

PRESS RELEASE



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New Law Passed to Advance Community Energy Projects Next Generation Energy Act Helps MN Farmers and Small Businesses Build Renewable Energy Projects

St. Paul, MN – Today Governor Tim Pawlenty signed the Next Generation Energy Act (SF145), which includes critical provisions that will help rural communities build wind farms, biomass power plants and other renewable energy facilities. The legislature passed the bill on Sunday with strong bipartisan support.

This community-based energy development (C-BED) legislation helps rural communities plan, build and own renewable energy facilities themselves, thereby keeping energy dollars in local economies. A number of studies have shown that local ownership of wind farms at least triples local financial benefits relative to ownership of wind facilities by large outside companies (see references, below).

“This legislation keeps Minnesota at the cutting edge of community wind energy development nationwide,” said Lisa Daniels, Executive Director of Windustry. She added, “Currently, Minnesotans own more wind power projects than residents of other states.” Thirty percent (275 MW out of 895 MW) of Minnesota’s wind energy capacity is community-based.

Andrew Falk, a wind developer near Benson Minnesota said, “First, we must thank State Representative Aaron Peterson for his incredible work and leadership on this important issue. Communities want to take an active role in meeting the energy needs of the 21st century with locally-owned renewable energy resources. This piece of legislation assists the utilities and the regulatory agencies in comprehending the value of community-based energy development (C-BED) projects.

A key provision in the bill prevents wind energy development companies from buying wind rights from landowners and then not developing them within a reasonable time. “All over the country, wind energy is hot so large companies are buying up wind rights before the competition drives up prices,”

noted Daniels. “The law protects landowners in this exploding market by requiring developers to finish building projects within seven years or renegotiate their deals with landowners.”

The legislation also makes it easier for local governments to own wind energy projects, and it allows counties, rather than just the state government, to permit projects as large as 25 MW. “These changes in law will help cities, counties, school districts and other local agencies develop, own and benefit from wind farms,” said David Benson, Nobles County Commissioner. He added, “Local ownership of wind projects helps ensure that a broader spectrum of Minnesotans benefit financially from renewable energy and it also helps make rural communities more energy independent.”

“Farmers all over the state want to earn more hard dollars from wind farms,” added Daniels, “but, our current regulatory and tax system makes entry into this new business opportunity needlessly cumbersome. This new law removes some barriers and will help us deal with future ones.”

The legislation includes provisions that:

- Allow counties to take over permitting authority to site wind energy facilities up to 25 MN in size, up from 5 MW, and impose higher standards than state law.
- Allow local governments to own wind energy projects with more than two turbines without partnering with other entities.
- Require utilities to study the amount of renewable energy that can be connected to existing local transmission lines and substations with minimal upgrades, thereby using existing utility infrastructure more efficiently and delaying the need for new large transmission lines.
- Require that developers finish projects within 7 years or renegotiate land development agreements with landowners to extend these agreements.
- Require the Department of Commerce to consider the C-BED economic benefits that flow to all local interests, not just the project developer, when approving C-BED projects.
- Allow C-BED developers to negotiate market-based rates unhindered by an out-of-date price cap.
- Require utilities to consider contracting with C-BED projects to comply with the Renewable Energy Standard adopted by the State in February.
- Allow utilities to partner with C-BED projects.
- Require a variety of studies on emerging community energy issues.

For information about the economic benefits of community wind relative to other development, go to: <http://www.windustry.org/community/default.htm#Why%20Community%20Wind>

For the text of and other information about the Next Generation Energy Act, SF 145, go to: http://www.revisor.leg.state.mn.us/revisor/pages/search_status/status_detail.php?b=Senate&f=sf145&sn=0&y=2007

Windustry is a non-profit organization working to increase wind energy opportunities for rural landowners and communities by providing technical support and creating tools for analysis.

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