

MINUTES
RURAL MN ENERGY BOARD MEETING
MONDAY March 26, 2012 1:00 P.M.
CRD, SLAYTON, MN

MEMBERS PRESENT:

Blue Earth County	Will Purvis	Murray County.....	Kevin Vickerman
Brown County	Dennis Potter	Nobles County	excused
Cottonwood County.....	John Oletjenbruns	Pipestone County	Marv Tinklenberg
Faribault County	excused	Redwood County	John Schueller
Freeborn County	Glen Mathiason	Renville County.....	Bob Fox
Jackson County.....	Dave Henkels	Rock County.....	Ken Hoime
Lincoln County	Larry Hansen	Sibley County	Jim Nytes
Lyon County	Steve Ritter	Watsonwan County	Scott Sanders
Martin County.....	excused	Yellow Medicine Co	absent
Mower County	absent		

ALSO PRESENT: Paul Pierson, USDA; Denny Timmerman, AURI; Yvonne Simon, CRPD; Mark Willers, Minwind Energy LLC; Randy Fordice, GRE/CAPX2020; Aaron Peterson, Juwi Wind LLC; Eric Swanson, Juwi Wind LLC attorney; Annette Bair, Staff.

CALL TO ORDER : The meeting was called to order at 1:00 p.m. by Vice Chair Vickerman.

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

ANNOUNCEMENTS AND INTRODUCTIONS: RMEB members were requested to review their respective county contact information for any updates.

CHANGES TO THE AGENDA: Yvonne Simon request time to give a short report. She was placed into Other Business.

M/S/P Tinklenberg, Ritter to approve the Agenda.

MINUTES:

M/S/P Oletjenbruns, Hansen to approve the minutes of February 13, 2012 as written.

TREASURER'S REPORT: Treasurer Hansen referred the Commissioners to the finance handout and reported that all dues have been received as well as dues from Freeborn and Brown counties. He also reviewed the bills that had been received for the meeting. One commissioner expense sheet for the Legislative breakfast was added to the bills for payment.

M/S/P Hoime, Schueller to approve the Financial report and payment of the following bills:

- \$928.70 to Fryberger for services through 2-29-2012
- \$1580 to SRDC Feb staff and financial staff
- \$198.60 to SRDC for ½ Legislative breakfast and set up fees and hotel room from Dave Henkels
- \$195.50 to Bob Fox mileage and hotel for legislative breakfast
- \$263.13 to David Henkels for Mileage and per diem legislative breakfast
- \$81.70 to Kevin Vickerman for hotel for the legislative breakfast

JOINT POWERS AGREEMENT: In February, Freeborn and Brown Counties were accepted as members of the RMEB. A revised Joint Powers Agreement was sent to the Counties on February 15, 2012 as per the 30 day review period identified in the Joint Powers Agreement.

M/S/P Fox, Purvis to approve the Joint Powers Agreement change reflecting the membership addition of Freeborn and Brown Counties.

Discussion: The changes were all on page 1 of the Agreement adding Freeborn and Brown Counties in two locations and changing 16 counties to 18 counties. The approved Change will be sent out to the Counties with the two new signature pages.

NEW MEMBERS: Sibley County requested to join the RMEB.

M/S/P Fox, Ritter to accept Sibley County as a member of the RMEB.

Discussion: The proposed changes in the Joint Powers Agreement reflecting addition of Sibley County will be sent to the Counties. The amendment will be brought to the June 4 meeting for action.

EXECUTIVE COMMITTEE: Bair reported that after a comparison between the Joint Powers Agreement and the approved Policies that there were no conflicts. The Executive Committee approved spending up to \$50 for refreshments at the April 2nd Financial Impacts of Building Retrofits for Public and Business Sectors. As such the RMEB is also recognized as a sponsor. The SW RDC will also share costs of refreshments for the workshop.

M/S/P Purvis, Hoime to approve spending up to \$50 for refreshments at the April 2nd Energy workshop.

LEGISLATIVE COMMITTEE: Commissioner Fox reported on the Legislative breakfast. Ten legislators had indicated they would be attending the breakfast, two called the day of the breakfast to indicate they would not be able to attend, three came to the breakfast. While it worked well last year, perhaps a different method should be explored next year. Wind production tax and the levy limits were discussed with the legislators that did come. One of the committee chairmen does not want to hear the bill unless levy limits go into effect. The RMEB has pushed for this language and would prefer the language be passed so it will not continue to be an issue.

Other legislative energy issues are the Renewable Energy Standard (RES) is not good for renewable energy in Minnesota, this Canadian Hydro bill that would eliminate the need for any development of renewable energy in Minnesota, including the development of the wind farms. Members could not understand why Senator Magnus signed on to the bill. Guest Mark Willers indicated that the Canadian Hydro will likely be accepted.

Other bills discussed included: Legislation by Rep Morrow and Sen Rosen related to ethanol tax; the Renewable Development Fund (RDF) bill language which is currently is taking the PUC out of the oversight with only Xcel energy to oversee –some entity should have oversight; also brought up was a Minnesota Utility supported bill regarding right of first refusal – to keep out of state utilities from owning transmission lines and power lines in Minnesota.

CAPX 2020 CONSTRUCTION UPDATE: Randy Fordice GRE/MG provided a CapX2020 update on the projected construction schedule and proposed road repair and maintenance plans. The project will be built in segments, beginning with the portion between the Helena substation in Scott County and the Cedar Mountain Substation in Renville County. The handout provided the project schedule at a glance from 2012 through 2015.

Fordice was asked about how the project would deal with broken tiles. There is an Agriculture Impact Plan and the project will be responsible for any damage to tile.

Members discussed touring the CAPX2020 project during construction this summer. Discussed was potentially moving the July 23 meeting date to July 30th, touring the lines in the morning and holding an RMEB meeting in the afternoon in Renville County. Fordice will check into the construction schedule and Bair will check with the Commissioners schedules.

Fordice concluded with thanking commissioners for visiting the LEED Platinum Building in Maple Grove. Bair indicated that she had heard from Commissioners that attended the tour and they enjoyed it very much.

REAP LETTERS: Bair reported that 10 letters of support have been signed by the RMEB for the REAP Grants. These letters of support are worth 10 point in the scoring of the grants and make the application competitive with others nationwide. Pierson added that 3 years ago, there was \$100 million for the REAP program, last year there was \$75 million and this year there is \$25 million. The application deadline is March 30th.

MEMBER UPDATES

- Rock – Geronimo plans to be up and running by end of year. The Ethanol plant is being converted to Isobutanol. New Vision west of Magnolia is also putting up a feedmill. With all the construction, there are not enough places in the county to eat and drink. Potential 2012 tour would be the Gevo plant.
- Pipestone - quiet, some of the Geronimo project may come into Pipestone Co.
- Lincoln - Quiet
- Cottonwood – nothing to report
- Jackson – A small Geronimo project is being developed in the County. Also Heron Lake Ethanol has converted from coal to natural gas.
- Freeborn – Shell Rock wind (24 to 28 towers) – does not seem to be moving forward, not sure why.
- Brown- have not heard anything about the status of the wind project on the west side of the county
- Blue Earth –Rapidan Dam was repaired during low flow.
- Sibley Co – CAPX2020 will be under construction soon. The Westco wind project with 13 large turbines has agreed to the Development Agreement regarding the financial aspects (\$1 million bond and \$300,000 security deposit). The county will like some assistance as it deals with the production tax on the turbines. Commissioner Vickerman indicated that the Murray County Treasurer/Assessor can help out.
- Renville – Franklin had over 100 people visit for the tour of the fire hall, city shop and offices that are now heated with biomass.
- Watonwan – no report.
- Redwood – two towers and holding.
- Lyon – no report.
- Murray – The solar project should begin construction after corn planting. This is also a potential tour, before or after a meeting.
- Guests –
 - Paul Pierson updated the Commissioners on projects in the various USDA Rural Development loan programs.
 - Yvonne Simon asked the Commissioners to report (send to Bair) examples of projects or issues where a city or county (policies, regulations, etc.) that help or hinder an energy related project

SW CERT UPDATE: Bair reported on the CERT Seed Grants – AURI is planning an April 10 workshop in Redwood Falls focused on using biomass instead of propane at poultry and greenhouse facilities. Region 9 Bulk Buy project will be a speaker at the June 4th meeting. MRES – they will be working on solar project tour – likely in the Pipestone area this summer.

At the June 4th meeting, the RMEB is requested to identify 3 new RMEB Commissioners to serve on the SW CERT Steering committee. Current m, the RMEB will be asked to identify three commissioners who would be willing to serve on the CERT Steering committee. Commissioners with expired terms are John Oeltjenbruns, David Benson, and Jack Potter.

OTHER BUSINESS: Mark Willers from Minwind, and Aaron Peterson and Eric Swanson from Juwi provided a history of the Community Wind South Project and details on how the nearly 10 year old project has reached the permitting and near construction stage. The RMEB was requested to re-confirm

that the Community Wind South project satisfies 30 megawatts of the 60 megawatts of “small locally owned wind projects”, the Condition placed on the Certificate of Need granted by Order of the Minnesota Public Utilities Commission under Docket No. EW-002/CN-01-1958. The RMEB was formerly known as the Rural Minnesota Energy Task Force and obtained Intervenor status (representing interests of communities most impacted by transmission facilities) in the proceedings before the PUC in Docket No EW-002/CN-01-1958 and as such was identified in the PUC order to identify the 60 MW of small locally owned wind power projects.

The history and delay of the project included being included in the Group 5 FERC Transmission study, where study costs for the MISO Interconnect changed from \$168000 to \$52 million (and then an error was discovered) and the cost was changed \$62 million. Since last May there was a new ruling and the project was given a 30 day window to prove they had secured and paid for all the wind turbines (\$50 million). Originally in the Group 5 Study there were 3000MW to be built. But not all could acquire the turbines, financing, and PPA required in the short time frame. The last numbers are 1746 MW. In the past 150 days, the ITC has been scrutinizing all the projects.

Juwi (stands for Yung and Willenbacher) and will own 95% of the project and 5% will be owned locally on a first come first serve basis. If the entire 5% is not sold, it will be held by a local corporation and used to assist community projects, education, scholarships, etc. The reason for the more detailed resolution is because the bank for the project wanted to make sure the RMEB understood why it was set up as it was. The 5% will be not be set up as an LLC, but as a corporation which will serve as a blocker, and ensures that the local ownership will not pass to others such as non-profits, per DOE regulation. The power purchase is for 20 years. Clarified was that the 5% offering will be as detailed in the PUC order – those that were impacted by the transmission lines and offered from the start and not waiting for a flip in 10 or 15 years.

M/S/P Fox, Hoime to approve Resolution 1-2012, a resolution that reaffirms the determination that the CWS project with its local ownership opportunities meets the Minnesota PUC Order for “small locally-owned” wind project and identifies and further identifies the local ownership and offering in Attachment A of the Resolution.

ITV. Bair indicated that the Solid Waste Joint Powers that met in the morning and reviewed a ITV access survey – many of which were members of the RMEB. Bair was asked to survey the remained of the RMEB Counties and place Technology on the agenda for the June 4th meeting.

MEETING DATES: 2012 meeting dates are June 4th (set dues for 2013), July 23, may be replaced by a July 30 CAPX2020 tour and meeting in the Renville Co area; September 24th, November 26 (revisit the 2013 dues set in June, develop draft 2013 budget).

ADJOURN: Vice Chair Vickerman adjourned the meeting at 3:30 pm.

Minutes Prepared By Annette Bair, Staff.

Minutes Reviewed By:


Energy Board Secretary

Minutes Approved By: 

Energy Board Chairperson