

**RURAL MN ENERGY BOARD MEETING
MONDAY March 23, 2015, 1:00 p.m.
CRD Office, Slayton, MN**

MEMBERS PRESENT:

Blue Earth County	Will Purvis	Mower County	Tim Gabrielson
Brown County	absent	Murray County	Gerald Magnus
Cottonwood County...	Tom Appel	Nobles County.....	Gene Metz
Faribault County	Tom Warmka	Pipestone County	Dan Wildermuth
Freeborn County	Glen Mathiason	Redwood County	Sharon Hollatz
Jackson County.....	David Henkels	Renville County	Bob Fox
Lincoln County	Mic VanDeVere	Rock County.....	Ken Hoime
Lyon County	Charlie Sanow	Sibley County.....	Gary Kruggel
Martin County	Steve Flohrs	Watonwan County ...	Scott Sanders

ALSO PRESENT: Robin Weis (SRDC), Beth Soholt (Wind on the Wires); Serrina Martinez (Lake Benton Convention and visitors Bureau); Jim Nichols (Farmer near Lake Benton); Keith Butcher (SMMPA); Adam Sokolski (Iberdrola Renewables); Darrell Erb (Iberdrola Renewables); Dayton Drietz (Iberdrola Renewables); Timothy O'Leary (Lyon-Lincoln Electric Coop); Joel Johnson (MN Rural Coop Electric Association); Richard Burud (Nobles Cooperative Electric / Federated Rural Electric; Annette Fiedler (SRDC); Lissa Pawlisch (CERT Director via phone during CERT request for support of LCCMR proposal).

CALL TO ORDER: The meeting was called to order at 1:00 p.m. by Chairman Purvis

PLEDGE OF ALLEGIANCE: Chairman Purvis asked everyone to stand for the Pledge of Allegiance.

ANNOUNCEMENTS: Fiedler asked everyone to sign in; distributed to members was the a copy from the MCIT bulletin regarding Joint Powers and open meeting law; distributed was a handout regarding Xcel Energy business lighting rebates for members with Xcel in their county; also shared were three newspaper articles about energy in the area.

INTRODUCTIONS: Chairman Purvis asked everyone present to introduce themselves.

CHANGES TO THE AGENDA: none.

M/S/P Warmka, Sanders to approve the amended agenda.

MINUTES:

M/S/P Fox, Hollatz to approve the Minutes of January 26, 2015 with a change to the adjournment motion.

FINANCIAL REPORT: Treasurer Henkels reviewed the financial report and added that all counties have paid dues, and reviewed all bills for payment.

M/S/P Gabrielson, Hoime to approve financial report and pay the following bills: SRDC January \$1195.35 and February \$305; SRDC PACE January \$1862.55 and February \$552; Fryberger for January and February in the amount of \$3897.75; AMC annual website fee of \$500; and Commissioner Metz at for Legislative Committee expenses of \$615.83.

SUBCOMMITTEES AND RMEB BUSINESS

PACE (Property Assessed Clean Energy) discussion and update – Robin Weis staff reported that there is about \$884,000 in PACE for loans. She is currently working with outreach to plumbers and electricians in the 18 county area. There are now eight preapproved energy auditors. The PACE Committee also reviewed the technical corrections for the PACE legislation and recommended support (the Board was also provided a copy of the technical corrections).

M/S/P Mathiason, Fox to support the technical corrections to the PACE legislation as presented.

Tour Committee - Purvis review the locations where the RMEB has suggested tours. The Board identified traveling to Emmetsburg Iowa and touring Poet, Easy Energy and Vermeer. Fiedler was directed to begin making arrangements for the tour.

Legislative Committee – Metz reported the he and Warmka testified on SF 413 and that HF 408 has not been heard. Watching FY 1636 that changes the revenue for the production tax, there is currently no house companion bill, but the impacts would be going back to property tax instead of a tax based on production of energy. It appears that it is being given by cities with large generating plants.

Renewable Energy Standard (RES) 40% by 2030. Soholt from Wind on the Wires presented information about supporting a new mandate for renewable energy. Schomacker is carrying the bill in the House. Soholt indicated that the cost to develop wind has decreased 58% in the past 5 years making wind more cost effective, it diversifies the economy, and provides local benefits. Sokolski of Iberdrola referred commissioner to the chart of revenue from the production tax by county where 80% goes to counties and 20% to township. Proponents were asked “Why the mandate?” The response included it addresses a long term energy planning horizon, it places a flag in the ground for MISO. Nichols identified that the mandate works, it worked in 1991 for ethanol and 1994 for wind. Martinez of Lake Benton CVB spoke to the local benefits of tourism and educational benefits.

Butcher representing 18 municipal utilities with SMMPA indicated that they are not opposed to renewable energy, and are waiting to see what come out of the EPA.

Johnson, representing Rural Electric Cooperatives that all the utilities are opposed to the new RES mandate. It will increase electric costs; there is an uncertainty with the federal EPA regulating carbon; the impact of MISAO and the state goals. One size does not fit all. The impact on the rates for the rural coops and munis is significant because there are PPA for 20-25 years; the IUP can more easily integrate this type of mandate because of the larger customer base. There is also an impact on where the generating coops are located, such as North Dakota. Burud indicated that the off ramps are of no value to the cooperatives, and they would lose \$19.8 million per year.

Warmka asked how the two could be brought together. Johnson indicated it will happen naturally with wind, solar and natural gas. Soholt indicated that the mandate give better direction than the trust me approach.

Chairman Purvis thanked everyone for the discussion, and that they needed to move to the next item for the 2:30 phone call with CERT Director Lissa Pawlisch.

CERTS and LCCMR request of the RMEB support. Lissa Pawlisch joined the meeting to discuss the request of the RMEB for support of a proposal to LCCMR to fund outreach for financing programs such as PACE, GESP, REAP and others. After discussion, the draft support letter was modified.

M/S/P Metz, Henkels to approved the support letter for the CERT LCCMR proposal.

Legislative committee discussion continued.

RES 40 x 30 Discussion. Commissioners discussed supporting and not supporting the proposed RES increase. Upon discussion there were two different interests and it was recommended that this issue should go back to the individual county boards.

M/S/P Henkels, Sanders that the RMEB will be neutral regarding the RES proposal and individual counties are to make individual decisions on the issue.

Community Wind Proposal. The issue is should wind be included in the solar mandate. This also leads to other issues, such as wheeling on the distribution system and possibly deregulation of the system. There is currently C-BED and most utilities have an option where customers may purchase blocks of wind.

M/S/P Fox, Metz to remain neutral on the Community Wind Proposal.

Further legislative discussion included SF 1636 and other energy related bills. It was a consensus of the RMEB that the Legislative committee have the authority to oppose or support legislative issues as more is learned and they will pass the information n to the full RMEB. Johnson indicated they would like to stay connected with the RMEB and if there are issues where they can assist and support to let them know.

MEMBER UPDATES

- Lyon County – three solar farms. The county has updated their ordinance, the state permitting does not respect the County ordinance setbacks,. The largest solar farm proposer sat down with the local land owners and worked with them to see what they could do to make the project work (be neighborly). They addressed local concerns and the project is moving forward. Other counties have also updated their ordinances related to solar. Also the state denied ADM as a electrical generating facility. ADM uses about ½ the power used in Marshall and is the smallest ADM plant, using the most power.
- Sibley County. Solar arrays in Gibbon and Fairfax near TH 19. The townships are still against wind, but have been questioned on the amount of funds they have used to prohibit the wind development.

Jackson Co. the Odell wind farm EAW was completed and will require a revised plan with a modified turbine map. Thank you to staff for forwarding the information to the counties.

- Martin County. Attended the preconstruction meeting for the ITC regarding the right of way. It looks like construction will begin near the end of 2015 and continue through 2016.
- Renville County. Speak with County Assessors if there are any of the CAPX2020 lines (or new 345 kV). He learned that the landowner receives a credit on their property tax for the poles on their property.

NEW AND OLD BUSINESS – none

ADJOURN

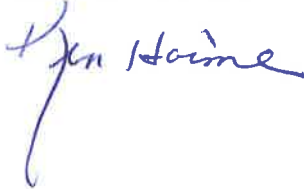
M/S/P Warmka, Fox to adjourn the meeting at 3:30 pm.

Minutes Prepared By Annette Fiedler, Staff.



Minutes Reviewed By

Energy Board Secretary



Minutes Approved By

Energy Board Chairperson

