

MINUTES
RURAL MN ENERGY BOARD MEETING
MONDAY September 23, 2013
CRD, Slayton, MN

MEMBERS PRESENT:

Blue Earth County	Will Purvis	Mower County	Tim Gabrielson
Brown County	Dennis Potter	Murray County	Gerald Magnus
Cottonwood County...	John Oeltjenbruns	Nobles County	Gene Metz
Faribault County	Tom Warmka	Pipestone County	William Johnson
Freeborn County	Absent	Redwood County	John Schueller
Jackson County.....	Dave Henkels	Renville County	Bob Fox
Lincoln County	Larry Hansen	Rock County.....	excused
Lyon County	Steve Ritter	Sibley County.....	Jim Nytes
Martin County	Absent	Watsonwan County ...	Scott Sanders

ALSO PRESENT: George Leary (Blue Earth Co Zoning Administrator), Jordon Burmeister (Geronimo Energy), Nathan Franzen (Geronimo Energy), Betsy Herding (SRDC), Annette Bair (SRDC).

CALL TO ORDER: Chairman Warmka called the meeting to order at 1:00 p.m.

PLEDGE OF ALLEGIANCE: Chair Warmka asked everyone to stand for the Pledge of Allegiance.

ANNOUNCEMENTS: There were no announcements.

INTRODUCTIONS: Chairman Warmka asked everyone present to introduce themselves.

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

M/S/P Ritter, Schueller to approve the agenda.

MINUTES of July 19, 2013: Approved as written. Discussion on minutes included; levy limits, solar, and PUC and the ITC. Warmka reported that he and Commissioner Flohrs have been attending the meetings of the ITC and it appears that because they are not generation utility, only transmission, that the utility rates especially for the Truman Utility will be doubling.

FINANCIAL REPORT: Treasurer Hansen reported that the expenditures to date (January – June) are \$8,660.60. Total revenue from January to June is \$36,555.63. Bills from the SRDC for July and August services are a total of \$1,360 (\$990 in July, \$370 in August); the dividend from MCIT will be \$1,126 and the actual dividend payment will be mailed in mid-November; and the estimated contribution notice for 2014 for the RMEB of \$2,423.

M/S/P Magnus, Potter to approve the Treasurer's report and payment of bills.

Discussion: The Energy Board discussed if they need to approve payment of MCIT at this time, or in November or January. Commissioner Sanders indicated that the payment could be approved at the January meeting.

SUBCOMMITTEE REPORTS

Legislative: The Energy Board will discuss legislative issues at the November meeting and learn more about the levy limits, and other legislative issues.

PACE (Property Assessed Clean Energy): Betsy Herding, Economic Development Director at the Southwest Regional Development Commission reported on the PACE program. The RMEB PACE Loan Committee is Gerald Magnus, Gene Metz, Will Purvis, Scott Sanders and Bob Fox. Herding reported on the nuts and bolts of the property access Clean Energy Program. Basics of it are: a property needs to be classified as commercial or industrial; the applicant needs to be the legal owner of the property; that property must be located within the RMEB area; the property owner must be current on all mortgages and there can be no federal or state income tax lien, judgment liens or other liens on the property; and the improvement costs need to be reasonable for the scope of the proposed project and innovation to property value. It cannot exceed 10% of the property market value or the actual cost of installing energy improvements. There is a debt obligation that is attached to the property and the financing is secured with a lien on the property and like other taxes, is paid before other claims against the property in case of foreclosure. A credit report will be required and the improvements are considered fixtures under the 6% interest rate proposed. Herding reviewed a real life example of how a PACE project would work and the financing as well as the savings. Also included in the handouts was the PACE Revolving Loan Fund plan which provides details about the project.

A current status of the project funding from East River has been approved by Lyon, Lincoln Electric East River Energy and is gone to USDA for approval. We await the approval of USDA for use of funds. Once that approval has been received the PACE program can be initiated for the 18 county area.

O'Dell Wind Farm and Geronimo Solar. Jordan Burmeister and Nathan Franzen from Geronimo Energy presented on the Odell Wind Farm and Geronimo Solar Projects. Burmeister reported they have been working on the O'Dell Wind Farm since approximately 2009. They have 21, 000 acres under lease and they have PPA with Xcel Energy. They anticipate the wind project to be constructed in 2015. They did win a contract with Xcel Energy to install 400MW of wind energy. This project is 200 MW, the second 200MW is the Courtney Wind Farm in Jamestown. The Odell Wind Farm will have between 90 and 120 turbines. They anticipate starting construction by 2013 or having the money down on turbines to qualify for the production tax credit. It will take approximately 7 months for the project to be constructed. They will have a community fund set up of approximately \$40,000 annually. It is a 501c3. They anticipate the community benefit and project to be available by 2017 after the first year of operation of the wind farm. The process, they anticipate a site permit from the PUC in March. They have worked with the four counties of Martin, Watonwan, Cottonwood and Jackson on a joint Development Agreement.

Franzen described Geronimo's solar activity. Originally they had not planned to get involved with solar for another 5 years. However, due to recent legislation in Minnesota and the cost per watt from \$7 per watt in 2009 to \$2 per watt in 2013 reducing the scale of cost, they have entered into the solar market. Geronimo constructed the St. John's University solar farm. They have a proposal in for 100 MW of distributed solar and it will compete with natural gas peaking plants. The benefits of the solar will be that it can offset peak energy. There are projects identified in the Rural Minnesota Board area: the city of Pipestone and Blue Earth County. The projects are anticipated to be from 2 – 10 MW will go directly into the distribution system. The solar farms are proposed to have tracking systems so that they will be able to increase their capacity factor and be able to produce later hours of the day. There is a 50% – 70% factor and it can offset the most expensive power (gas generated peak power plants). Franzen estimated that solar will be able to compete in the next 5 to 10 years with other sources of power. Currently, the panels are down to 30% cost of the entire project. This project will be permitted by the PUC because it is collectively over 50MW. If they were individual projects they would be permitted locally. The projects they are looking at will be between 3 – 10MW to enter a standard distribution line, they would need to be within 2 miles of a substation. Acres would be 15 - 40 acres of land they are looking at and it will also be unutilized land and will not have sewer and water but needs to have some access to roads. Franzen indicated the Energy Board would be able to tour any of the solar projects when constructed.

MEMBER UPDATES:

- Lyon County - Ritter reported that CAPX is being constructed in the County.
- Lincoln County - Hansen reported CAPX is preparing to come through the County.
- Murray County - Magnus reported the wind farm called Stoneray in Pipestone & Murray Counties is moving forward.
- Sibley County - Nytes reported there are some issues with the wind farm project.
- Blue Earth County – Purvis reported Geronimo is looking at a solar farm in the County.
- Mower County – Gabrielson reported they have 75 – 80 towers going up in the County.
- Pipestone County – Johnson reported that they have signed a 5 year contract for recycling; construction at the hospital; the Pipestone HS was returned back to the county; and the Suzlon Blade plant is for sale for \$4.5 million.
- Renville County – Fox reported the CAPX2020 substation that the board visited is almost complete and they have now dismantled the staging area. However, the CAPX project has a line going over the railroad so there will be some issues between CAPX and the railroad
- Faribault County – Warmka reported that the ITC line was purchased from Alliant Transmission and he had reported earlier that they cost of power will be doubled from that line.

UPDATES ON PAST TOURS

Gevo: Bair reported she had spoken with Commissioner Hoime on the progress as to what is happening at the Gevo Plant. Hoime had said that there is some activity, however they are keeping pretty private as to what is going on.

Poet: Bair reported that the Energy Board toured Poet facility in Emmetsburg, IA on June 6, 2011. Since that time the project to convert biomass to ethanol on a commercial scale has continued to moved forward and is slated to come online in 2014. The project will produce 20 million gallons of ethanol per year later ramping up to 25 million gallons. At full operation the bio-refinery will have a significant impact on the surrounding area by providing about 40 full time jobs, 65 jobs in the local community for support and construction jobs as well as a million in annual tax revenue for local taxing entities and 20 million in biomass purchases annually for farmers in a 30 mile radius.

OTHER BUSINESS AND REPORTS AND UPDATES

CERT Update: Bair reported on the Steering Committee. Commissioner Warmka presented Commissioner Oeltjenbruns with a certificate thanking him for serving on the Steering Committee. Bair presented Commissioner Warmka a certificate for serving on the Steering Committee. Certificates were signed and will be sent to Brian Christiansen, Steve Davis, Kevin Vickerman, Jack Potter and Holli Arp. The Energy Board needs to replace John Oeltjenbruns with another Energy Board Commissioner. John Oeltjenbruns recommended David Henkels to serve as a Steering Committee Member.

M/S/P Oeltjenbruns, Magnus for David Henkels to serve on the SW CERT Steering Committee.

Bair also indicated that Roxanne Hayenga from MN West has agreed to serve on the Steering Committee replaces Steve Davis.

M/S/P Metz, Fox to approve Roxanne Hayenga to serve on the SW CERT Steering Committee.

SEED Grants: Bair directed the Energy Boards attention to the cards on the table for the CERT SEED Grants. Request for proposals for the 2014 SEED Grant are out and the deadline is October 18, 2013. Please get information to people regarding the SEED Grants.

PACE: Is one of the 5 projects moving forward which was reported on early.

Community Solar: The City of Sleepy Eye is interested in moving forward with a solar garden. Recently had a phone call from Tim Zinnel of Zinnel Electric who is proposing to work with the City of Sleepy Eye and look at a SEED Grant for the feasibility of installing community solar.

Mobile Renewable: Work on this has concentrated on looking at solar thermal for outdoor pools using hoses over rooftops over the pool house roof to collect heated water and return it into the pool room. Commissioner Metz indicated that the City of Adrian has had a system like that in place. Bair will follow-up with the City of Adrian.

Connecting CERT to YES Teams: Bair has been working with Sleepy Eye YES Team with ideas for the YES Team to move forward on projects. Distributed to the YES Team were 2 vending misers for indoor vending machines and using a hands-on approach for the students to use each year learning how much energy is used with the vending with and without the vending miser. There is one vending mending left and Bair proposes to approach the Prairie Ecology Bus to see if they could use if for a more hands-on learning to reach greater audience.

Energy on the Farm: Energy on the farm has not had any movement moving forward.

MEETING DATES – The next meeting is scheduled for November 25, 2013. Guest speaker is scheduled to be Heating the Midwest with Biomass. They are a volunteer organization. If the volunteer is unable to travel to SW Minnesota for the meeting, Bair will attempt to connect to them with Skype.

OTHER BUSINESS - The RLF Committee would like to be contacted via Doodle Poll and whenever possible use the fourth Monday as the meeting date to co-inside with the Energy Board to reduce travel time perhaps meeting prior to the Energy Board meeting as a working lunch.

- Commissioner Fox asked Commissioners to look at the NACo website. USEPA has got an October 31st deadline regarding water and issues dealing with water. If you do submit comment, cc Julie Ufner at NACo.

ADJOURN.

M/S/P Ritter, Johnson to adjourn the meeting at 2:45 p.m.

Minutes Prepared By Annette Bair, Staff.

Minutes Reviewed By:
Energy Board Secretary

Minutes Approved By:
Energy Board Chairperson

