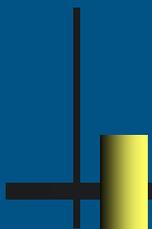


Community Wind Energy Opportunities



Lisa Daniels,
Windustry
Executive Director

WPA States Summit
May 19, 2005

Windustry

- Creating an understanding of wind energy opportunities for rural economic benefit.
- Non-profit organization based in Minneapolis, MN
- The Windustry Newsletter
- www.Windustry.org
- Wind Easement Agreements
- Nat'l Community Wind Energy Conference
- Wind Farmers Network

Spectrum of Wind Projects

Levels of Local Involvement

Varying Degrees of local Involvement/Value-added

- Some local organizing, equity and investment.
- Example: Trimont



Local Involvement

- Public Projects
- Local Investor or Farmer Owned Projects
- Examples: Minwind Energy, Spirit Lake Schools, Algona, IA

External Involvement

- Conventional Developer Owned Wind Projects
- Local involvement limited to taxes, land leases, and indirect economic benefits
- Examples: Top of Iowa, Lake Benton I and II

What is Community Wind?

Working Definition:

Locally owned, commercial-scale wind projects that optimize local benefits.

- Locally owned means that one or more members of the local community has a significant direct financial stake in the project other than through land lease payments, tax revenue, or other payments in lieu of taxes.
- Local means as close to the project as possible, but at least a resident or entity made up of residents from the state where the project is built.

Spectrum of Community Wind Community Ownership

- **Institutions**
- **Private Schools/Colleges**
- **Public/private partnerships**



Public Ownership

- **Municipal Utilities**
- **Public Schools**
- **Municipalities**



Private Ownership

- **Individual Farmers**
- **Groups of Local landowners/investors**
- **Local Businesses**

Wind Energy – An Economic Opportunity for Rural Communities

■ **Benefits of Conventional Wind Projects**

- Wind easements and land owner payments (\$3,000-\$5,000 per year per MW)
- Local tax revenue
(Lincoln County collected \$471,822 from 156 MW in 2003)
- New jobs and investment in rural communities.

■ **Benefits of Community Wind Projects**

All of the above benefits, PLUS:

- Creates bigger economic opportunity for farmers, local investors, industry, and local businesses.
- Keeps energy dollars local and electricity sales revenue local.
- Builds more local support for wind energy by keeping more of the benefits local.

Wind is good, but what kind is best?

OWNERSHIP

		Local	External
C O S T	Least Cost	Most Desirable	
	Not Least Cost		Least Desirable



Key Incentives in leading Community Wind States

■ Minnesota:

- Production payment for projects under 2 MW.
- Standard tariff and power purchase contract for wind projects under 2 MW.
- C-BED Tariff - being strongly considered in the Minnesota legislature

■ Iowa:

- Iowa Energy Bank- low interest loans
- Net metering- unlimited for matched loads
- Newly Passed: Production Tax Credit for project under 2.5 MW

Key Incentives in leading Community Wind States (cont.)

- Successful incentives address financing issues, provide access to capital, and/or strengthen the market for Community wind.

Community Involvement

Minwind Energy Open House



Lawyers

USDA

**Elected
Officials**

**State
Energy
Office**

Accountants

Contractors

Bankers

**Minwind
Board**

**Equipment
Suppliers**

Developer

**Minwind
CEO**

Accountants



Investors

Illinois Rural Electric Cooperative

Pike County, Illinois

“A main thrust of our project is to see economic growth for our area. We want our turbine to attract other wind developers and demonstrate that wind works here. We calculated that a 100 turbine wind farm in our county would create \$5-9 million in local economic development through jobs, tourism, support businesses, etc. We consider our project a spring board. ”



IREC Engineering
Manager and project
leader Sean Middleton.

SMI & Hydraulics, Inc.

Porter, Minnesota

Photos courtesy www.smihyd.com



Wind is good, but what kind is best?

OWNERSHIP

C
O
S
T

Least
Cost

**Most
Desirable**

**Value
Judgment**

Not
Least
Cost

**Value
Judgment**

**Least
Desirable**



Wind is good, but what kind is best?

OWNERSHIP

		Local	External
C O S T	Least Cost	Most Desirable	Value Judgment
	Not Least Cost	Value Judgment	Least Desirable

An upward-pointing arrow is located between the two rows of the 'Local' column, pointing from 'Value Judgment' to 'Most Desirable'.



In closing

- Community Involvement
 - Across many sectors.
- Leadership
 - Elected Officials and Utilities leading the community to use local resources and expertise.
- Building industry in the rural economy
 - Equipment, Contractors, Materials suppliers, Fabricators, and potential for manufacturers
 - Keeps added value of wind projects local.

Contact



Windustry
2105 First Avenue South
Minneapolis, Minnesota 55105

phone (612) 870-3462

e-mail lisadaniels@windustry.org

www.Windustry.org

