Larry Hartman asked the Attorney General's Office to look into this and a ruling was made where if there is an aggregation of projects it should go to the EQB for permitting
- ? Gerald Woodley representing Sen. Norm Coleman distributed some information regarding the Enhanced Energy Efficiency Act of 2006. He reported that staff has made 20 community visits and obtained input on energy and energy costs. He also indicated that he would like to thank Marvin Tinklenberg for notifying him of the Rural MN Energy Board meeting so that he could attend today's meeting. Energy Board Members indicated that they appreciated the Senators Interest in Renewable Energy.

- ? Keers reported that through the Xcel Energy Grant, MinWind in Rock County has a 100% Bio-diesel CAT Engine as a back-up generator for peak energy uses at their wind turbine sites. While this could not be done at every turbine site, it is a possibility to do a large project with the generator using Bio-diesel as generation to back up the turbines when the wind dies.
- ? Woodley indicated that the answer of our energy is a multifaceted issue and involves many Renewable Energy alternatives.
- ? Lein reported that E85 is not the answer for less expensive gas prices at present. Lein also reported that geothermal energy along with the Bio-diesel fuel for generation is very good for large buildings.

CERT UPDATE: Bair reported that the state CERT had been entered for the Energy Category Award for the MN Environmental Initiative. It did make the top three finalists however; they did not win the Energy Category, but did win the Statewide Partnership Award.

- ? Bair reported that there will be a Statewide CERT's Conference in January or February in 2007. Does the Energy Board have any topics they would like to have on the conference agenda. They get back to Bair regarding topics. Southwest CERT Member Denny Timmerman has indicated he is willing to serve on the 2007 Conference Committee.
- ? Southwest CERT is going to hold a Fall Rebuild Workshop for school maintenance/custodians. We are trying to work with Southwest State to have this held during a school inservice day. If this can be worked out, does the Energy Board recommend that public building or units of government would also be invited to the half day event? The Energy Board indicated that is would be appropriate.
- ? Current activities of the coordinator Bair reported that she has been providing some technical assistance regarding phone calls for example a gas station down in Nobles County asked how to get funding assistance for an E85 pump. The other assistance that has been done is primarily through education on the weekly updates.
- ? Future CERT: The other CERT areas are looking to the future when they have no more CERT funding and are looking at Extension to provide those activities. Would the Southwest Area like any of these activities to continue and how can they be funded if they are to continue? Bair also reported that in the technical assistance activities one other county had called her during a board meeting to get more information about C-BED and the resolution. Upon contact with Lindquist she requested that a fact sheet be developed regarding what C-BED to counties. Lindquist put together a fact sheet regarding Community Based Development Tariff and the county board resolution identifying why the county asked to pass the resolution, what happens if the county does not pass the resolution, does it impact local taxes, and does it impact zoning or site permitting? The MN Project currently has a grant request into the MN Pollution Control Agency to assist with printing and publication costs of the fact sheets. Energy Board members indicated that this would be a good topic for one of the District AMC meetings. Lindquist indicated that perhaps this has got a wider basis then just Southern MN and that it may be appropriate to work with the AMC staff.

OTHER BUSINESS:

- ? Keers reported that there is some concerns regarding the taxation of sub-stations. There are some sub-stations that can be taxed as property tax and there are some where the utilities sub-station is not taxed. The Department of Revenue is saying they need to be taxed and the others are indicating it does not need to be taxed because it is a utility.
- ? Fox reported that the MN Inventors Congress is going to have a one half day of Renewable Energy forum through AURI, scheduled for June 9th. Bair was asked to get that sent out to the members.

- ? Wortel reported that it is frustrating to see ethanol rise with the cost of gas. She asked would it be worth while to have farmer owned refinery. We need honest pricing of E85 to make it comparable to use of gasoline. Lindquist indicated that basically there are two markets for ethanol. One is an additive to fuel and one is as a fuel itself.
- ? Lein reported on the geothermal facility in Iowa that it has paid off in four and a half years.

ADJOURNMENT:

M/S/P Chairman Keers adjourned the meeting at 11:30am.

Minutes Prepared By Annette Bair, Staff.

Minutes Reviewed By:

Minutes Approved By:

Ken Hoime

Energy Board Secretary

Jack Keers

Energy Board Chairperson