

MINUTES
RURAL MN ENERGY BOARD MEETING
MONDAY May 24, 2010, 9:30 A.M.
CRD, SLAYTON, MN

MEMBERS PRESENT:

Blue Earth County	Will Purvis	Murray County	Kevin Vickerman
Chippewa County	Absent	Nobles County	Diane Thier
Cottonwood County....	John Oletjenbruns	Pipestone County	Marv Tinklenberg
Faribault County	Tom Warmka	Redwood County.....	John Schueller
Jackson County.....	Loren Tusa	Renville County.....	Robert Fox
Lincoln County	Larry Hansen	Rock County	Ken Hoime
Lyon.....	Steven Ritter	Watsonwan County ...	Scott Sanders
Martin County	Jack Potter	Yellow Medicine Co .	Jane Remiger
Mower County	Absent		

ALSO PRESENT: Jean Christoffels (Murray Co Zoning), Del Kooiman (Next Generation Power Systems), Yvonne Simon (Center for Rural Policy & Development), Vince Robinson (CWN), Jeff Vetsch (CERTS), Brian Ross (CR Planning/Solar Cities), Reggie Edwards (R9), Jay Trusty (Staff) and Annette Bair (Staff).

CALL TO ORDER: Chairman Fox called the meeting to order at 9:30 a.m.

PLEDGE OF ALLEGIANCE

ANNOUNCEMENTS: None.

INTRODUCTIONS: Everyone was asked to introduce themselves.

CHANGES TO THE AGENDA: Added CWN request to new business.

M/S/P Tinklenberg, Warmka to approve the amended agenda

MINUTES:

M/S/P Oletjenbruns, Warmka to approve the minutes of March 22, 2010 as written.

FINANCIAL REPORT: Treasurer Hansen reviewed the financial report and bills for the Rural Minnesota Energy Board. Bills submitted for review and approval are as follows: HGA \$4,300, SRDC for April \$400, SRDC for March \$2,100, Hoime \$94.10 and Fox for \$72.19.

M/S/P Thier, Hoime to approve the treasurers report and payment of bills.

EXPENSE POLICY: The RMEB gave direction to bring speakers in to the meetings regarding the various topics selected earlier this year, a policy on speaker reimbursement was discussed.

M/S/P Remiger, Tusa to approve mileage reimbursement at the IRS rate for speakers upon request.

SUBCOMMITTEE REPORTS

- **Legislative:** Trusty reported that he, Fox and Benson had met with the Governor Staff regarding the wind production tax and the affect of the levy limits. Nothing happened with it, and was unlikely that anything would be done while the levy limits are in effect. The levy limit will be going off in 2011; the RMEB feels that the production tax needs to be addressed.

While discussing the production tax language with the Governor Staff, the 40% cap of the name plate capacity was discussed. Production is now often over 40% of name plate capacity. The Governor's Office is looking at doing an administrative rule change of perhaps 60%.

- **Review of History of Board (and Task Force) Role in Production Tax language and Policy on Payment in Lieu of Taxes:** Bair was at a meeting where a wind developer indicated he is encouraging counties to do the Payment in Lieu of Taxes (instead of the Production Tax). The history of the Property Tax, Payment in Lieu of Tax and Production Tax was reviewed, including the predecessor of the RMEB - the SW Energy Task for county resolutions to work as a unit if negotiating a payment in lieu of tax. The original draft legislation was for Payment in Lieu of Property Tax.

Discussion involved requesting Trusty to get an update on the status of the 60% name plate capacity from the current 40%.

- **Rural Metro and LCCMR Steering Committee:** An Executive Summary of the project was the handout, the full report was sent on Sunday night electronically to the Commissioners. Trusty, Fox, Warmka, and Benson, the Metro County subcommittee, Ryan O'Connor met via conference call last Thursday regarding the document. A few minor changes were requested. A presentation before the LCCMR needs to be completed this summer. Commissioners commented that the real hurdle was financial. When the project began everyone was in good financial health, the bonding did not address the needs for the project and the levy limit reduced the ability of the counties to participate.

The RMEB will not be meeting before the final close out of the project, the RMEB authorized Fox to sign / pay the bills for the close out of the LCCMR Project. Commissioners indicated they wished to continue communication with the Metro Counties and to keep the relationship that has been built.

M/S/P: Warmka, Potter to authorize the chairman to pay the final bills for the LCCMR project.

M/S/P: Hansen, Warmka to approve the report to LCCMR.

Solar Energy and Zoning. Brian Ross, CR Planning - Mr. Ross extensive experience in renewable energy and energy efficiency policies and regulation. He has recently been involved with solar in a variety of ways, including helping several communities with addressing solar energy in their zoning ordinance, understanding potential nuisances and building issues, and considering how to create incentives

to leverage private investment in solar. He wrote the solar zoning ordinance in Stearns County in response to the St. John's solar farm application. A copy of the presentation will be posted on the RMEB website. Ross indicated that the primary detriment for solar potential is cloud cover. The optimum angle for solar panels, shingles, etc is between 15 to 45 degrees.

St Johns received a RDF Grant to install the 400 kW solar farm (3 acres used by panels, 5 acres total solar farm). The Stearns County Ordinance addresses Solar Farms (>100 kW) and Solar Accessory uses (<100kW). Some issues included - is it impervious surface? How is it assessed for taxes? Solar easement (to protect solar access from neighbor's trees), airplanes - use of low glare glass. References: Solar Powering your community: Guide for Local Government: http://www.solaramericacities.energy.gov/resources/guide_for_local_governments/

Ross also briefly explained the PACE Legislation - Property Assessed Clean Energy, passed by the legislature this year.

DISCUSSION OF SUMMER TOUR - LOCATION AND DATES: Commissioners discussed the potential field trip to St. Johns to view the solar farm and to Morris to view the wind generator during mid august - after the primaries.

MEMBER UPDATES ON ENERGY PROJECTS AND ISSUES: Mower County - Pleasant Valley Wind LLC, a 300MW wind farm - County accepted responsibility for local review and permitting authority for the transmission lines.

SW CERT UPDATES: Jeff Vetch and Annette Bair gave a SW CERT update.

- The Wind development and Transportation Workshop scheduled for the afternoon was cancelled due to low number of RSVP's
- Project Green Fleet is the newest CERT initiative. Free retrofits for diesel school buses.
- Vending miser was a success - 600 have been ordered.
- YES - 20 schools are participating. Springfield, Tracy and Westbrook Walnut Grove are a few in the south end of the Initiative Foundation area.

NEW BUSINESS

- CWN Request for resolution Robinson thanked the RMEB for their letter to the PUC at the April meeting. It did not have to be sent to the PUC, the letter was enough to entice Xcel to move forward with the PPA, it is waiting signature by Xcel. Xcel has asked that the RMEB send a resolution that agrees the CWN 30MW project fulfils 30 of the 60MW for community wind.

Discussion: Would this affect the CWS project? After reviewing the resolution, it specifically identifies 30 of the 60MW for CWN.

M/S/P Hansen, Warmka to approve Resolution 1-2010 that addresses that CWN fulfills 30MW of the 60MW of small locally owned wind projects condition placed on the Certificate of Need granted by order of the Minnesota Public Utilities Commission under docket number EW-002/CN-01-1958.

- Yvonne Simon of the Center for Rural Policy & Development reported on the Regional Competitiveness project its 1st year gathering in Mankato June 21 from 11:30 to 2 pm at MSU and asked if everyone received information. She was asked to send the information to Bair who would submit it to the RMEB members.
- Fox recognized Memorial Day on the following Monday and thanked all Veterans,

MEETING DATES: - Others on call by Chair.

2010 meeting dates: July 26, September 27, and November 22.

ADJOURN: The meeting was adjourned at 11:55 am by Chairman Fox.

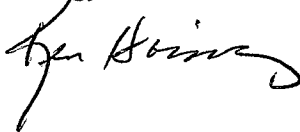
Minutes Prepared By Annette Bair, Staff.



Minutes Reviewed By:

Minutes Approved By:

Energy Board Secretary



Energy Board Chairperson

