

SE CERT Meeting Summary

March 27, 2007

1. SE CERT/Experiment mixer on April 28th

Erin recently sent out an invitation to the SE CERT Steering Committee about attending a dinner to kick off Eagle Bluff's Sustainability Campaign. The dinner runs from 5 – 9 pm on April 28th. Erin's board, the Experiment in Rural Cooperation (ERC) is paying for this event (for a limited number of people) as a mixer between the ERC and SE CERTs. Folks should email Erin Tegtmeier to confirm their attendance (tegtm003@umn.edu).

2. Waseca Update (per Joel's contacts)

- Need to touch base with Kris Busse – what do they really want? Joel and Lissa are now trying to contact Roy Serk (Waseca Mayor) about this. There are several faculty and students interested in the project; we just need to narrow the focus.
- Northfield biology teacher who might be interested in something similar... maybe grow prairie grasses – maybe connect these people with Jason Hill?
- Sustainable Lands Unit for SE MN – how many acres of CRP may be coming out? Green Lands Blue Waters intern to promote this.

3. Southeast Regional Science Fair

It's happened!

- They offered to let their judges do the judging. The Science Fair folks will send a list of projects – looked like there were at least a dozen that fit the bill. We will acknowledge all students who did an energy project with a little award/note that thanks them for doing an energy project.
- We should find out soon who the winners are and will follow-up with winners.
- If we want to influence entrants should talk with Science Teachers in advance. We could also put some ideas on our website, so when press release goes out can have people refer to website and see what our ideas are – like efficiency, geothermal, solar or something.
- Anne will work with Sue and Ken Mann to track down winners and try to get a press opportunity from this award (to send to local newspapers). Will also invite the students to come and present their project ideas to the team (with picture of them presenting to team). We'll put their names on the website!
- Next time around we'll do more publicity upfront. Positive publicity pays.

4. Follow up from Fillmore County event and looking to the future

Joe reported that 80 people showed up @ Eagle Bluff for the first meeting. They would like to have a meeting on Friday afternoon, May 11th as follow up (1 – 4 pm). 20 other folks sent in community wind surveys. There are good wind sites and good interconnection locations.

- For Event:
 - Concerned about 2025 statute and people wanting to put up 80-90 turbines and signing up people and reserving their land. Want to inform people about a good lease & PPAs so that land owners are knowledgeable and not blind sided.
 - For event, they've talked to Farmers Wind Advisory Group, Windustry, and others. Plan to have good wind maps available.

- Educating rural land owners to how-to's – individual and community options separated? Can be value in everyone hearing the same information.
- What about something about financing – CREBs, Plainview Bank?
- County zoning materials
- Maybe bring in speakers who now live with wind to hear their perspectives – like folks from SW (Jim Nichols).
- Maybe limit the first meeting to informing people – public leases and other options, what the resource is and where the lines are. Don't overwhelm folks – plan for a future meeting.
- Goal to head off opposition? Yes, but also to inform and ensure that folks don't get snowed. Allow people to buy in at smaller scales, etc.
- Could do brief visits to public commission/council meetings. Maybe talking to land use planning (P&Z Meetings). Allow community to discuss where they want wind generators. Fillmore Co. is still pretty rural – especially east of Harmony. Would need to keep location, location, location in mind.
- FPL project near Teope (Mower County) – looking @ 50 units or so?
- Joe will send out an email with potential agenda ideas. Maybe schedule a series of 3 events.

5. Kenyon Wind Hearing

Joe went to this public meeting and was surprised that it was not a positive experience. The short term plan is for a 9 turbine project (each 2 MW Suzlons); the full plan calls for 18 turbines. About 100 people were present; most of them opposed the project; they've even formed a community group to oppose the project. Lisa Daniels and Rory Artig are involved. Some guy bought a house after the first of the year, and now finds out turbines are going in – thinks it's unfair and un-American.

- Is there a network building out of Cape Cod objections?
- Had a series of good presentations. Had an Xcel Energy person (PPA and RES), Suzlon person (quality of turbines), realtor to look @ sale of lands around Northfield and Dodge Center (land selling for more within one mile that outside of one mile).
- Maybe next time CERTs could go in advance and talk to people about benefits of wind and why we might want community-owned wind. Siting is phase at which people get pissed off – need to inform them in advance.
- Main issues are property values and noise. One individual wants guarantee that land value will stay same (or developers will compensate). Also concern about television reception (DOC says this is regulated).

6. Small city wood fired heating/electric generation plants

Roger Wacek has this idea, but he's just not sure who to engage @ SMMPA. Roger sees all of these old pallet and wood piles at the local landfill; sees tree trimmers piling up wood to simply burn. Why aren't we using this? Why wouldn't SMMPA be interested in co-firing. Rochester boiler could use wood, but they have lots of reasons why they can't or wouldn't. It seems harder to utilize biomass at these industrial levels because operators know how to work with their specific systems. Also have to deal with tars and clinkers. This can all be engineered around, but haven't had incentive to do so. If SMMPA isn't interested, maybe Xcel would be... French Island or site in Mankato? NSP could do much more co-firing of wood (only do 10%) @ French Island. Could do up to 50%, but stay low just to cover their air permit.

Might even be opportunity to make wood pellets for use in corn burners. Pork-&-Plants owner has a proposal in to Hiawatha RC&D to convert wood to pellets for corn stoves. Look at Bixby Energy Systems example... business plan is to provide fuel (8000 BTUs/lb) to supply their stoves. Eventually will go to liquid fuels as well (for oil-fired burners). Bixby has a pilot pyrolysis system up in Rogers to produce liquid fuels for their new stoves (Roger Ruan doing the research). Want to look @ locations/businesses with 50 mile radius to produce local fuels. Potential concern with some wood stoves (boilers) is that they are causing air pollution issues because people aren't burning the right stuff hot enough. Manufacturers aren't providing the right specs – tell people they can burn everything.

Maybe we should go visit District Energy? They are now coming all the way down to Northfield to get fuel. Red Wing Incinerator is now burning less trash because they aren't receiving enough (trucks can get better tipping fee elsewhere) and same with Xcel – it's now burning more coal.

7. Rochester Projects

Olmsted CERT wants information about Rochester's good "green" projects to do some positive publicity. Maybe we could also approach other communities about what they could do using a few Rochester examples – all could be added to the "What you can do NOW" list CERTs has developed. For example:

- Rochester contracted with Johnson Controls to do a complete overhaul of their buildings. To do the work they signed a lease-purchase agreement for the equipment & engineering services that allowed them to invest NO money upfront, but over 12 years would allow them to offset the costs with the energy dollar savings. There are some questions about who really benefits financially in the end from these deals, but without this structure, Rochester might not otherwise have made these investments or had the staff to do it.
- Rochester changed out red lights a few years ago, but have now changed out remaining 3000 lights – green, yellow, etc. – dropped energy costs 85%.
- Use heat from equipment to heat locker rooms in Hockey Arena.

8. Other items:

- Rich mentioned the website: www.greenenergytv.com
- Roger mentioned that he saw standard motion sensor lights (LED) powered by PV for \$35 at Tractor Service Center.
- In discussing Rochester's work, Anne mentioned that Johnson Controls is now planning to retain rights to green tags and white tags for trade on carbon markets. In follow-up to the meeting Michael Pieper of Johnson Controls posted a good description of these tags and their potential usage on the CERT list serve. It read as follows:
 - "green tags" - a quantity of GHG emissions that is displaced by the use of "green power" (renewable energy/reduction of fossil fuel use).
 - "white tags" - a quantity of GHG emissions that is displaced by implementing building efficiency measures (reduction of fossil fuel use).
 - Tags/credits are continually being generated by the project (a yearly source of revenue generated from the project).
 - The United States market (value) for tags/credits is growing, Europe is a more mature market (where the United States is heading).

- Some States mandate that a company needs to offset new GHG emissions due to expansion by purchasing a equal amount of tags/credits to offset their environmental impact. Therefore your home State might not have a market for your tags/credits, but someone in another State might have a desire to purchase your tags/credits (i.e. JCI renovated the City of Duluth's central plant which generated tags/credits, JCI arranged the sale of Duluth's tags/credits to a company in the Northwest for around \$1 million (15 years worth of tags/credits). Duluth used the \$1 million like a grant to pay down their initial cost/debt.
 - If a power company is using the project to meet their portfolio requirement for renewable energy (i.e., wind) then they must hold the tags/credits. Most PPA contracts in the Midwest stipulate that the tags/credits are property of the utility purchasing the power.
 - Read the fine print: most utility rebate programs stipulate that tags/credits generated by your project are property of the utility company (when you cash the check).
 - The key is to determine your baseline prior to your project, so that you can determine/claim your tags/credits and if all you do is hold on to them they will come in handy some time in the not to distant future when we will all be mandated to either curb our dependence on fossil fuels or own/hold tags/credits.
- Also related to building efficiency... most equipment is overbuilt by factor of 100% - so if you were to just size equipment for buildings PROPERLY, you would have HUGE savings. Energy Code (since 1996) now requires equipment to be sized properly, but where is enforcement and who would really know?
 - Some mentioned that there is a Federal Credit of \$1.80/sq ft for LEED Certified. Here are the details:

The Internal Revenue Service (IRS) released its advance *Notice 2006-52* "Deduction for Energy-Efficient Commercial Buildings" in June 2006. The notice provided information about tax deductions available for owners or lessees of commercial buildings, excluding non-profit government buildings, that install energy-efficient property between Dec. 31, 2005, and Jan. 1, 2008. The IRS notice, which is required by EAct 2005, offers tax deductions of up to \$1.80 per square foot for taxpayers who own or lease buildings that achieve 50-percent energy savings or better. Building upgrades obtaining less than 50-percent (but at least 162/3-percent) energy savings qualify for deductions of up to 60 cents per square foot. Building property that qualifies for the energy-efficient tax deduction includes the building envelope, interior lighting systems, and HVAC and hot-water systems. Taxpayers who qualify for the deduction are required to submit certification of the energy savings achieved in their buildings. Certification is required by independent professionals who have met qualifications specified in *IRS Notice 2006-52* and who use U.S. Department of Energy-approved energy-efficiency calculation software. A qualified individual is:

- Not related (does not have an employer/employee relationship) to the taxpayer claiming the deduction.
- An engineer or contractor that is properly licensed as a professional engineer or contractor in the jurisdiction in which the building is located.
- Has represented, in writing, to the taxpayer that he or she has the requisite qualifications to provide the certification required or/and to perform the inspection required."

"To earn a tax deduction, the IRS requires in *Notice 2006-52 Section 2.02(1)(c)* that: "It is certified that the interior lighting systems; heating, cooling, ventilation, and hot-water systems; and building envelope that have been incorporated into the building, or that the taxpayer plans to incorporate into the building subsequent to the installation of such property, will reduce the total annual energy and power costs with respect to combined usage of the building's heating, cooling, ventilation, hot water, and interior lighting systems by 50 percent or more as compared to a Reference Building that meets the minimum requirements of (ASHRAE) *Standard 90.1-2001*."

- CERT Funding: Lissa announced that CERTs had been included in the Governor's budget package along with the Senate and House Energy Finance Committees' packages. If this

funding award makes it through the final legislative process, CERTs would have a much greater pot of money for each regional team to use to encourage local energy projects. In light of this potential funding, it seems like the Steering Committee may want to do a bit of strategic planning, talk about its project priorities, and discuss roles and responsibilities of Steering Committee members. These items will be part of the agenda at the next Steering Committee meeting.

Next meeting is Thursday, April 26th @ the Heinz Center in Rochester.