

The Wind Industry Newsletter

DECEMBER 1999

Wind Energy Sails Into the Next Millennium

THE WHITE HOUSE and Congress reached an accord just before Thanksgiving to renew several expiring tax incentives, including an extension of the Federal Wind Energy Production Tax Credit.

The original Production Tax Credit (PTC) provided a 1.5 cent per kilowatt-hour credit for energy produced from a new facility brought online after December 31, 1993 and before July 1, 1999. The annual payment goes for the first ten years of the facility's existence. The PTC was created as part of the Energy Policy Act of 1992 (EPAct) to support investment in an emerging sector of the energy industry. The tax payment is a significant component in setting the price of wind energy contracts with utilities. As you can see from the tables below in 1999 there was a great deal of wind activity in Minnesota to get

wind facilities completed and officially online before the PTC expired. Most of these projects had



Buffalo Ridge in SW Minnesota

Photo: Mark Frederickson

been in planning and permitting stages for close to two or three years.

The PTC was just extended for new facilities coming online from July 1, 1999 through December 31, 2001. The PTC 1.5 cent per kilowatt-hour is indexed annually for inflation and is currently at 1.7 cents. The deal also would extend a tax credit for electricity produced not only from wind but also biomass and for the first time would allow the credit for electricity produced from chicken waste.

Now is the time to let the lawmakers know they did the right thing this session, and start to encourage them in the next session to make the PTC permanent and not wait until this extension expires. You can call the Congressional Information Operator at 202/225-3121 to ask for your member of Congress or Senators.

Minnesota projects prior to 1999

Location	Install Date	Size of Project	No. of Machines	Turbine Manufacturer	Contracting Utility (*Owner)
Marshall	1992	.600 MW	5	120 kW Wind World	Marshall Municipal Utilities (*NAE)
Buffalo Ridge	1994	25 MW	73	330 kW Kenetech	NSP (*LG&E)
Lake Benton I	1998	107 MW	143	750 kW Zond Z-48	NSP (*Enron)
Lac Qui Parle Valley H.S., Madison	1997	.225 MW	1	225 kW NEG Micon	Otter Tail Power (*Lac Qui Parle Valley H.S.)

Minnesota projects which started producing electricity in 1999

Location	Install Date	Size of Project	No. of Machines	Turbine Manufacturer	Contracting Utility (*Owner)
Chandler	Feb 1999	1.98 MW	3	750 kW Vestas V47	Great River Energy (*Foras)
Woodstock	Spring 1999	10.2 MW	17	600 kW Vestas V-44	NSP (*Dan Juhl)
Moorhead	May 1999	.750 MW	1	750 kW NEG Micon M-1800	*Moorhead Public Service
Lakota Ridge	May 1999	11.25 MW	15	750 kW NEG Micon M-1800	NSP (*NAE)
Shaokotan Hills	May 1999	11.88 MW	18	660 kW Vestas V47	NSP (*NAE)
Lake Benton II	June 1999	103 MW	138	750 kW Zond Z-50	NSP (*Enron)

Wind Powering America

ANNOUNCED IN JUNE, Wind Powering America is a new initiative designed to increase US wind power capacity to 5% of the nation's electricity supply by 2020. Through policy measures and new partnerships to address the current challenges of wind development, US Secretary of Energy Bill Richardson said the Administration "is taking steps to make wind a permanent presence in the nation's energy portfolio."

The three main goals for wind power development are:

- ▶ Provide at least 5% of the nation's electricity with wind energy by 2020
 - install 5,000 MW by 2005
 - install 10,000 MW by 2010
- ▶ Double the number of states with 20 MW or more wind capacity to 16 by 2005, and triple that number to 24 states by 2010;

- ▶ Increase the wind energy component of the federal government's use to 5% by 2010.

This commitment to dramatically increase the use of wind energy in the United States is also intended to help establish new sources of income for farmers, rural landowners and Native Americans; and to help meet the growing demand for clean sources of electricity.

For more information:

www.eren.doe.gov/windpoweringamerica

New Home, New Work, New Sponsors: *A Note from the Director*

THIS WIND ENERGY information project has grown and developed in many different ways in the past few months. A team of wind energy experts and enthusiasts have volunteered time and ideas over the last few months and I would like to extend a great big THANK YOU for their efforts.

Rory Artig, *Energy Division, MN Dept. of Commerce*

David Benson, *Farmer, Nobles County Commissioner*

Jim Boerboom, *MN Dept. of Agriculture*

Margaret Donahoe, *Office of the late Senator Janet Johnson*

Michael Noble, *Minnesotans for an Energy-Efficient Economy*

Brian Parsons, *National Renewable Energy Laboratory*

Lola Schoenrich, *Minnesota Project*

Christopher Reed, *Moorhead Public Service*

Janet Streff, *Energy Division, MN Dept. of Commerce*

I AM VERY PLEASED to report that the Windustry Project has new partnerships in sponsoring its work. This newsletter and the up coming town meetings listed to the right are now being sponsored by the Minnesota Department of Commerce, formerly part of the Dept. of Public Service (DPS). The purpose of this work is to provide rural landowners and community leaders with technical assistance and the latest information on wind energy development.

Also, I am excited to announce the Windustry Project is newly in association with the Institute for Agriculture and Trade Policy. This is a non-profit organization that does research, education, and advocacy work to address agriculture and rural community issues on local, national and international bases. Recognizing the potential economic, environmental and social benefits of wind power for such communities, the Institute has welcomed the chance to sponsor the Windustry Project. We have already begun to integrate our wind power agenda into the Institute's vision for sustainable rural

communities.

I will still be a partner of the SEED coalition, that I have been working with for the past 4 years. The SEED coalition is working to identify and promote opportunities for renewable energy and economic development.

I look forward to continued work with citizens and rural communities helping create new ways that wind energy can be a strong economic component in the rural economy.

With warmest regards for the Holiday Season,



Lisa Daniels, *Director*

The Windustry Project has all new contact information:

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WINDUSTRY PROJECT

2104 Irving Ave S
Minneapolis, MN 55405

On The Windustry Trail

This fall has been busy. Windustry and friends were at the big Wind Fest celebration in Lake Benton in September. Then Windustry participated in meetings held in Sioux Falls, South Dakota and at the Lower Sioux Community in Morton, Minnesota. Another noteworthy event was one of the first Wind Powering America meetings in Grand Forks, North Dakota.

Mark Your Calendars! Town Meetings in December

December 14 1:30 - 4:00pm
Lake Wilson, American Legion Hall

December 14 6:00 - 8:30pm
Lake Wilson, American Legion Hall

December 15 1:30 - 4:00pm
Worthington, Nobles County Courthouse

Did you Know?

Minnesota is #2 in the nation for wind power with 269 MW. Congratulations!!!

California has been the leader since the 1980's with wind generation at approximately 1700 MW. And Iowa is close behind Minnesota with 240 MW and Texas is coming right along with about 200 MW installed and more planned.