



Policies to Support Community Wind

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Agenda

- Why Community Wind
- Community Wind Success Stories
- Model State Policy
- Federal Incentives



What Is Community Wind?

For the purposes of this discussion, community wind is...

- Utility-scale turbines (1.5-3MW each)
- Smaller projects (up to 10-20 MW)
- Private or Public Ownership
- Developed and/or owned by local persons or entities



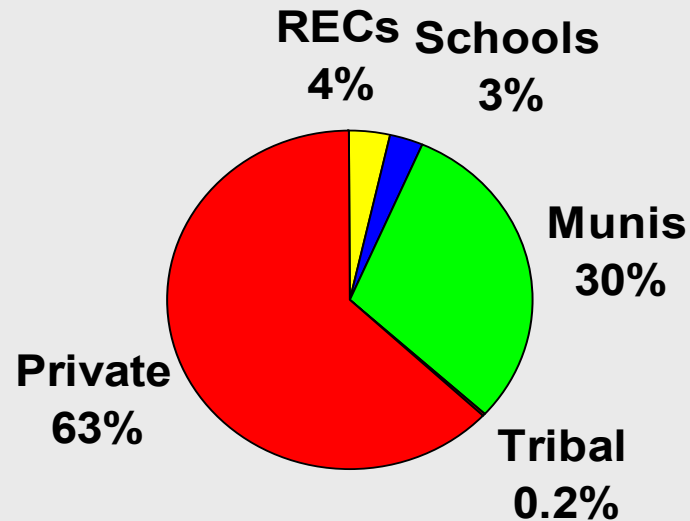
Why Community Wind?

- Local ownership creates local wealth
- Locally owned projects use local services
- Locally-owned projects build support for larger projects
- Local projects more easily integrated into transmission grid
- Wind energy uniquely lends itself to a community-ownership model



U.S. Community Wind Projects

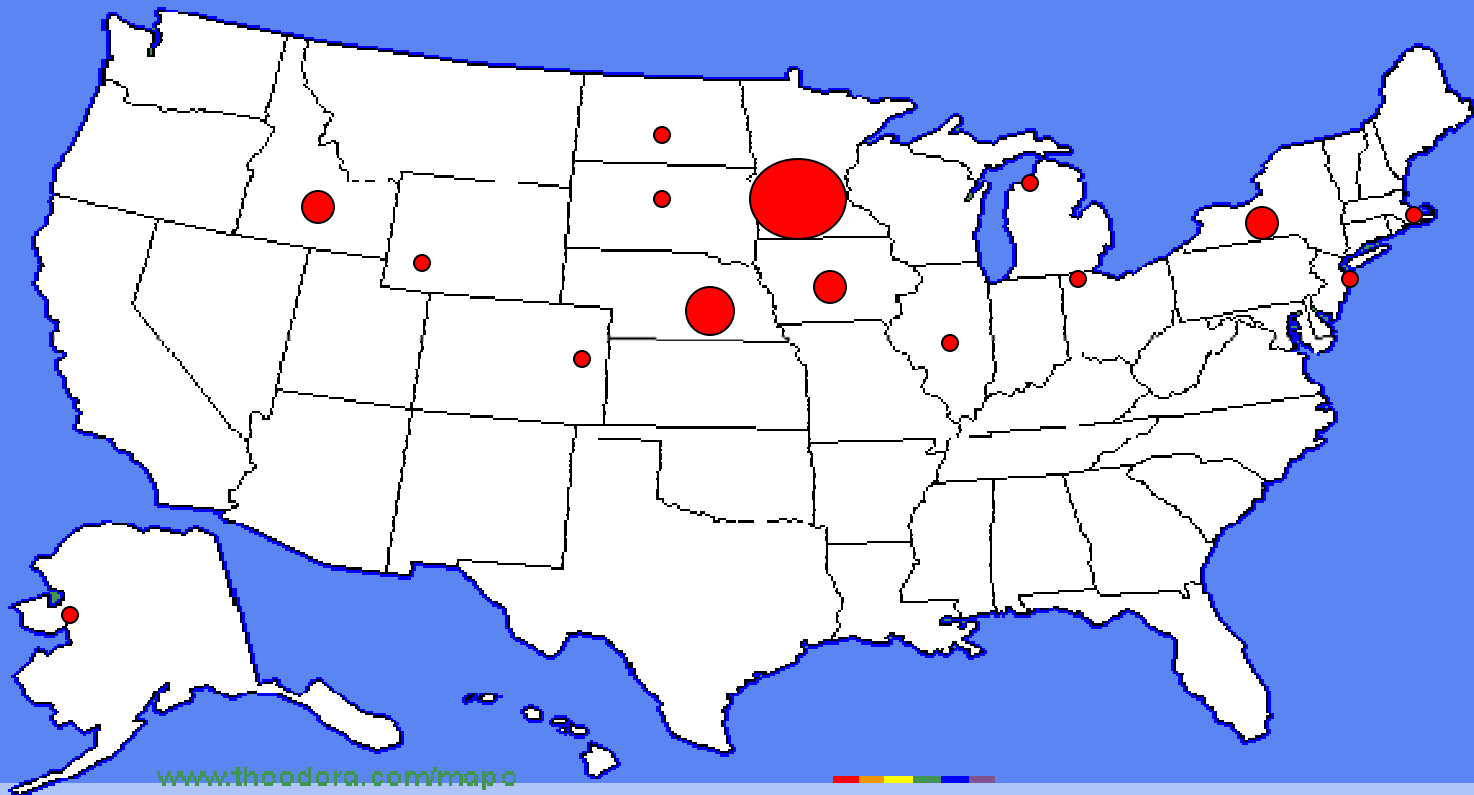
Over 400 MW of community wind capacity in the U.S.



...and more on the way.



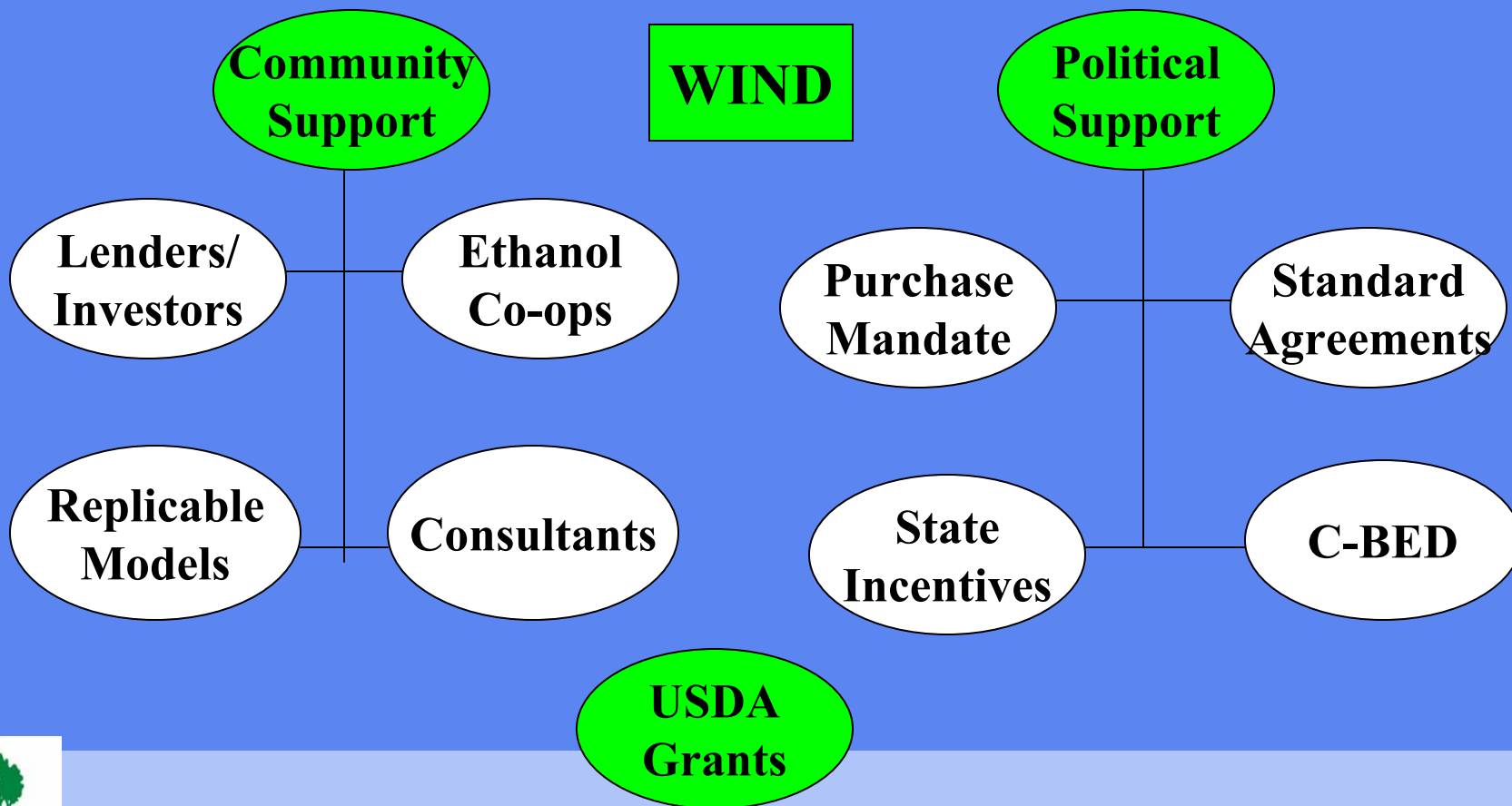
Community Wind is Noticeably Absent from States with Greatest Installed Capacity



Excludes projects under development

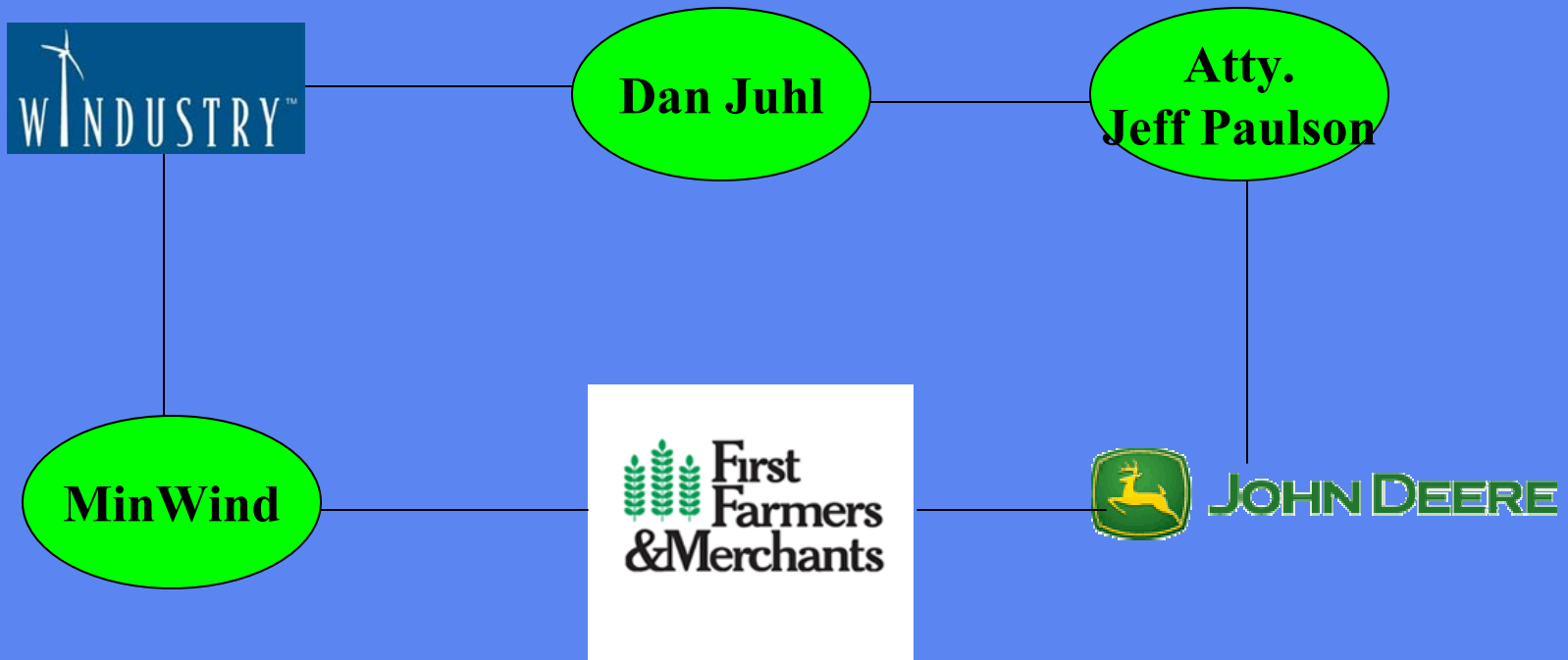


Why is Community-Owned Wind Flourishing in Minnesota?



What Is Driving Community Wind Development Today?

Networks of Advocates, Consultants, Lenders and Investors



“Co-op” Ownership: MinWind I-IX

Project Description: 9 identical 1.9MW (2 turbine) projects in Buffalo Ridge area of SW Minnesota

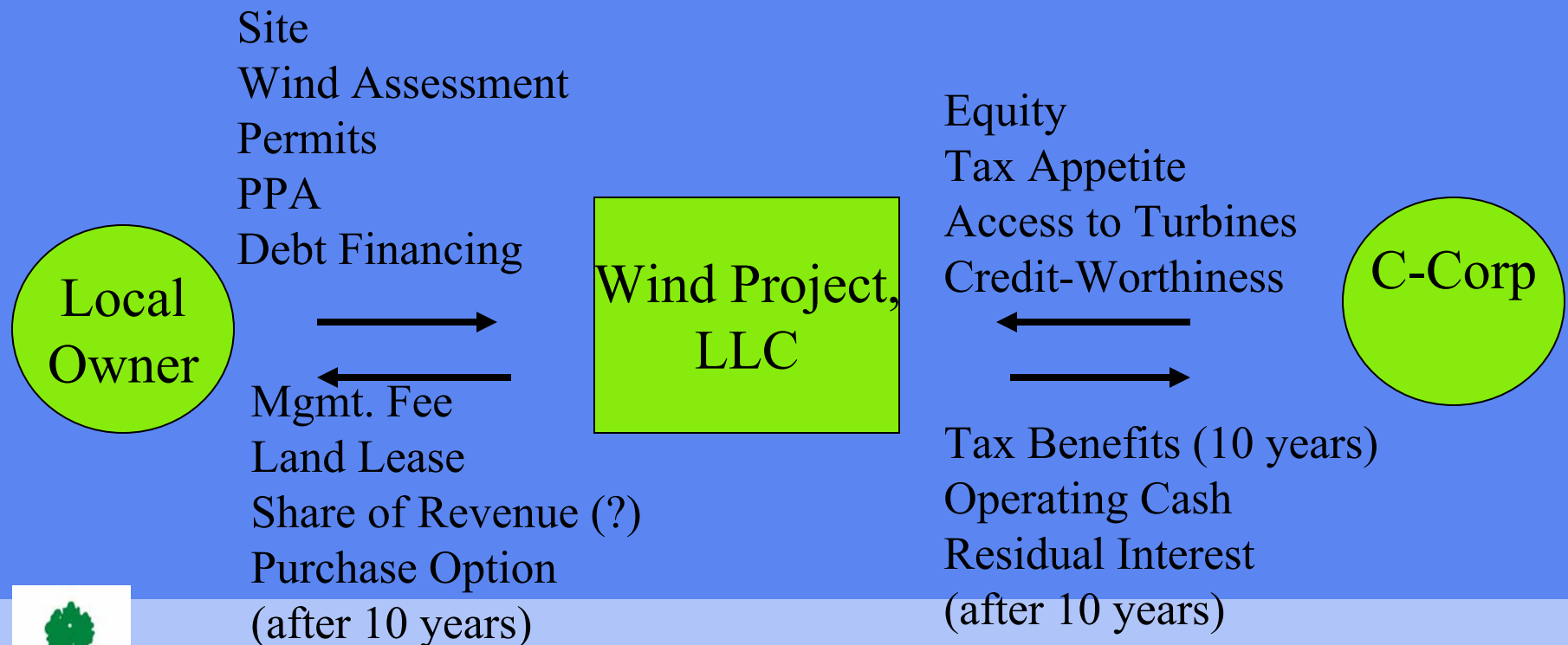
Ownership Structure: Organized as LLC's, 33 investors per project, 85% of shares reserved for farmers

Minimum Investment: \$5,000. Done as a private placement.

Financial Incentives: USDA Farm Bill grants (MinWind III-IX), Minnesota small wind production incentive, federal PTC



Flip Model Schematic



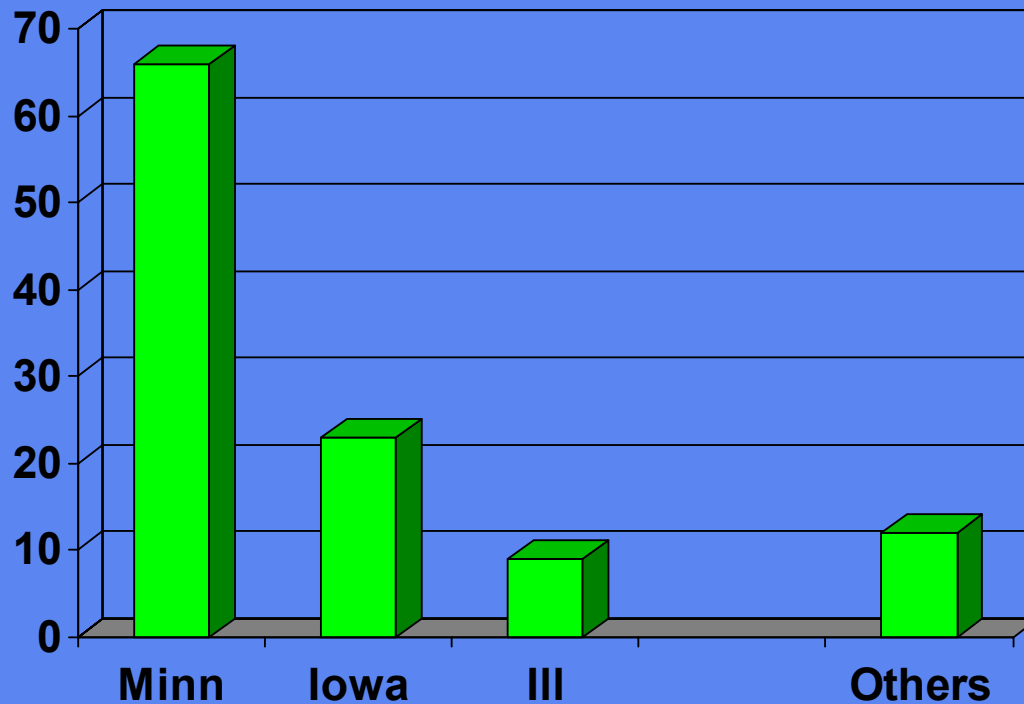
Farm Bill Section 9006 Program

- Currently authorized at \$23 million per year
- Grants up to \$500,000 (25% of project cost) or loan guarantees up to \$10 million
- Eligible applicants are farmers, ranchers and “rural businesses”
- Potential funding up to \$250 million in next Farm Bill



USDA Section 9006 Grants Have Supported 110 Community Wind Projects—340 MW

USDA Section 9006 Wind Grants by State: 2003-06



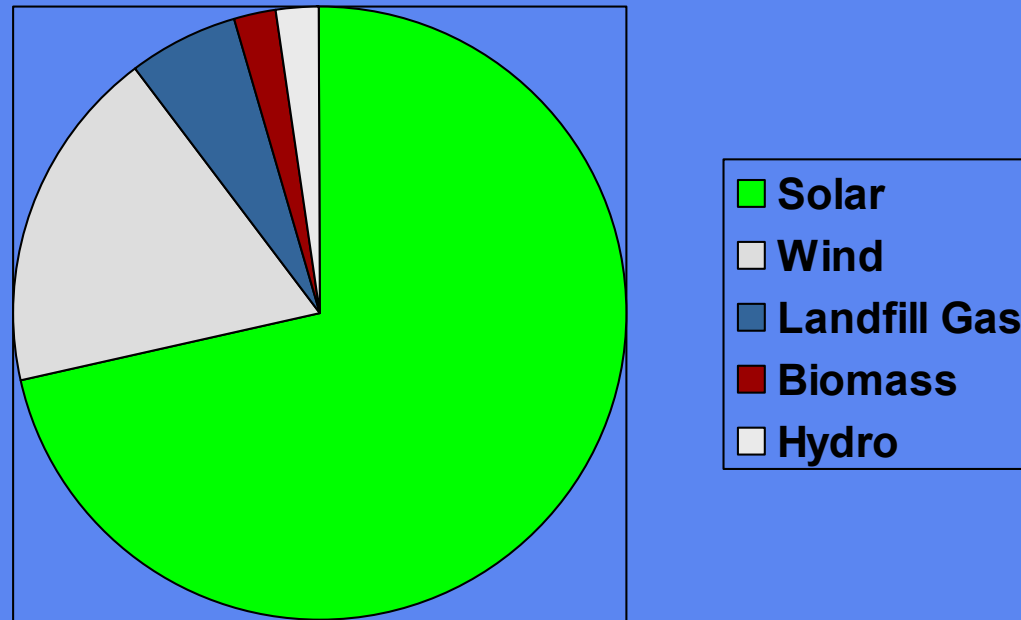
Clean Renewable Energy Bonds

- \$800 million authorized in first year, \$400 million in second
- Issuers are any unit of government, tribes, REC's and “clean energy bond lenders”
- Proceeds must be used for renewable energy projects
- Purchasers get tax credits instead of interest payments
- Applications exceeded available allocation by 3:1



Technology Breakdown of Awards

433 solar pv projects, primarily in California



What Can States Do to Support Community Wind?

1. Pass C-BED Tariffs
2. Carve-Outs in state RPS'
3. Simplify Interconnection Rules
4. Tradeable Tax Credit
5. Anemometer Loan Programs
6. Support Federal Incentives

