The Facts on Wind: A Proven Economic Development Tool

Minnesota is a national leader in developing wind energy, the fastest growing energy source in the world. Wind power is cleaner and safer than burning fossil fuels, and has vast potential in Minnesota. Minnesota ranks fourth in the nation in installed capacity of wind power. Wind energy has proven to be a vital tool for economic development in Minnesota. Landowner revenue, tax revenue, and personal income, have all increased because of wind development. Wind development creates quality jobs in rural communities and keeps energy dollars in the state.

Wind Energy Creates Jobs in Minnesota

- 31 new jobs are supported annually in Lincoln County for the operation and maintenance of 107 MW of wind
- 150 jobs were supported from 107 MW of construction in Lincoln County [1]

Photo courtesy of Don Habicht, Worthington Public Utilities

Wind development lightens the county tax load

Property Tax Revenue:

- Lincoln County 2002: $757,634 from 156 MW (25% of total county tax revenue) [2]
- Pipestone County 2002: $389,789 from 113 MW (10% of total county tax revenue) [3]
- Based on tax changes enacted in 2002, a 100 MW wind plant can be expected to generate about $370,000 in tax revenue for the entire life of a project

Everyone benefits from wind

Personal income increases in all economic sectors:

- The construction phase of 143 turbines in Lincoln County resulted in $98,000 in personal income across all economic sectors (primarily trade and services)
- The operation and maintenance phase of 143 turbines in Lincoln County resulted in $909,000 in personal income across all economic sectors (primarily transportation, communication, public utilities and services)

(per capita income in Lincoln County is only $19,935)

Southwest Regional Development Commission

the minnesota project

WINDUSTRY™

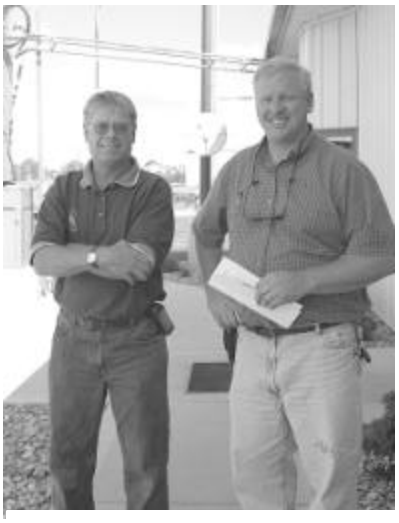

Photo courtesy of Windustry

Farmers have a new income source

Even without owning the turbines farmers benefit:

- A landowner typically gets an annual payment of up to $5000 per turbine if they are on the annual payment system. Based on typical turbine spacing and size, annual farm income can be increased by $70 per acre.
- Each 100 MW of new wind development in southwest Minnesota can be expected to generate about $250,000 per year in direct lease payments to landowners
- Payments for wind easements are usually annual payments, typically a land lease payment or a lease payments along with a royalty payment [5]

Farmer-owned wind projects are emerging

- When farmers or rural communities develop and own wind projects, nearly all the economic benefits stay local
- Minnesota is the only state in the nation with farmer owned commercial scale wind projects, due in part to Minnesota's Renewable Energy Production Payment
- Richard and Roger Kas of Woodstock, Minnesota own the first truly farmer-owned commercial-scale wind project in the U.S. Now there are a handful of similar projects in Minnesota.
- Minwind I and II are farmer-owned LLCs in Rock County that own four 950 kW wind turbines near Luverne. The projects have 66 local investors and require that 85 percent of the shares be owned by farmers.

Wind Power keeps energy dollars and jobs local

- Minnesota imports almost all of the fuel used to generate electricity. The MN Department of Commerce estimates that Minnesotans spend over $3.5 billion per year on electricity, nearly all of which leaves the state.
- Locally generated electricity from wind would help reduce net energy imports and keep more energy dollars here at home.
- Wind energy creates nearly 1/3 more jobs in the state than a coal plant and 2/3 more jobs than a nuclear power plant per unit of energy generated [6]

Photo courtesy of American Wind Energy Association

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1 National Wind Coordinating Committee. January 2003. *Assessment of the Economic Development Impacts of Wind Power.* Washington D.C. http://www.nationalwind.org/pubs/economic/econ_final_report.pdf
2 Jim Nichols. Lincoln County Commissioner.
3 Jack Keers. Pipestone County Commissioner
4 National Wind Coordinating Committee. January 2003. *Assessment of the Economic Development Impacts of Wind Power.* Washington D.C. http://www.nationalwind.org/pubs/economic/econ_final_report.pdf
5 American Wind Energy Associaiton. For more information visit, www.awea.org
6 National Wind Coordinating Committee. January 1997. The Effect of Wind Energy Development on State and Local Economies. http://www.nationalwind.org/pubs/wes/wes05.htm